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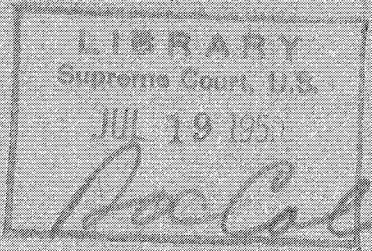
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*The Department of State*

# bulletin

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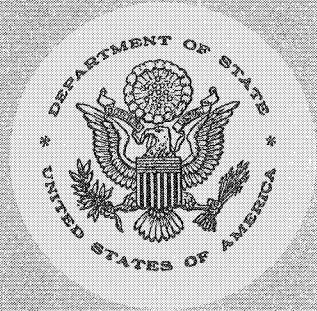
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*Vol. XXIII, No. 575*

*July 10, 1950*



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*The Department of State* bulletin

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## ACT OF AGGRESSION IN KOREA

### REVIEW OF U. N. AND U. S. ACTION TO RESTORE PEACE

*Address by Secretary Acheson*<sup>1</sup>

I would like to review with you the facts of the situation which I am sure is uppermost in your minds—the events which have been taking place and are now going on in Korea.

I think you will agree that this has been what newspaper men call a fast-breaking story.

The immediate events of the story go back less than 5 days. On Saturday afternoon—it was just before daybreak of Sunday morning in Korea—without warning and without provocation, Communist forces of the north launched a coordinated full-scale assault on the Republic of Korea. After heavy artillery fire, Communist infantry began crossing the 38th parallel at three points, while amphibious forces were landing at several points on the east coast, some 20 miles to the south.

First reports to reach the capital at Seoul, 30 miles below the 38th parallel, were fragmentary and confused. There had been small border forays on many previous occasions, and the magnitude of this attack was not immediately clear.

Our Ambassador at Seoul, John Muccio, immediately got in touch with Korean Army headquarters, through our Military Advisory Group, and, as soon as it became evident that this was more than another border incident, he cabled the State Department.

Ambassador Muccio's cable reached the State Department code room at 9:26 Saturday night, having crossed an inquiry the Department had sent to him a few minutes before, based on the first press flash on the action.

<sup>1</sup> Delivered before the 17th annual convention of the American Newspaper Guild, Washington, D. C., on June 29 and released to the press on the same date.

Within a matter of minutes, the message was decoded and the Department was alerted for action.

By 10:30 p.m., our Assistant Secretary for Far Eastern Affairs, Dean Rusk, and the Secretary of the Army, Frank Pace, were conferring at the Department.

By 11:00, Secretary Pace had alerted the Department of Defense, a full operating staff was on duty at our Bureau of Far Eastern Affairs, and I had discussed the situation by phone with the President.

Action developed along two fronts in the State Department during the night.

One group of Department officers worked through the night preparing for a meeting of the Security Council which we had immediately requested. The United Nations had established the Republic of Korea and had, since early 1948, maintained a Commission in Korea. We, therefore, felt a primary responsibility to bring this matter to the immediate attention of the United Nations.

By Sunday afternoon, within 20 hours of the time the first official word of this invasion was received here, the Security Council had taken its first action. Representatives of 10 member nations of the Security Council had been assembled from their Sunday places of rest—the eleventh was the representative of the Soviet Union, who stayed away. After hearing the report of the United Nations Commission concerning the unprovoked act of aggression, the Security Council passed a resolution which called for an immediate end to the fighting and for the assistance of all members in restoring the peace. All actions taken by the United States to restore the peace in Korea have been under the aegis of the United Nations.

Another group of Department officers, meanwhile, were working with their colleagues in the

Defense Department, consulting on measures to be taken within the framework of existing policy and plans and the emergency orders of the President.

#### **Complete Study Ready for President**

The President flew to Washington. By the time he had arrived, at 7:20 Sunday evening, completed staff work and recommendations had been prepared and were laid before him. The Departments of State and Defense had worked as one department, with complete agreement and coordination of effort.

During Sunday night and early Monday morning, actions flowing from the conference with the President were set in motion. General MacArthur was authorized to respond at once to urgent appeals from the Government of Korea for additional supplies of ammunition and in a matter of hours was flying into Korea loaded transport planes with fighter protection to assure their safe arrival. At about the same time, the Seventh Fleet with all men aboard was steaming north out of Subic Bay, to be on hand in case of need.

It became possible on Monday to get a clearer picture of the military situation, by sifting the fragmentary and sometimes conflicting reports we had been receiving from many different sources.

From the size and speed of the Communist attack, it was evident that it was a premeditated action; that it had been carefully plotted for many weeks before. The initial thrust, supported by planes and tanks, had clearly caught the Korean Government troops by surprise. Although the defending forces rallied and launched several small counteractions, it did not appear that they were in a position to bar the tank-and-plane-supported Communist thrust down the corridor to the capital city.

By Monday night, in the light of this situation, recommendations were prepared by the President's civil and military advisers on the course of action to be taken. In preparing these recommendations, it was clear to all concerned that this act of aggression had brought in issue the authority and, indeed, the continued existence of the United Nations and the security of the nations of the free world, including the United States and its forces in the Pacific. These recommendations were prepared with the sober realization of the issues in-

involved and with the full agreement of all the President's advisers.

As in many other situations which have arisen in the years in which I have served as Under Secretary and Secretary, the President was faced with difficult decisions which had to be made quickly. And as in the previous cases, the President assumed the responsibility, made the decisions, and has given leadership and direction to the entire action of the Government of the United States.

Consultations with Congressional leaders on Tuesday morning demonstrated a complete unity in understanding the problem and the course of action which needed to be taken.

At Tuesday noon, the President announced the actions which this Government would take to support the United Nations and uphold a rule of law in the Pacific area.

In the interval between the meetings of the Security Council on Sunday and again on Tuesday, the United Nations Commission on Korea had confirmed the fact that the Communist authorities in North Korea had ignored the cease-fire order and defied the authority of the United Nations. Therefore, the Security Council recommended at its meeting Tuesday night that member nations give aid to the Republic of Korea and help to restore peace and security to the area.

Yesterday—4 days after the fighting began—the fall of Seoul was confirmed, but American air and sea support for Korean Government troops was beginning to make itself felt, and peace-loving nations the world over were able to hope that this act of brutal, unprovoked, and naked aggression would not be allowed to succeed.

#### **Historical Background**

It may be useful at this point to review briefly the background of recent history against which the present act of aggression against Korea is to be considered.

Since the nineteenth century, American missionaries, doctors, and educators have been especially active in Korea, so that through the years of Japanese occupation, which began in the first decade of this century, the Korean people came to regard the United States as a symbol of the freedom and independence to which they aspired.

In the Cairo Declaration of December 1943, the United States, the United Kingdom, and China pledged their determination that Korea would be-

come free and independent. This pledge was reaffirmed in the Potsdam Declaration of July 26, 1945, and was subscribed to by the Soviet Union when it entered the war against Japan 13 days later.

The defeat of Japan made it possible for Korea to look forward to the realization of its desire for independence.

On the day following the first Japanese offer of surrender, which was made on August 10, 1945, the Secretary of War submitted to the Secretary of State a plan for the arrangements to be followed in accepting the surrender of Japanese troops in various places. To meet the immediate problem, it was proposed that the nearby Soviet troops accept the surrender of Japanese armed forces in Korea down to the 38th parallel and that American troops be brought up from Okinawa and the Philippines to accept the surrender of Japanese troops in the southern part of Korea. This arrangement was approved by the Joint Chiefs of Staff, the State-War-Navy Coordinating Committee, and the President and, after it had been accepted by Generalissimo Stalin, was incorporated in the first general order to be issued by General MacArthur as Supreme Commander for the Allied Powers on September 2, 1945.

Soviet troops had occupied the northern part of Korea on August 12. The Soviet desire and intention to put troops into Korea had been made evident at the Potsdam discussions, 1 month before. On September 8, American troops had been landed to accept the surrender of the Japanese in the southern part of Korea, and we began efforts to negotiate with the Soviet Union for the unification and independence of the country.

We soon found that the Soviet Union considered the 38th parallel not as a line drawn on a map for the sake of administrative convenience but as a wall around their preserve.

#### **U.S.S.R. BLOCKS KOREAN UNITY**

At the Moscow meeting of Foreign Ministers in December 1945, a joint commission for the unity and independence of Korea was agreed to between the Soviet Union and ourselves, but we found that every effort to give effect to this agreement and previous agreements was blocked by Soviet intransigence.

The United States was unwilling to permit this situation to delay further the realization of Korean independence.

This Government therefore laid the question of Korean independence before the United Nations. The General Assembly of the United Nations, in November 1947, called for an election in Korea under the observation of a United Nations Commission, to choose a representative national assembly for the purpose of drafting a democratic constitution and establishing a national government.

The Soviet Union refused to allow the United Nations Commission to enter its zone. Consequently, the right of the Korean people to participate in a free election to establish a free government was confined to southern Korea. The election was held there, and the Government of the Republic of Korea was established on August 15, 1948.

#### **U.S. EFFORTS TO SUPPORT REPUBLIC**

It has been the aim of the United States to provide the people of the Republic of Korea with sufficient assistance and support to enable them to progress through their own efforts toward freedom and independence. The transfer of functions from the United States Army Military Government to Korean agencies was carried out progressively from the moment of the establishment of the Republic.

The United States has continued to give assistance and support to the Republic, both within the framework of the United Nations and directly. We have trained and equipped Korean defense forces, we have extended economic aid and technical advice, fostered exchange of students and professors, and, in general, done everything possible to help the people of Korea in establishing a democratic political and economic structure responsive to their needs.

The Government of the Republic of Korea was accepted by the United Nations, in December 1948, as the validly elected, lawful Government of the area in which elections were permitted—and the only such Government in Korea. The General Assembly established a reconstituted Commission to continue to work for unification and a representative government for the entire country.

The United States recognized the new government on January 1, 1949. Many other members of the United Nations have since done the same. Membership of the Republic of Korea in the United Nations has been blocked by the Soviet veto.

#### **38TH PARALLEL—A PART OF THE IRON CURTAIN**

Meanwhile, the 38th parallel had become a part of the Iron Curtain. Behind that curtain, the Soviet Union established a Communist regime. The formal creation of this regime was proclaimed on September 9, 1948, as the so-called "Democratic People's Republic of Korea," claiming jurisdiction over the entire country. This regime has lived, as it was created, in complete defiance of the United Nations.

The great single fact which stands out from this summary history is that a peaceful people ruled by a sovereign independent government of their own choosing, brought into being by the United Nations and recognized by the great majority of the free nations of the world, was attacked in a cynical and brutal act of aggression.

We are confronted with a direct challenge to the United Nations. Whether this organization, which embodies our hopes for an international order based on peace with justice and freedom, can survive this test will depend upon the vigor with which it answers the challenge and the support which it receives from free nations.

#### **Free Nations Answer Aggression**

The President has enunciated the policy of this Government to do its utmost to uphold the sanctity of the Charter of the United Nations and the rule of law among nations. We are, therefore, in conformity with the resolutions of the Security Council of June 25 and June 27, giving air and sea support to the troops of the Korean Government. This action, pursuant to the Security Council resolutions, is solely for the purpose of restoring the Republic of Korea to its status prior to the invasion from the north and of reestablishing the peace broken by that aggression.

In order that the Communist movement may not further threaten the security of the Pacific area by force of arms, we shall increase military assistance to the Philippines and to the forces of France and the Associated States in Indochina.

The President has also ordered the Seventh Fleet to prevent any attack on Formosa, and we have called upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. This action is not intended to determine the future status of Formosa, which

can be settled only upon the restoration of peace and security in the Pacific, a peace settlement with Japan, or consideration by the United Nations.

As a further measure toward the restoration of peace, we have, through our Embassy in Moscow, asked the Soviet Government to exercise its influence with the North Korean authorities for the withdrawal of the invading forces and the cessation of hostilities in Korea.

In conclusion, the action of the United States Government in Korea is taken in support of the authority of the United Nations. It is taken to restore peace and security to the Pacific area.

It is taken in the conviction that peace and security cannot be obtained by sacrificing the independence of nations to aggression.

Free men the world over have spoken out with one voice since this dawn attack was launched 5 days ago. They endorse our resolve and stand with us in support of the United Nations. Those Governments in a position to provide armed forces to assist in the support of the Republic of Korea are already taking steps to provide that support.

It is now clear to all—if indeed, it was not clear before—that free nations must be united, they must be determined, and they must be strong, if they are to preserve their freedom and maintain a righteous peace. There is no other way.

#### **THE PRESIDENT AUTHORIZES USE OF GROUND UNITS**

*[Released to the press by the White House June 30]*

At a meeting with Congressional leaders at the White House this morning, the President, together with the Secretary of Defense, the Secretary of State, and the Joint Chiefs of Staff, reviewed the latest developments of the situation in Korea.

The Congressional leaders were given a full review of the intensified military activities.

In keeping with the United Nations Security Council's request for support to the Republic of Korea in repelling the North Korean invaders and restoring peace in Korea, the President announced that he had authorized the United States Air Force to conduct missions on specific military targets in Northern Korea, wherever militarily necessary, and had ordered a naval blockade of the entire Korean coast.

General MacArthur has been authorized to use certain supporting ground units.

## **ANSWER TO CHINA'S OFFER TO SEND TROOPS**

[Released to the press July 2]

*On June 29 and 30, the Chinese Government informed the Government of the United States of the willingness of the Chinese Government to send land troops to South Korea to assist in the operations now going on in that country. The Chinese Government asked for the opinion of the United States Government on this matter. The aide-mémoires received from the Chinese Government follow.*

### **Aide-mémoire of June 29**

The Government of the Republic of China received today a communication from the Secretary-General of the United Nations requesting it, in accordance with the resolution adopted by the Security Council on June 27, 1950, to furnish such assistance to the Republic of Korea as may be necessary to help repel the armed attack from North Korea. The Chinese Republic is willing to send land troops to South Korea to assist in the operations for the purpose. The Chinese Government will be glad to be apprised of the opinion of the United States Government at its earliest convenience. In view of the urgent situation in South Korea, the Chinese Government is instructing the Chief of the Chinese Mission in Japan to approach General MacArthur and inquire about the positive measures which may be desired.

### **Aide-mémoire of June 30**

The Chinese Government will make available for use in South Korea to repel the armed attack of North Korea one army of seasoned troops of approximately 33,000 men suitable for operations in plains or hilly terrain.

These troops carry the best equipment at China's disposal.

For the transportation of these troops the Chinese Government will provide 20 air transports of the type of C-46 and, if necessary, can give a reasonable amount of air cover. If the troops are to be transported by sea, the Chinese Government can provide a moderate amount of naval escort.

These troops can be ready for embarkation in five days.

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*The United States Government, without assuming in any way to speak for the United Nations, expressed its opinion to the Chinese Government on July 1 in the following terms.*

In response to the request contained in the Chinese Embassy's Aide-Mémoire of June 29, 1950, the appropriate authorities of the Government of the United States have given consideration to the expression of willingness on the part

of the Government of the Republic of China to furnish ground forces for service in Korea in support of the United Nations.

The Secretary of State desires to inform His Excellency the Ambassador of the Republic of China of the deep appreciation of the United States Government for this prompt and substantial demonstration of support for the United Nations on the part of the Government of the Republic of China. In light, however, of the threat of invasion of Taiwan by Communist forces from the mainland, a threat repeated in the last day or so by spokesmen for the Chinese Communist regime in Peiping, it is the view of the Government of the United States of America that it would be desirable for representatives of General MacArthur's Headquarters to hold discussions with the Chinese military authorities on Taiwan concerning the plans for the defense of the island against invasion prior to any final decision on the wisdom of reducing the defense forces on Taiwan by transfer of troops to Korea. It is understood that General MacArthur's Headquarters will be in communication with the appropriate Chinese military authorities on Taiwan with a view to the dispatch from Tokyo of representatives of General MacArthur's Headquarters for this purpose.

## **U.S.S.R. RESPONDS TO REQUEST FOR MEDIATION**

[Released to the press June 29]

The American Embassy at Moscow on June 27, 1950, communicated with the Soviet Foreign Office in regard to the invasion of the Republic of Korea by North Korean armed forces.

The Embassy called to the attention of the Soviet Foreign Office the fact that forces of the North Korean regime had crossed the 38th parallel and had invaded, in force, the territory of the Republic of Korea at several points. It was also pointed out that the refusal of the representative of the Soviet Union to attend the Security Council meeting in New York despite the clear threat to the peace and despite the obligations of a Council member under the United Nations Charter required the Government of the United States to bring this matter directly to the attention of the Government of the U.S.S.R.

The Embassy concluded by calling attention to the universally known close relations between the Soviet Union and the North Korean regime and stated that the United States Government was asking assurances that the Soviet Union would disavow responsibility for this unwarranted and unprovoked attack and that it would use its influence with the authorities of North Korea to withdraw their invading forces at once.

Ambassador Alan G. Kirk today was read the



following statement by Deputy Soviet Foreign Minister Andrei Gromyko:

In connection with the statement of the Government of the United States of America transmitted by you on June 27, the Soviet Government has instructed me to state the following:

1. In accordance with facts verified by the Soviet Government, the events taking place in Korea were provoked by an attack by forces of the South Korean authorities on border regions of North Korea. Therefore the responsibility for these events rests upon the South Korean authorities and upon those who stand behind their back.

2. As is known, the Soviet Government withdrew its troops from Korea earlier than the Government of the United States and thereby confirmed its traditional principle of noninterference in the internal affairs of other states. And now as well the Soviet Government adheres to the principle of the impermissibility of interference by foreign powers in the internal affairs of Korea.

3. It is not true that the Soviet Government refused to participate in meetings of the Security Council. In spite of its full willingness, the Soviet Government has not been able to take part in the meetings of the Security Council in as much as, because of the position of the Government of the United States, China, a permanent member of the Security Council, has not been admitted to the Council which has made it impossible for the Security Council to take decisions having legal force.

#### **PRECEDENT CONTRADICTS SOVIET ALLEGATION OF ILLEGALITY IN U.N. ACTION**

[Released to the press June 30]

In its reply to the United Nations and to the United States, the U.S.S.R. alleges that the action of the Security Council with respect to Korea was illegal, since, the action taken did not have the concurring votes of all the permanent members. In its reply of June 29, to the United States communication of June 27, asking the U.S.S.R. to use its influence with the North Korean authorities to cease hostilities, the U.S.S.R. made the same point and contended, further, that the action of the Council was illegal because the representative of China participating in this action was not the representative of the Peiping regime.

With respect to article 27 of the Charter dealing with Security Council voting, it is provided that substantive questions be decided by an affirmative vote of seven members including the concurring votes of the permanent members.

By a long series of precedents, however, dating back to 1946, the practice has been established whereby abstention by permanent members of the Council does not constitute a veto.<sup>1</sup>

In short, prior to the Soviet allegations, every member of the United Nations, including the U.S.S.R. accepted as legal and binding decisions of the Security Council made without the concurrence, as expressed through an affirmative vote, of all permanent members of the Council.

As to the Soviet claim concerning the Chinese vote, the rules of procedure of the Security Council

provide the machinery for the seating of an accredited representative of the Security Council. No affirmative action has been taken which, by any stretch of the imagination, could give force to the contention of the U.S.S.R. that a representative of the Peiping regime should be regarded as the representative of China on the Security Council. The credentials of the representative of the National Government of China were approved by the Council, and the Soviet attempt, at a later date, to withdraw this approval was defeated. Therefore, the vote of the Nationalist representative on June 25 and 27 was the official vote of China.

A list of some of the more important precedents involving action by the Security Council on substantive matters taken without the concurrence of an affirmative vote by the Soviet Union follow:

##### *Palestine Case*

On April 16, 1948, the Soviet Union abstained on a resolution which called for a truce in Palestine.

On May 22, 1948, the Soviet Union abstained on a resolution for a "cease-fire" in Palestine.

On July 15, 1948, the Soviet Union abstained on a resolution ordering a "cease-fire" in Palestine and giving instructions to the Mediator there.

On November 4, 1948, the Soviet Union abstained on a resolution calling upon all governments concerned to withdraw beyond positions they held in Palestine on October 14, 1948.

In none of these instances has the Soviet Union challenged the legality of the action taken by the Security Council.

##### *Kashmir Case*

On January 17, 1948, the Soviet Union abstained on a resolution calling upon the parties concerned to avoid actions aggravating the situation.

On January 20, 1948, the Soviet Union abstained on a resolution for setting up a United Nations Commission for India and Pakistan and which gave that Commission broad terms of reference.

On April 21, 1948, the Soviet Union abstained on a resolution expanding the terms of reference of the United Nations Commission for India and Pakistan and which set the terms for bringing about a "cease-fire" and the conditions for the holding of a plebiscite.

On June 3, 1948, the Soviet Union abstained on a resolution which affirmed previous resolution and ordered the United Nations Commission to proceed to the area.

In none of these instances has the Soviet Union challenged the legality of the action taken by the Security Council.

##### *Indonesian Case*

On December 24, 1948, the Soviet Union abstained on a resolution calling upon the parties

<sup>1</sup> See BULLETIN of July 4, 1948, p. 3.

to cease hostilities and ordering the release of Indonesian officials. In that case, the French also abstained.

On January 28, 1949, the Soviet Union abstained on a number of paragraphs of a resolution setting up the United Nations Commission for Indonesia with wide powers.

In none of these instances has the Soviet Union challenged the legality of the action taken by the Security Council.

Furthermore, the Soviet Union has never questioned the legality of action taken by the Security Council in which it voted with the majority but on which other permanent members of the Council abstained.

This action has occurred in at least three substantive decisions:

1. In the action of the Council on December 28, 1948, in which a resolution was passed calling on the Netherlands to set free political prisoners in Indonesia (a resolution introduced by the representative of China). France and the United Kingdom abstained on this resolution.

2. In the action of the Council on March 4, 1949, recommending to the General Assembly that Israel be admitted to United Nations membership. The United Kingdom abstained on this resolution.

3. In the action of the Council on March 5, 1948, recommending consultation of the permanent members of the Council in connection with the Palestine situation. The United Kingdom abstained on this resolution.

The voluntary absence of a permanent member from the Security Council is clearly analogous to abstention.

Furthermore, article 28 of the Charter provides that the Security Council shall be so organized as to be able to function continuously. This injunction is defeated if the absence of a representative of a permanent member is construed to have the effect of preventing all substantive action by the Council.

No one of the 10 members of the Council participating in the meetings of June 25 and June 27 raised any question regarding the legality of the action—not even the member who dissented on June 27.

## **ECA AIDS SOUTH KOREA**

The Economic Cooperation Administration announced on June 26 that it took immediate action to back up the resistance of the South Korean people in their heroic struggle to maintain their independence.

Dr. Edgar A. J. Johnson, Director of ECA's Korean program, stated that "primary emphasis is being placed upon the setting up of machinery for the prompt procurement of supplies and equipment that can be shipped to Korea from Japan or the United States." Dr. Johnson said that "we

will bend every effort to meet the crisis that imminently threatens a free nation."

ECA's immediate-action program consisted of:

1. Diverting all vessels carrying war nonessentials to ports where they would not fall into Communist hands.

2. Rearranging shipping schedules so that all available supply vessels could be used to rush military supplies to the besieged peninsula.

3. Insuring that nonmilitary supplies, such as fertilizer, are diverted to other ports to keep dock workers free for unloading of guns and ammunition.

4. Switching its procurement program to an emergency basis. (Essential commodities like petroleum and foodstuffs would be given priority over such normal peacetime exports as fertilizer and raw cotton.)

5. Coordinating its activities with the United States Army Forces in Japan.

## **A MILITARISTIC EXPERIMENT**

*Statement by John Foster Dulles<sup>1</sup>*

I have just returned from 2 weeks in Korea and Japan. Last week I was in Seoul, the capital of Korea, on the invitation of President Rhee. Now he is a fugitive, and the Embassy residence where Mrs. Dulles and I were staying is being looted by the Reds.

Earlier this week, Mrs. Dulles and I were quietly dining at our Embassy in Tokyo with General and Mrs. MacArthur. Now the General is leading the American and Allied air, sea, and land forces, fighting the Red aggressors in Korea.

Events have happened fast. The Communists of North Korea struck hard and suddenly with strong forces well-equipped with Russian tanks, Russian planes, and Russian heavy artillery. They have made big initial gains, and it will not be easy to stop them and throw them back.

Why did the North Korean Reds make this armed attack on the peaceful Republic of South Korea? One thing is certain, they did not do this purely on their own but as part of the world strategy of international communism.

It is possible to make a good guess as to why Communist strategy directed this present attack against the Republic of Korea.

### **Reason for Attack**

In the first place, the Republic of Korea was growing in such a healthy way that its presence on the continent of Asia was an embarrassment to the Communist areas. In South Korea, I talked

<sup>1</sup> Prepared portion of a radio interview over CBS at Washington, D.C., on July 1 which was released to the press on the same date.

with all sorts of people, and everywhere I got the impression of a happy, wholesome society. There had just been the second general election, which was watched by representatives of the United Nations. It was a free and fair election; 80 percent of the eligible voters had gone to the polls, and the representatives elected were men and women of fine character. I attended the opening of the Assembly, and it was an inspiring event.

The economy of the country was picking up with some American economic help. All in all, the prospects were good.

This Republic of Korea was attracting a constant stream of refugees from the north who wanted to escape from Communist despotism. Just 2 weeks ago tonight, at this very hour, I was meeting at Seoul with a group of 3,000 Christian refugees from the north. We were in a great new church which was in process of construction. I talked to the refugees through an interpreter, and I have never seen men and women more clearly dedicated to Christian principles.

The Communists seem to have felt that they could not tolerate this hopeful, attractive Asiatic experiment in democracy. They had found that they could not destroy it by indirect aggression, because the political, economic, and social life of the Republic was so sound that subversive efforts, which had been tried, had failed. The people were loyal to their Republic. Therefore, if this experiment in human liberty was to be crushed, this crushing could only be done by armed attack. That is what is being attempted.

A second reason which doubtless influenced them was the desire to embarrass our plans for putting Japan more and more onto a peace basis, with increasing self-government in the Japanese people themselves. I went to Japan so as to be able to advise the President and the Secretary of State as to what our next moves should be in carrying forward the program of making Japan a full member of the free world. Secretary of Defense Johnson and General Bradley, the Chief of Staff, were in Japan at the same time looking into the situation from the standpoint of its security aspects.

The Communists must have feared the positive and constructive steps which we were considering in regard to Japan. They probably felt that if they could capture all of Korea this would throw a roadblock in the path of Japan's future development. The Russians already hold the island of Sakhalin, just to the north of Japan, and Korea is close to the south of Japan. Thus, if the Communists have not only Sakhalin to the north but also Korea to the south, Japan would be between the upper and lower jaws of the Russian Bear. That, obviously, would make it more difficult to provide the Japanese people with security as self-governing, unarmed members of the free world.

Broadly speaking, the United States was developing positive and constructive policies to check

the rising tide of communism in Asia and the Pacific. The Communist leaders doubtless expect their action in Korea to dislocate our plans.

#### **Attack Strengthens Free World**

They will, I think, be disappointed. The result of their armed attack on the Republic of Korea will be to strengthen both the resolution and the capabilities of the free world. We now know we have to meet a new danger to world peace and security. We have always known that Communists believed in advancing their cause by methods of violence. We have, however, hoped, up to now, that they would limit themselves to violence of an internal character such as strikes, sabotage, and possibly guerrilla and civil warfare. We hoped that they would not use military might to attack and conquer peaceful countries in open violation of the principles established by the United Nations to insure international peace and security.

The Korean attack marks a new phase in Communist recklessness. If the members of the United Nations sat idly by and did nothing to repel the present armed attack, then almost certainly that method would be used elsewhere. One country after another would be conquered by Red armies, and the result would be to make a third world war almost certain. Also, by that time, the Russian position would be so strong that the United States and other remnants of the free world would be in great peril.

Fortunately, the world is organized for peace better than in 1939. The United Nations Security Council acted almost instantly to condemn the aggression on Korea and called on the member states to help repel the attack. The prompt response of the United States and other members shows that aggressors cannot now act with impunity.

The President of the United States, with bipartisan backing, has given our nation, and indeed the entire free world, fine leadership. The American people are united for action, not only in Korea but also, as the President has pointed out, to prevent Formosa, Indochina, and the Philippines falling into Communist aggression.

In my recent book, *War or Peace*, I said that men would never see lasting peace unless they were willing to mobilize for peace the moral and material resources that they would mobilize for war.

We are now waging peace. I think we shall win it. It will not be won easily. It will require sacrifices and will involve risks. It seems that the immediate risk is not general war but rather that of an experimental probing effort to find out whether, under present world conditions, armed aggression pays. That militaristic experiment must fail. If we, with other free nations, make it fail, then we will have made an epochal step toward lasting peace.

## Support of Mutual Defense Assistance Program for 1951

*Statement by Secretary Acheson*<sup>1</sup>

I appear before you today to support an appropriation for the continuance of the Mutual Defense Assistance Program during fiscal year 1951. This appropriation is required for three purposes: First, to provide new obligational authority for the program which is proposed for the forthcoming 12 months; second, to provide cash to liquidate this year's contract authority; and third, to make available, for use in fiscal year 1951, that small portion of cash and contract authority which is required to complete the current program and which may still remain unobligated on June 30.

On October 28, 1949, Congress appropriated \$814,010,000 in cash and \$500,000,000 in contract authority for the purposes of carrying out the Mutual Defense Assistance Act of 1949. This represented a total of \$1,314,010,000 in new obligational authority.

The appropriation of these funds did not occur until late last year. Their expenditure, in large part, was made contingent upon certain conditions precedent which were not fulfilled until late in January. Nevertheless, as was estimated in hearings before this Committee last year, it has been possible to obligate these funds almost completely. Thus, we have been able to inaugurate the planned programs of aid which are so essential to our security and to proceed with further plans and programs which are solidly based on the foundations thus constructed. The legislation before this Committee includes a request that the small proportion of authorized funds not yet obligated be made available for future obligation. This is necessary in order to complete the 1950 programs already begun. Also in the legislation before you is a request for appropriations to liquidate \$455,523,729 worth of contract obligations which have been entered into pursuant to the authority granted last year.

The most important aspect of the proposed

<sup>1</sup> Made before the Senate Appropriations Committee on June 26 and released to the press on the same date.

legislation, is, of course, the provision of funds for the continuation of the Mutual Defense Assistance Program in 1951. For this purpose, \$1,222,500,000 is requested. The total is proposed to be allocated as follows:

### Allocation of 1951 MDAP Funds

A total of 1 billion dollars for provision of military assistance to our partners in the North Atlantic area; \$131,500,000 for provision of military assistance to Greece, Turkey, and Iran; \$16,000,000 for provision of military assistance to the Republics of the Philippines and Korea, and \$75,000,000 for provision of assistance in the general area of China.

I want to assure this Committee that I fully appreciate that these are not small sums. It is equally true that the problems we face are neither small nor susceptible of cheap and easy solution. The most careful and extensive consideration of the need for these appropriations has been given by the three agencies of the executive branch primarily concerned—the Department of Defense, the Economic Cooperation Administration, and the Department of State. We have sought carefully to determine what is necessary in the present world situation to maintain and enhance our security, what are the most effective and best means for achieving that result, and what is required to assure that we will obtain the maximum return.

When this Committee and the Congress last year considered and approved an appropriation for military assistance for nations in the North Atlantic area, there had been a similar careful examination of requirements and methods, but there was absent then an element of great importance which is present now. That element is experience. This year, we have the benefit of actual operation of the North Atlantic Treaty Organization (NATO). The results to date are highly encouraging; they are real; they are substantial; they augur well for the future.

The members of the North Atlantic Treaty have

achieved an amazing record, a record of peacetime cooperation for peace unprecedented in history. Let us quickly review these remarkable accomplishments from the point of view of what they signify with respect to the next year.

#### **Achievement of NAP Countries**

The quick agreement of the North Atlantic Treaty countries upon a strategic concept for the integrated defense of the North Atlantic area assured us that all the member nations are agreed that the defense of the North Atlantic area can not and will not be based on 12 individual and separate nationalistic defense schemes but, rather, on a coordinated and integrated defense plan for the entire area, under which each nation would play the role for which its location and resources best fit it. We knew last year that such an agreement must be reached if the task of defending the area was to be met efficiently and effectively. The fact that it was reached, and that it was reached quickly, is significant of the mutual realization and acceptance of the need for it by all the Treaty members.

The progress made under the North Atlantic Treaty is not confined to the acceptance of the basic principles contained in the mutually agreed and approved strategic concept. This was but the first step in a long series required to give life and strength to the compact.

An effective organization, designed to meet and solve the problems involved, has been established by the North Atlantic Treaty countries. That organization, on its military side, provides the means to reach sound collective military judgments, with respect to the defensive requirements for the North Atlantic Treaty area. On its financial and economic side, it provides a means for tackling the difficult problems involved in finding ways and means to meet the common need for increased strength. Illustrative of common problems are those involved in agreeing upon production location and procedures, financing of production, and transfers, standardization, and the like. The agreement reached at the recent North Atlantic Treaty Council meeting to establish a permanent Council of Deputies will provide a mechanism in continuous operation to guide, coordinate, and integrate the work of the various subordinate bodies of the organization.

Outstanding in the progress of the NATO to date is the resolution of the North Atlantic Treaty Council urging governments in developing forces for the defense of the North Atlantic area to concentrate on the creation of balanced collective forces rather than balanced national forces. This resolution, which, significantly, also urged the progressive build-up of defense forces, exemplifies the realistic and forthright determination of all members to proceed vigorously and to base their efforts on a principle of fundamental importance.

The bilateral agreements between the North

Atlantic Treaty countries and the United States, under which our aid is provided, are solemn undertakings which assure that our assistance is but a part of, and is matched by, a cooperative self-help program designed to increase the defensive strength of the area. That these undertakings were sincere and earnestly supported by all participants has been borne out by the implementing deeds thereunder. Thus, in spite of the continued necessity of attaining economic recovery and stability, which is essential to the success of any defense effort in Western Europe, our European partners are progressively devoting greater effort and more funds to meeting defense needs. In spite of the violent and full-scale Soviet propaganda attacks against the program of defense, and despite Soviet efforts to promote strikes and violence to prevent the unloading of material being shipped under this program, these nations have proceeded courageously, steadily, and effectively to increase the defensive strength of the area, through their own efforts and with our help. The fact that they have and are so acting is significant of a new spirit which is being developed in Europe, a spirit which is based upon the conviction that the job can and will be done.

The proposals recommended by the Administration for fiscal year 1951 are specifically related to these accomplishments. The manner in which next year's program has been developed demonstrates this fact. While based on a variety of factors, those fundamental to our consideration here are: First, the program consists of those items most urgently needed at this time, based on the requirements for the defense of the area as they have been developed by the planning of the Treaty Organization; second, it takes account of the ability of the European nations, actively cooperating together on the basis of self-help and mutual aid, through their own increased military production, to fill these requirements without destroying their economic stability; third, it is limited by the capability of the European nations to support forces and the capacity of those forces to assimilate the aid which can be furnished; and fourth, it is governed by our own military supply position and capacity to furnish aid.

#### **Assistance Promotes Security of U.S.**

What has been agreed to, accomplished, and undertaken to date offers us full assurance that our aid will contribute to the integrated defense of the area; that it will be utilized solely for the build-up of balanced collective defense forces, and that we will, thereby, promote the security of the United States.

This program for next year will certainly not complete the task of building adequate defensive strength in the North Atlantic area. Much remains to be done; Soviet Russia still pursues the course of arming for aggression, threatening the weaker nations, probing for their weakest spots,

refusing to work through the United Nations for peace. We have not yet been able fully to determine the exact size and nature of the defensive strength required to insure us against future aggression against the North Atlantic area. We do know that our defenses are far too weak; we do know that we must aid our partners to build up their forces swiftly.

We also know that the spirit of the peoples of the North Atlantic area is progressively more hopeful, reflecting an increasing conviction that free peoples, working freely together on terms of equality and mutual understanding, can make their own defense a real and attainable objective. We and our partners must continue to work hard; we must work effectively. Each must do what he best can to achieve the goal. By working together, our cherished freedoms can be maintained.

Turning to the recommendation of continued military assistance for Greece and Turkey, we find ourselves with a more extensive and equally encouraging record. The success which has been achieved by the peoples of Greece is clear proof that the forces of aggression can be halted by invoking the proper measures at the proper time. The Greek Government now has full control of all its territories for the first time since 1940. These hard-won gains must not be lost. Greece must continue to build up its defensive strength in order to maintain its internal security which is so essential to the attainment of economic and political stability. The people of Greece must be able to subdue, quickly, any possible recrudescence of Communist guerrilla activities. The successes so far, which United States aid enabled the Greeks to attain, do make it possible for military assistance from the United States to be reduced substantially below that provided last year. The Greek program is a concrete illustration of the practical values of providing military assistance to peoples determined to defend themselves and their liberties.

The record of our program of military assistance to Turkey is another one of which we can be proud. The Turkish people, even before any provision of assistance by us, and unprepared for modern warfare though they were, withstood Soviet pressures. With our assistance, supplementing their own determination, this strong resistance against continued Soviet pressures has been based on an increasing ability to meet force with force. The Turkish will to resist is characterized by its expenditure of 35-40 percent of its revenues for

military purposes. These heavy expenditures, which cannot be increased without serious endangering of the Turkish economy, cannot provide the equipment which is required to complete the modernization of the Turkish armed forces and to provide the further training in modern warfare which is needed. Our continued assistance will enable Turkey to meet the requirements imposed by a ruthless potential aggressor.

I need not, in discussing the request for the continuation of military assistance to Iran, elaborate on its strategic position and the importance to the free world of maintaining its security. To maintain its security, Iran needs modern well-equipped forces. Iran cannot, in its present economic condition, meet its needs without help. It requires assistance to modernize its forces and to meet its most urgent military deficiencies. We propose to aid Iran in filling some of its most urgent needs in order that it may become capable of meeting its security problems.

The situation in the Far East was never more than today a matter of the gravest concern to this Government. The bill before the Committee provides \$16,000,000 in additional funds for aid to Korea and the Philippines and \$75,000,000 for aid in the general area of China. The importance of obtaining these funds need not be underlined. All matters relating to United States aid in the Far East are now in the hands of the President for his decision so far as the executive branch is concerned. Under these circumstances and at his direction, I shall not talk today about possible courses of action in that area. It must be obvious that the immediate passage of this bill, with the funds which it will provide for use in the Far East and the flexibility which it contains, is of the greatest importance.

In summary, I would like to repeat what I said earlier: It is our sincere and honest judgment that this program, and every dollar of it, is urgently needed for the security of our friends and ourselves. Military assistance is not a panacea of all the ills of the world, nor will this program solve all the problems with which we must deal. I am convinced, however, that this aid will contribute, and materially contribute, to the creation of situations in which we may be able more effectively to deal with and to solve those problems.

Our objective is peace. If we are to have peace, the free nations of the world must be strong. This program will aid them in the achievement of that strength which will discourage aggression and promote peace.

## LABOR'S ROLE IN WORLD AFFAIRS

by Bernard Wiesman<sup>1</sup>

American labor is so important a segment of the American population and so dynamic a force in American economics and politics that it must play a major part in the shaping of American diplomacy. Even if labor were to remain completely silent, its very silence would influence American policy and remove one of the most potent influences which now constitute America's activity in world affairs.

Labor's role in world affairs is obviously that of one section of the American people and presupposes similar activity by other elements of American life whether they be in industry or agriculture, in religion or in education.

Labor is more than a numerical portion of the American population so far as world affairs are concerned. Labor has a special significance in the production of essentials of national life and of international trade. In addition, it has a particular importance in people-to-people relationships. In the present phase of world progress, working people are in the lead in what might be described as a revolutionary development. In some of the older industrial countries, labor has come of age and has begun to exercise the duties of the head of the family. In newer countries, there is an almost frantic haste to bridge within months or years the experience of many centuries. In such areas, working people are being invited to take on roles of responsibility in the political, social, and economic life of their country for which they have lacked even the most elementary of the three R's. Whether this situation is good or bad

<sup>1</sup>This article is based on an address delivered before the eight annual conference of the Labor Education Association at Swarthmore, Pa., on June 17.

is not the question. It is a fact, and we must try as a nation to face facts and to build upon them the structures which, in the long range, will be in the best interests of all concerned.

Control of the organized labor movement of the world is among the foremost objectives for which the Kremlin is now waging its cold war. Labor's role in world affairs, therefore, becomes a matter of major significance to our country as a whole. Leaders in AFL, CIO, and Railway Brotherhoods have a keen realization of that fact and have taken effective steps aimed to checkmate the Cominform's program as exemplified in the so-called World Federation of Trade Unions (WFTU).

### Labor's Role in Promoting Freedom

What organized labor can do to promote the basic freedoms in the present world is a responsibility for labor to decide. The Department of State has no desire to dictate to labor what it should do or to try to control what labor does. We know that we neither have the right nor the wisdom to manage the affairs of a free world labor movement. The Department of State realizes the fundamental truth in what President Truman recently said concerning the effectiveness of American labor's testimony among workers in other lands.

The Department, therefore, asks the trade-union leaders of this country to carry America's message abroad through all available channels and to see that workers in other lands come to know what our freedoms mean and to choose those freedoms as their way of life. We want American trade unionists to show other workers that the strength of our nation is in its freedom, its friendliness, its

hope of helping others, its moral principles. We want American trade unionists to show workers of other lands that the American worker is about as close as anyone can get to the average American citizen, that he is a hard-working decent guy who aims to earn his pay and get more of it, using it for a comfortable living for his family, going to church on Sunday, and sending his youngsters to school and many of them to college.

If the masses of workers in other lands could know American workers as they are, they would reject instinctively the deceits of the Cominform, which are predicated upon the thesis that American workers are either fools or knaves. The kind of false propaganda which they peddle is based upon the fiction that American labor leaders are the tools of the State Department and that the State Department is the tool of Wall Street.

The propagandists of the so-called World Federation of Trade Unions attack the new International Confederation of Free Trade Unions as a sort of Titoist deviationism and label it the "Yellow Internationale." They use that label in countries outside of the Orient. In that area, they presumably use a different adjective.

#### **Labor's Contribution to International Cooperation**

The trade-union centers of this country, AFL, CIO, and Railway Labor Executives, are actively committed to a program of international cooperation to advance free trade unionism and to unmask and discredit the WFTU as the satellite of the Cominform. The AFL, the CIO, and the United Mine Workers all participated in the founding, last December at London, of the International Confederation of Free Trade Unions (ICFTU). The Railway Labor Executives understandably make their international cooperation through the ICFTU-affiliated International Transportworkers' Federation (ITF). Credit should be acknowledged to the part played by two great American trade unionists in bringing about the affiliation of the Railway Labor Executives with the ITF at a time when it was the sole rallying point of international opposition to the WFTU. I refer to the late Bob Watt, of the AFL, and the late Harry Frazer, of the Railway Labor Executives.

Membership in these world organizations is by no means the only evidence of AFL or CIO activity internationally. Both have standing in-

ternational committees composed of executive council members and full-time international representatives. Both devote an extensive portion of the time of the annual conventions to international affairs and the President and Secretary-Treasurer of each take direct personal interest in the international activity.

The Free Trade Union Committee of the AFL has been an active and constructive force in Europe and Asia. The Amalgamated Clothing Workers is an example of international activity by one of the great trade unions of the CIO. The UAW is another CIO union which has shown initiative in international activity. A further example, perhaps the most dramatic because of its far-reaching influence is the International Ladies Garment Workers Union.

The specialized Latin American activities of the AFL, and of the CIO, should also be noted especially in view of this country's good-neighbor policy.

Traditional ties with other countries have also brought fraternal relations between the trade-union movements. A half-century practice of exchanging fraternal delegates has knit a bond between the AFL and the British Trades Union Congress, while both AFL and CIO have sent special representatives to Italy and Israel to help the trade-union movements there meet their postwar problems.

Trade-union dollars are backing up the words of convention resolutions, and day-to-day efforts of trade-union leaders abroad are translating the policies of international committees.

#### **Activities of International Labor Organizations**

The International Confederation of Free Trade Unions is the trade-union center of the free world to which belongs almost every major labor organization which is free to choose. Those affiliated with the International Federation of Christian Trade Unions and a small handful of others remain outside at present, for cogent national reasons. American labor leaders have tried hard to secure the affiliation of all trade-union centers of the free world, but the Christian unions, which are of great importance in certain European countries, have a long tradition of international collaboration to seek Christian ideals of employer-worker relations as distinguished from the Socialist philosophy which permeates the thinking of their major rivals. Italy now has a unified trade-



union center of major non-Communist unions to compete with the Communist-controlled Federation headed by Di Vittorio.

The International Confederation of Free Trade Unions with headquarters at Brussels was created only in December. Late in May, the ICFTU held its first Council meeting and gave evidence that it has begun to function. ICFTU is sending a delegation of five members, including two Americans, to make a 3-month survey of the situation in Asian countries with a view to determining what, if any, regional organization should be established. Later in the year, the possibility of a Latin American regional set-up will be investigated. A recent meeting at Dusseldorf, to consider the problems of the Ruhr, indicates the possible development of a European unit. The ICFTU is getting under way as a nongovernmental organization with category A consultative status with the Economic and Social Council of the United Nations, the International Labor Organization, etc. The ICFTU intends to be the voice of free world labor, sustaining the cause of legitimate trade unions as essential in any economic democracy and as bulwarks of any political democracy. All major American trade unions have shown their support for the ICFTU, but it is to be expected that the unions expelled by the CIO for devotion to the Communist Party will confirm that misguided zeal by affiliating with the WFTU.

The World Federation of Trade Unions wears a respectable label, placed upon it by a great American labor leader who had thought that active participation in WFTU would contribute to a democratic peace. He was eager to emphasize that it should be a bona fide trade-union system, rather than a political mechanism for labor, but he has long since concluded that the ideals he sought could not be achieved in a WFTU controlled by the Kremlin. The WFTU was Moscow's major postwar front organization through which Moscow sought to manipulate world opinion, to control the international policies of national trade-union centers, and to infiltrate national centers. It was founded in 1945, and, in 1949, the three major free trade-union members withdrew. They had decided that they could no longer associate with a WFTU which in 1945 appealed for all possible aid for reconstruction of Europe and which in 1947 refused even to publicize the Marshall Plan. The WFTU, free of the restraining influence of the legitimate trade unionists from the

United States, United Kingdom, and Netherlands, has enrolled itself in the service of the Cominform even to the extent of denouncing the WFTU Executive Council member from Yugoslavia severing ties with him as a Titoist, and of divorcing the Yugoslav labor organization of which he is Secretary General, from contact with other members of the WFTU. The color of the WFTU was also shown by the pronouncements at its Peiping meeting late last year. In language of plainly incendiary character, it called upon the workers of Asia to follow the example of China and to overthrow their alleged exploiters in the governments of the new and old nations of Asia. The WFTU delegates at Peiping included a choice collection of Asian representatives who have been in process of education at Moscow for many years and who are evidently being returned to their native lands for subversive activities among the workers in such countries as India, Indonesia, and Malaya.

Perhaps, the best description of the WFTU of today is that it is the company union for the Cominform in which membership ordinarily is compulsory for Communist-dominated unions and through which the WFTU management hopes to sabotage and destroy legitimate, and hence free, trade unionism.

In this hemisphere, the Confederation of Latin American Workers predated the WFTU but rarely has deviated from the master pattern.

AFL and CIO leaders are now working with the ICFTU leadership toward a legitimate democratic regional organization. The sponsors of the Inter-American Confederation of Labor, established only 2 or 3 years ago as a rallying point for unions free of Communist control, are eager to take such steps as will effectuate their original intent in union with the ICFTU. Similar strengthening of two other regional organizations is expected through the ICFTU. I refer to the Asian Federation of Labor which held its first regional meeting in Ceylon last January and to the ERP-Trade Union Advisory Committee in Europe.

Mention must be made of another form of international cooperation among workers. I refer to the international trade secretariats or, as they might be called, the international industrial or craft federations. There are more than a dozen of these affiliated with the ICFTU in a cooperating arrangement which preserves the essential auton-

omy of these federations. This group includes the International Federation of Transport workers which combines national organizations representing between 4 and 5 million workers in marine, rail, highway, and air transport in countries all over the world. The International Metal Workers, the Miners' Federation, the Textile Workers are among the next largest. Only one of these groups has chosen to desert freedom and that one is the journalists' union where leadership was secured on a narrow margin and the organization perverted to Communist aims. Organizations such as the Newspaper Guild have accordingly left the group.

In Europe, most of these international trade secretariats have functioned since early in this century. They have supplied fraternal ties among workers in the great industries, and those which have enjoyed any substantial income have been important factors in the economic life of the Continent. They are not competitors of the ICFWU. They have their own financing through dues collected from national affiliates such as the Railway Labor Executives, the Machinists, the UAW-CIO, the Mine Workers, etc.

The importance of their work is emphasized by the energy with which the World Federation of Trade Unions, having failed to capture the secretariats, has undertaken to set up rival organizations. The WFTU program, originally, was to transform the autonomous secretariats into industrial departments of the WFTU. When the major free unions left the WFTU, it undertook to establish international unions with the appearance of autonomy which could invite the affiliation of outfits such as the International Longshoremen's and Warehousemen's Union. There WFTU agencies have sought to get the affiliation of any national unions of like-minded leadership even when the national trade-union center has repudiated the WFTU itself and denounced all of its arms and legs.

Labor's role in world affairs is recognized in the operations of the United Nations and its organs and specialized agencies. On the one hand, many national delegations include among their delegates or advisers men and women from labor-union leadership. On the other hand, as authorized in the Charter of the United Nations, international nongovernmental organizations have been accorded consultative status with the Economic and Social Council and its commissions.

The ICFWU and the IFCTU now are among the category A consultants which also include the WFTU. The Transport workers are in category B which consists of the more specialized groups. American labor leaders have been among the United States delegations to the International Trade Organization Preparatory Conference and to conferences of the World Health Organization and of the United Nations Educational, Scientific and Cultural Organization as well as on the National Commission for UNESCO.

### **The Operation of the ILO**

I have reserved mention of the International Labor Organization until now. The ILO is the unique intergovernmental organization which, since 1919, constitutionally includes in its conferences and Governing Body, representatives of employers and workers who jointly share authority on a par with those of governments in formulating international labor standard treaties. It was created at the urgent demand of a few great progressive leaders at Versailles. The ILO is dedicated to the principle that enduring peace must be founded on social justice and that the progressive improvement of conditions among workers anywhere is essential to the well-being of people everywhere. At Philadelphia, 6 years ago, the principles of 1919 were reviewed by the representatives of employers, workers, and governments of member nations so that social progress could be charted even while war was being desperately waged. The solemn declaration of Philadelphia has since been annexed to the ILO Constitution and demonstrates general acceptance of the facts that "poverty anywhere constitutes a danger to prosperity everywhere," that "labor is not a commodity," and that "freedom of expression and of association are essential to sustained progress."

Another quote from the declaration of Philadelphia expresses a concise and far-reaching philosophy about labor's role in world affairs:

The war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of Governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare.

In the framing of that declaration, representatives of the workers and employers of this country shared with representatives of this Govern-

ment. The declaration itself was transmitted by President Roosevelt to both Houses of the Congress.

What is an objective estimate of ILO's contribution to the world?

The ILO has substantially benefited the world by building within the minds and consciences of governments, employers, and workers a realization of national duty and international responsibility, progressively, to improve the conditions of life among working people. Many tangible proofs exist of ILO service to member nations, but it has most significantly served by causing responsible leaders to recognize the need and to accept the challenge that remedies must be found together.

### **Role of the Trade Unionists**

In the State Department, the importance of having expert knowledge of what labor is thinking and doing is evidenced in several ways. The Department itself, under the reorganization of 1949, has a labor adviser in each of the four geographic areas, headed by Assistant Secretaries of State, one in the German Affairs office, which has equivalent status because of its operating responsibilities, in addition to the Labor Adviser to the Assistant Secretary for Economic Affairs, who has active responsibility for relations extending beyond the limits of any single area. Their duties concern the activities and interests of national and international labor organizations which extend beyond the areas of any single geographic area and involve political as well as economic matters.

The Department of State has trade-union consultants from the AFL and the CIO who provide valuable advice and liaison.

Top officers of the Department, beginning with Secretary Acheson, have meetings with representative labor leaders from time to time. On some matters, such as policy concerning relations with Spain and the Argentine, trade unionists freely criticize the Department's policies after careful considerations of general over-all character which included American labor's well-known views on the subject. On most matters, however, American trade unions stand firmly in support of American foreign policy.

The Foreign Service of the United States now includes about 30 labor attachés and labor reporting officers, including several trade unionists, whose duties include knowing what the trade unions are thinking and doing, advising Embassy

and Departmental officers of any significant developments and helping to transmit some understanding to trade unionists and government officials about what American labor is and does.

The Department of Labor also recognizes the responsibility of our Government to promote understanding and cooperation among the working people and the trade unions of all countries accessible to us. Under the Assistant Secretary of Labor, Philip Kaiser, there is an Office of International Labor Affairs with which our office works closely and cooperatively. The State Department does not duplicate the technical services of the Department of Labor in connection with international labor standards. An interdepartmental committee on international social policy provides the vehicle for formal cooperation among the several departments concerned with specific problems. Through that device, position papers on labor matters which may arise at ILO or United Nations meetings are normally formulated.

The Labor Department has a trade union advisory committee on international labor affairs which has furnished a useful channel for consultation and cooperation.

ECA, of course, has formalized labor's participation in its top councils here and abroad.

Labor's role in world affairs would be meaningless if economic isolation were to govern its policies. The ICFTU Constitution declares as one of its aims to—

advocate with a view of raising the general level of prosperity, increased and properly planned economic cooperation among the nations in such a way as will encourage the development of wider economic units and freer exchange of commodities and to seek full participation of workers' representatives in official bodies dealing with these questions.

The pressing need among free peoples is to reduce, as rapidly as consistent with the general welfare, such artificial barriers as lead to misunderstanding, suspicion, or exploitation. It is to be devoutly hoped that trade unionists in all free countries, including our own, can lead in promoting the brotherhood of peoples and finding the ways to make the adjustments necessary to prevent or minimize local repercussions.

### **Conclusion**

My experience in 20 years of intimate collaboration with the trade-union movement of the United States and of considerable experience with the

trade-union movements of other countries leads me to assert that what is good for labor internationally is generally good for our country and all other countries which share our basic beliefs. Workers constitute around one third of the population, and, in many countries, the trade-union movement which speaks on their behalf includes in its membership one out of every three or four workers.

The chief area of controversy usually comes in the exercise of judgments as to whether a specific program is good for labor and for the general public. Honest men of good will can differ objectively in reaching a decision and, once taken, can work to carry out that decision even if it does not appear to any of them to be perfect. One of the most unfortunate aspects of the trial by accusation through which the Department is now passing is that real common goals have been obscured by controversy which should have been avoidable.

I refer to that controversy as I approach what to me is perhaps the greatest contribution which American labor can make in world affairs at this time. Basic American foreign policy is, I honestly believe, designed to accomplish goals which are good for mankind and which are essential in combating the threatened enslavement of the minds and bodies of men.

If that objective is true, as I believe it to be, the next problem is how to persuade the people of our country and of the world that these goals are their goals and that we should all work together to attain them. It is my opinion—and one shared widely within the Department of State—that the American trade unions, in cooperation with the International Confederation of Free Trade Unions—can best convince the workers of other lands that they should support these goals in their own self-interest.

If I know trade unions at all, I know that they must rest their first judgments on the credentials a man carries. If he carries a card in a union, it takes him as a brother unless he proves himself to the contrary. If he carries a message to that union, it goes on the assumption that it is designed to be in its interest. So with American foreign policy. If American trade unionists will take these basic American foreign policies which they

believe are in the best interests of their brothers and sisters of the ICFRU and endorse them for the consideration and support of associated free trade unions around the world, they will strike a deadly blow at the propaganda of the Cominform and the WFTU. Labor's endorsement is worth far more than tons of newsprint or hours of radio time by official spokesmen so far as convincing workers in other lands that we are really their friends.

The essence of trade unionism, whether non-denominational, or Socialist, or Christian, is to be a good provider and to share its strength with its brothers. It combines the patriotism of the loyal citizen with the brotherhood among workers which is truly international. With that combination Labor's role in world affairs must be active and should always be a firm foundation for the building of a peace and social justice.

### **Special Staff To Assist Ambassador Grady in Iran**

*[Released to the press June 28]*

Dr. Henry F. Grady, whose appointment as United States Ambassador to Iran was confirmed by the Senate on June 26, will have the assistance of a special economic staff, some of whose members have preceded him to Tehran in the past few days. Ambassador Grady, who has been in Athens concluding his duties there as Ambassador and Chief of the American Aid Mission, is expected to arrive in Tehran shortly.

The special staff will assist the Ambassador in assessing the present economic situation in Iran with authority to recommend to both Governments appropriate steps which might be taken to bring about improved conditions in the economic life of this important Middle Eastern country.

The economic staff, which is expected to remain in Iran for about 3 months, will include Leslie A. Wheeler, a senior Foreign Service officer and well-known specialist in agricultural economics; George Woodbridge, officer in charge of economic affairs, Office of Greek, Turkish, and Iranian Affairs of the Department of State; and Paul Parker, the Middle East representative of the Treasury Department. Leslie L. Rood, a Foreign Service officer assigned to the Embassy, will serve as executive secretary of the staff. It is expected that a few additional specialists may be added at a later date.

## Answer to Soviet Protest on MacArthur Clemency Circular

### U.S. NOTE OF JUNE 8, 1950<sup>1</sup>

The Department of States acknowledges the receipt of note No. 74 of May 11, 1950 from the Embassy of the Union of Soviet Socialist Republics. The note calls attention to Circular No. 5 "Clemency for War Criminals" issued by command of General MacArthur on March 7, 1950. It is alleged that the circular runs counter to the Charter of the International Military Tribunal for the Far East and the decision of the Far Eastern Commission of April 3, 1946, relating to the apprehension, trial and punishment of war criminals in the Far East. The Government of the United States is urged to take measures to have Circular No. 5 revoked.

Inasmuch as the matters referred to in the note are within the jurisdiction of the Far Eastern Commission, the request of the Soviet Government should have been addressed to the Commission. In this connection the attention of the Soviet Government is called to the minutes of the 193d meeting of the Fec, May 18, 1950 which contain a statement of the views of the United States on the parole of Japanese war criminals. Nevertheless, as the position of the Soviet Government is at variance with the views of the Government of the United States, those views are set forth for the Soviet Government's information.

The Supreme Commander for the Allied Powers is the sole executive authority for the Allied Powers in Japan, and as such, has the responsibility for carrying out the judgments of any international courts appointed by him. This is specifically recognized by Article 17 of the Charter of the International Military Tribunal for the Far East and by paragraph 5 (b) (1) of the Far Eastern Commission policy decision of April 3, 1946.

Under Article 17 of the Charter of the International Military Tribunal for the Far East the Supreme Commander for the Allied Powers may "at any time" reduce or otherwise alter a sentence of the Tribunal except to increase its severity and paragraph 5 (b) (2) of the Far Eastern Commis-

<sup>1</sup> Delivered on June 8 to the Soviet Embassy at Washington, and released to the press on the same date.

sion policy decision of April 3, 1946, confirms that he has "the power to approve, reduce or otherwise alter any sentences," imposed by any international courts appointed by him. Whether the Supreme Commander can exercise his power to reduce or otherwise alter a sentence "only while considering the question of the approval of this sentence" as contended in the Soviet Government's note or whether this may be done "at any time" as provided by Article 17 of the Charter quoted above is unnecessary to consider at this time as no reductions or alterations in the sentences imposed by the International Military Tribunal for the Far East have been made by the Supreme Commander and none are contemplated by him.

The Soviet Government is apparently under the impression that paroles such as are provided for by Circular No. 5 are alterations of the sentences imposed by the International Military Tribunal. This is fundamental error. A parole is in no sense an alteration of a sentence but permission by the appropriate authority for the convicted criminal to serve part of his sentence outside of prison under certain conditions and controls and subject to being returned to prison for serving the remainder of the sentence if the conditions of the parole are violated. This method of dealing with convicted criminals is in accordance with the practice in enlightened and democratic countries.

For the reasons indicated the Government of the United States declines the request of the Soviet Government that it take measures looking to the revocation by the Supreme Commander of his Circular No. 5.

### SOVIET NOTE OF MAY 11, 1950

[Translation]

The Embassy of the Union of Soviet Socialist Republics, under instructions from the Soviet Government, has the honor to communicate to the Department of State of the U.S.A. the following.

On March 7 of this year, General MacArthur, Commander-in-Chief for the Allied Powers in Japan, issued Circular No. 5 by which it was established that all the war criminals who are now serving terms in prison in Japan, according to

sentence, may be released before the completion of their terms.

As is well known, 16 Japanese major war criminals who were sentenced to imprisonment by the International Military Tribunal for the Far East, for the gravest crimes against humanity, are serving their sentences in Japan.

The circular of the Commander-in-Chief represents an attempt to free by a unilateral order the major Japanese war criminals from completing their punishment, which was determined and came into legal force by the sentence of the International Tribunal, in which representatives of the U.S.S.R., the U.S.A., Great Britain, France, China, the Netherlands, Canada, Australia, New Zealand, India, and the Philippines participated. Such acts of the Commander-in-Chief, directed towards changing or entirely reversing the decision of the International Tribunal established on the basis of the agreement between the U.S.A., Great Britain, the U.S.S.R., and China, authorizing the said Court to determine the degree of punishment for the major Japanese war criminals, guilty of committing the gravest crimes against humanity, constitute a gross violation of the elementary norms and principles of international law.

According to Article 17 of the Charter of the International Military Tribunal, as well as according to clause "B" (2) of paragraph 5 of the decision of the Far Eastern Commission of April 3, 1946 concerning "the apprehension, trial, and punishment of war criminals in the Far East," the Commander-in-Chief has the right to reduce or otherwise alter the sentence pronounced by the International Tribunal only while considering the question of the approval of this sentence. Neither the Charter of the Tribunal nor the aforementioned decision of the Far Eastern Commission contain any provisions which would give the Commander-in-Chief the right to reduce or otherwise alter the sentence after it has been approved and put into effect.

The sentence pronounced by the International Tribunal in regard to Sadao Araki, Kiitsiro Hiranuma, Mamoru Sigemitsu and 13 other defendants was approved by the Commander-in-Chief after consultation with the Allied Council and with the representatives of other powers which are members of the Far Eastern Commission. On November 24, 1948, the Commander-in-Chief announced his approval of the sentence of the International Military Tribunal in the case of the said Japanese major war criminals. In addition, the Commander-in-Chief declared that he did not find any omissions which could serve as a basis for introducing any modifications in the sentence. By his approval of the sentence of the International Military Tribunal, the Commander-in-Chief exhausted the authority granted him by the Charter of the International Military Tribunal for the Far East and by the decision of the Far

Eastern Commission of April 3, 1946, concerning the introduction of modifications in the sentence pronounced by the said International Military Tribunal. By issuing the circular mentioned above, the Commander-in-Chief exceeded his authority, strictly limited by the provisions of the appropriate international documents, which are the Charter of the International Military Tribunal and the policy decision of the Far Eastern Commission of April 3, 1946, concerning "the apprehension, trial, and punishment of war criminals in the Far East."

The Soviet Government calls the attention of the Government of the United States to the acts of General MacArthur, mentioned above, which violate the agreement concerning the establishment of an International Military Tribunal for the Far East, reached between the U.S.S.R., the U.S.A., Great Britain, China, and other countries participating in the Tribunal, and which run counter to the Charter of the International Military Tribunal for the Far East and the decision of the Far Eastern Commission of April 3, 1946. The Soviet Government urges the Government of the United States to take measures immediately to revoke the afore-mentioned illegal Circular No. 5 of March 7 of this year in regard to the Japanese major war criminals sentenced by the International Military Tribunal for the Far East.

## **Soviet Walk-Outs Flout Democratic Process in United Nations**

*Statement by Francis B. Sayre  
U.S. Representative on the Trusteeship Council*<sup>1</sup>

The withdrawal of the Soviet representative from this meeting repeats what now appears to be the standard Soviet practice in the United Nations organizations where China is represented.

Under the Council's rules of procedure, any question regarding the credentials of any representative on the Trusteeship Council is decided by the majority vote of the Council after examination of the credentials by the Secretary-General. This has been done and the Council has made its decision.

The United States accepts the decision just taken by the Council. If the decision had been otherwise, the United States, although opposed to it, would have been prepared to abide by that decision and continue its cooperation in the work of the Council. I would ask the Trusteeship Council members to consider the prospects for effective action by the Council or any other United Nations organizations if all the members showed

<sup>1</sup> Made on the occasion of the withdrawal of the Soviet representative from the meeting of the Trusteeship Council on June 1, 1950, and released to the press by the U.S. Mission to the United Nations on the same date.

the same arbitrary and dictatorial attitude as the representative of the U.S.S.R. and absented themselves or refused to recognize decisions of the organizations concerned whenever their own views on any particular problem were not accepted. Clearly, such an attitude would make it impossible for the United Nations organizations to operate effectively.

Needless to say, neither this Council nor other United Nations organizations and agencies can for one moment agree to the doctrine that the willful absence of a single member can have any effect whatever upon the validity of decisions taken. As members of this Council are well aware, the Trusteeship Council operated during most of its first two sessions as well as during its last session without the benefit of Soviet participation. The Council is fully able to do so again.

The very kernel of democracy is the acceptance by all of the will of the majority under a system which protects the rights of the minority. Without this, democratic government and world cooperation become impossible. The growing practice on the part of the Soviet Government to refuse to accept the vote of the majority is an attack upon the fundamental principles of democracy and upon the United Nations itself. It is tantamount to an open flouting of the burning desire of well-nigh all the peoples of the world for peace and world cooperation.

## **Czechoslovak U.N. Representative Resigns; U.S. Grants Asylum**

[Released to the press June 13]

*Vladimir Houdek, on May 16, 1950, announced his resignation as permanent representative of Czechoslovakia to the United Nations and wrote as follows to the Acting Secretary-General of the United Nations.*

The recent events in Czechoslovakia forced me as Permanent Representative of the Czech Republic to the United Nations to subject my relations to the government I represent to a thorough and fundamental examination. These events show me that a few individuals installed in a "Rokossowski way" in the top positions mechanically apply methods which are flagrant contradiction to our best traditions. Czechoslovak thus ceased to exist as an independent state. In protest of this development I am submitting my resignation from the post of the Permanent Representative of Czechoslovakia to the United Nations.

*At the same time, Mr. Houdek addressed the following communication to President Truman.*

**MR. PRESIDENT:** As a result of the recent events in Czechoslovakia I deemed it my duty to resign today from the post of the Czechoslovak Permanent Representative to the United Nations. I did so in order to protest before the whole world against the methods which are being used in Eastern European countries, including my own, against the people who have brought the greatest sacrifices in the interest of their nation both during the war and after. These methods have been imported to our country by a few individuals installed in a "Rokossowski way" in the top positions. They are in flagrant contradiction to our best traditions. The treatment of the American diplomats by the Czechoslovak Ministry for Foreign Affairs recently was but another expression of this attitude. I cannot agree with this development. I have therefore resigned from my present position and ask you to grant me an asylum for me and my family in the United States.

I arrived in the United States with my wife and daughter in 1946, and have been here ever since, first as the member of the Czechoslovak Embassy in Washington and later as the Permanent Representative of Czechoslovakia to the United Nations. During our stay in Washington a second daughter of ours was born. Prior to my arrival in the United States I was the Secretary for Slovak Affairs to the late President Benes.

In submitting my request, I wish to say that the only relatives we have in this world outside Czechoslovakia are living in the United States. This not being the only reason I hope that the asylum for us will be granted.

These public statements indicate that Mr. Houdek can retain no ties with the Czechoslovak Communist dictatorship. Were he to be returned to Czechoslovakia, his life would of course be forfeit, other potential defectors would be effectively discouraged, and the Communist security apparatus would, thereby, have gained a marked benefit.

It has been the traditional policy of the United States to give sympathetic consideration to the granting of asylum to political refugees. However, when requests are made to this Government for political asylum, the Department considers each according to its individual circumstances. After careful consideration of Mr. Houdek's request, this Government, in accordance with the procedure for dealing with such matters, has determined that it will not require him to depart from the United States at this time.

## CARRYING OUT POINT 4: A COMMUNITY EFFORT

*Address by Secretary Acheson*<sup>1</sup>

It is a great pleasure for me to be with you this morning and, particularly, a great pleasure to be introduced by my own governor of Maryland. Last night, as Governor Lane said, you listened to Mr. Hoffman who gave you a very broad and comprehensive survey of the problems which exist in the field of the foreign relationships of the United States. This morning, I want to take one of those problems and put it in a much narrower frame than we had last night. I am taking this particular problem, because it is of very great practical importance to all of us here. It is of great importance to the United States. It is of great importance to the Secretary of State as one who will have charge, I hope, of administering the law which is about to be implemented by the Congress, and it is a program in which you governors as a practical matter can be of very great assistance.

First of all, let me put this program in its frame.

I have recently come back from meetings abroad in which we have been dealing primarily with the defensive system of the Western world. That whole defensive system is to create a shield behind which the great constructive actions of the world can go on. Our military programs are not an end in themselves; they are a means, and, just as in the early days, some members of the community have to protect those people who are working in the fields, who are building houses, who are doing the constructive tasks of the community. So, today, we must have this protective shield. I have

spoken in other places about the keystone role of the Atlantic community in the constructive tasks of the world, and I shall not talk about that this morning. This great Western community with its tremendous skills, with its great productive capacity, must be in the very center of the whole effort of the free world to make itself strong, and virile, and self-reliant.

What I should like to mention today is a task which belongs to the Western world in its relations with less fortunate peoples. We have many problems of our own, and we will work those out in the West. We have to take barriers away from the flow of trade; we have to get greater cooperation in the intellectual and other spheres; we have to make our own views known throughout the world much more vigorously than we are doing at present; but those are intra-Western problems. There are another series of problems which have to do with the relation of the Western world to that vast unnumbered millions of people who live in Asia, and in Africa, and in the Middle East. These areas are called the underdeveloped portions of the world.

It is in regard to this problem that I should like to talk with you this morning and that, to be very brief, has to do with what has become known as the Point 4 Program—that is, the program of technical assistance. It is a program which was originally announced by the President in his inaugural address in 1949. The law which permits us to go forward with technical assistance has been passed by the Congress, and the matter of providing funds for it is now before the House and the Senate; and I want to talk for a few moments about the nature of that problem and about

<sup>1</sup> Made before the Council of State Governments, White Sulphur Springs, W. Va., on June 20 and released to the press on the same date.



the help which you governors can give to us in carrying it out.

I think the program has been very much misunderstood. In many areas, it is talked of as though it were a give-away program, a program which is going to take hundreds and hundreds of millions of dollars.

That is not what we are talking about. We are talking about a program of technical assistance. It is a program which costs comparatively little money, and the money which we have asked from the Congress is very small indeed compared to what may be accomplished. It is very hard for you in the United States to understand what can be accomplished by the program because the things we are doing are common phrases to you.

Every one of you governors has under you departments which are doing the sort of thing which we want to carry to peoples in other parts of the world, and I venture to say that it does not take 20 minutes a week, or 20 minutes a month, perhaps, of your time. Take, for instance, the question of the water supply. I am not talking about the quantity—I understand that Governor Dewey has a problem about that, and I know there are problems in the Western States that have to do purely with the quantity of water which is available. I am talking about the purity of the water which is available. To you, that is just a thing that happens automatically.

Every one of your cities, every one of your towns, has a water supply. There is a municipal official in most cases, sometimes a State official, who every few hours takes a sample out of the tap into his test tube, does some things which I do not understand with it, and automatically issues some orders so that the chlorination is increased, or something else is put in the water. You never pay any attention to it, and, yet, this is one of the most fundamental problems to millions and millions of people in the world.

There are areas where there is not a single drop of water which we can drink without getting some dreadful intestinal disease, and one of the extraordinary things to visitors from the underdeveloped parts of the world who come to the United States is to see people go to a tap, get some water in a glass, and drink it. They are perfectly amazed by what happens. One man who came to us from the Far East was on the fifteenth floor of his hotel, and he saw somebody taking some water out of the tap, and he was amazed by this—and we

said: "Are you impressed by the fact that we have running water on the fifteenth floor?" And he replied: "We are not so much surprised by that as by the fact that you drink it!"

That is the sort of thing that is so important. And how can you help us? Well, here is a practical illustration.

#### **State Assistance**

A few years ago, we asked Governor Youngdahl, of Minnesota, if he would lend us one of his experts from the Minnesota Department of Health. His name was Edmund Wagner, and the State of Minnesota lent him to us, and we sent him to Brazil to work out a water system on an experimental basis for a small town. This town was on the banks of the Amazon, and people would go to the river, and then dip out a bucket of water, take it home, and wash, and use it for cooking and drinking; and everybody in this town was ill from intestinal parasites which came from this water, and it had a very serious effect on the people.

Mr. Wagner worked out a very simple water system for this town on the Amazon, the sort of system which would be almost too primitive for most American communities, put it in operation, and within 2 or 3 years this town began to be trebled, and again people came from miles around, because this was one place where you could get pure water. And then, the pumping system allowed the town to get away from the banks of the Amazon, and it went into the higher ground, and the water went up there. But here in the middle of Brazil is a city which is the envy of that entire country because one officer from the State of Minnesota went down and put in an experimental system.

Not long ago, we asked Governor Dever, of the State of Massachusetts, to lend us Clarence Sterling of their Department of Sanitation. He went to Santiago, Chile, and there he put into effect a sewer system. The effect of this was so startling in Chile that all of Latin America asked for Mr. Sterling, and he spent several years in South America putting these systems into country after country, and now he is back again in Massachusetts with this work well-done.

Governor McMath has lent us William Bell, one of their sanitary engineers, who went to Mexico to install a sanitation system. The city of Seattle, Washington, recently released its Public Health Director, Dr. Emil Palmquist, and its Di-

rector of Sanitation, Frederick Aldrich, and they undertook a public health mission in Iran. Another health man from Governor Langlie's State of Washington, Herbert Colwell, went out with the ECA mission to Greece to fight malaria. He started working with the United Nations Organization, the World Health Organization, and the ECA; and this man, and a half dozen people working on this whole scheme in Greece, have reduced the incidence of malaria in Greece from 2 million cases a year to 50 thousand.

Now, there is another area in which we need help from you. When one of you governors takes office, you have whole operating school systems, tax systems, road systems. All of that is working. You have school boards and road districts, and all of that sort of thing. Since the end of the war, there are nine countries in Asia which have become independent. Those nine countries have a population of over 600 million people, and, in many of them, the entire system of government has to be started from the ground up.

#### **Success of Individual Effort**

Many of these governments have asked us for experts who will go out to help them to organize the simple administration of government departments, and we are going to ask you for help in getting them to do that work. Just a few years ago, for instance, the Government of Bolivia wanted to set up a system for running rural schools. They did not know how to do that. So, we asked the Governor of New Mexico if he would lend us one of his men, which he did. That man went down to Bolivia, and set up a very simple system of county school administration. This was so sensational in Bolivia that six countries in South America asked for this officer, Ernest Maes, of New Mexico, who went to the six countries and set up this county school administrative system.

Governor Duff has lent us Dr. Powers, who is reorganizing the normal schools in Ecuador. The Director of Vocational Education of Connecticut, Dr. A. S. Boynton, has been lent to us by Governor Bowles, who is setting up industrial schools in Panama.

Now there are dozens of other State officials and municipal officials who are out doing this work in the area in which we have been permitted to do it in the past—which has been largely in South America. Now, if this Point 4 legislation is passed, we will have an opportunity to carry this

work into other areas of the world which need it very badly, and those are particularly in Asia and Africa.

In the agricultural field, for instance, in which you are so rich in talent, we will need a great deal of help. Recently, we had a problem in Liberia. The dry season in Liberia used to be called a "hungry season," because they did not know how to grow food during that dry period, and there was a great deal of starvation and a great deal of sickness in Liberia during the dry season. We asked Governor Fuller Warren if he would lend us a man who could work on that problem, and he lent us Frank Pindar, who went to Liberia.

Now, this did not take millions of dollars or vast equipment. In fact, Frank Pindar went off with a small amount of baggage, and he had a sack of corn, half dozen ordinary hoes, and a shotgun. We asked him who the shot gun was for, and he said that was for crows, so we thought it was all right to let him take it. He went to Liberia, and there he taught people how to grow vegetables in a dry season—the simplest kind of irrigation, the simplest sort of cultivation of the soil to bring whatever moisture there was up to the surface—and the result of all of that now is that the work of this one man in Liberia has completely dissipated this "hungry season." People can now eat during the dry season in Liberia.

Now, these people that we send out are not merely technicians; they are not merely people to teach this, that, or the other technique; but they are the great apostles, the great spreaders of democracy. One of the things that we have learned—and we have learned it the hard way—is that great programs which seem so important to us from the American side look quite differently to the people who are on the receiving end. We often think that when we put forward a program which fills ship after ship of commodities, and off they go to various parts of the world, that the people on the receiving end must be very much impressed by our tremendous productive power, by our generosity, and all that sort of thing. We see it from the outgoing point of view. We see great warehouses full of goods; we see tremendous ocean liners full of things.

That is not the way it looks on the other end. The way it looks to the person in the Far East or Southeast Asia is not from the point of view of the vast ship crowded with material coming in, but it looks to him like a bowl of rice. When there

is a little bit of rice in it, it is not terribly impressive. That is what he sees, and we have to look at our program through other people's eyes. One of the important things is that we should have these apostles of democracy who go out and work with people—not merely officials who work with officials of government, not merely people who live in the good hotels and walk into government offices, but men who go into the back country; a man who can take a simple agricultural instrument and show people how to use it, a man who can explain the difference between different types of seed. If you can improve by 10 percent the quality of rice seed in Asia, you have almost solved the food problem. It is as simple as that. And, yet, the men who go out have to work with the people. You can not say to them, "This is the way it is done in the agricultural college of Iowa," or something of that sort. You have to understand their nature. You have to understand their background, their religious or other prejudices, and you have to teach them how to help themselves.

#### **Cooperation: An American Tradition**

That is what these men that you have lent us have been doing. This is in the American tradition. This is the right way for America to act. If you think back over our history, and you think of the great people who did this sort of thing in our early days, you remember Eleazer Wheelock going up the Connecticut River Valley when the frontier was at Springfield—and going beyond the frontier up to Hanover to start a school for the Indians. And you remember Père Marquette going out into the Michigan area with nothing except what he had on his back—but going out to teach and instruct and live with these people. And over, and over, and over again this was true in the early days of the United States. Now, the frontier has gone very much beyond our own country, and here is another challenge to Americans. And we need not only these highly skilled men that you can give us, but we need younger men, too. I have often wondered whether that spirit of adventure and hardship still exists in the United States. I think it does, but I think it is an open question. I wonder how many volunteers from all our colleges, who are graduating this June, you would get if you went to them and said, "I want to offer you a hard life; you are not going to be paid much; you are going to live in backward areas of the world where there is disease lurking everywhere; you

are going to work and to live with people who know nothing and are going to be very suspicious of you. But here is one of the great tasks which the United States, and the United Nations, and the other Western countries can bring to the underdeveloped parts of the world. Will you go out and take this missionary task with you?" How many would go? I think we would be surprised. I think a lot of boys and girls would do that.

I am talking to you about this program not because it is exciting or anything of that sort; it is not nearly as much fun to talk about this or to listen to this as it is to talk about what men in the Kremlin are up to; that is much more fun than this sort of thing, but this is something we can do.

People come to me, and they say foreign policy is all right, and we like to read this, and that, and the other columnist, but how can the American people—how can a person participate in our foreign policy? Well, here is a way you can participate in it. Every one of you governors can help us. We will be coming to you and asking you for men, and it is going to be very inconvenient for you. You will not want to let some of these people go, but we are going to ask you to do that. You can explain to your people how important it is, and we are going to ask you to get some volunteers from the younger people in your States, and you can explain that to them. And it seems to me that if the people of your communities could feel that they had a part in this work because their city engineer or the head of their State health department is going to a particular country, and if they could follow his work, and if they could get letters from him which are printed in the papers, and if everybody in that community could follow what a man they know, with a few assistants, is doing in some distant part of the earth, then you would get this real feeling that the world is, after all, one world and it is not as large as it seems.

This program is now before Congress. It went before the Congress as a complete bipartisan proposal. It was worked out in the House and Senate, and bills were put in by Republicans and Democrats jointly. The Senate Committee on Foreign Relations reported it out unanimously. The House committee was practically unanimous. It was passed by a very large majority in both Houses. Now, we come to the very difficult thing of getting the money for it, and, now, we are running into attacks—a narrow attack, isolationist points of view are brought up, and the whole

program is being misrepresented and damaged. The sort of attack that we have was illustrated the day before yesterday by two men who attacked it for exactly opposite reasons. One attacked it because we had been talking with various countries about programs in advance of the Congress appropriating the money, and we were criticized very severely by him for doing that. He said, "Here you are putting pressure on the Congress. You go and talk to this, that, and the other country about a program before Congress has given you money. That is very bad." And he had hardly gotten through with that before another man got up and said, "The trouble with you fellows is that you haven't got a fully detailed program. Why don't you talk to these countries and find out exactly what it is going to cost before you come in and ask us for the money?" Well, you cannot win. You get it coming and going on that basis.

But I believe that the Congress is going to give us the money for this program. I believe it will have the most tremendous effect in parts of the world which it is very difficult to reach in any other way. I have been asked: Why don't you set up a great Marshall Plan for Asia? Perhaps, later in the day, Ambassador Jessup can talk with you about the problems of Asia. But you will find that it is wholly different from the problem of Europe. In Europe, you have a more or less homogeneous community with problems which are fairly identical, people who are used to working together and understand that each one is depend-

ent on the other. In Asia, you have vast distances, different peoples, peoples who are quite different racially, whose languages are wholly different, who have absolutely no common experience of any sort at all. Most of these Asian countries have had their connections with the world through individual Western countries and not with one another. They do not want a Marshall Plan for themselves; they do not want to be brought into one common operation. Each one is dealing with its own problem in its own way, and we have got to adapt ourselves to the world in which we live. We might wish it were different, but it is not different, and, therefore, we must adapt ourselves to the situation which confronts us. In doing that, we can, with this technical assistance program, be of real help to individual people in this great part of the world and make them realize that it is not merely the Communists who send people out to live in the country and teach them doctrines of one sort but that we also are willing to send people who will live with them and that we are not teaching them doctrines. They must realize that we are teaching them how to do things which are going to let them develop in their own way and that we are helping them, not trying to coerce them, or rule them, or use them for our own purposes. That, I submit to you, is the purpose, the significance, the object of this Point 4 Program.

I hope very much that we can have the support of all of you governors not only in getting the authority to do it but also in carrying it out after we have gotten that authority.

## The Need for an International Trade Organization

*Statement by Charles F. Brannan  
Secretary of Agriculture*<sup>1</sup>

In appearing before you to discuss the proposed charter for an International Trade Organization, I should like to speak particularly of the relation of this charter to United States agriculture.

Agriculture has a very real interest in this charter. American agriculture produces a good deal more of many important agricultural products than is consumed in the United States, including wheat, cotton, tobacco, lard, and many fruits and vegetables. In the crop year 1948-49,

<sup>1</sup> Made before the House Committee on Foreign Affairs on May 1, 1950.

our agricultural exports were valued at over 31½ billion dollars. We sent abroad about 40 percent of our wheat, 32 percent each of our cotton and our rice, 22 percent of our tobacco, almost 30 percent of our raisins and over 40 percent of our prunes, 30 percent of our peanuts, and 25 percent of our hops—to mention some of the more striking items.

The level of our agricultural exports during recent years has been higher than normal because of emergency and postwar requirements. Much of this was implemented by the financial assist-

ance this country has been giving the purchaser countries. With the progressive restoration of agricultural production abroad, we can expect an over-all shrinkage of our agricultural exports from the high level reached during the emergency period.

This return of our farm exports toward more normal levels will require adjustments in our agricultural production. Should our agricultural exports drop to the levels which prevailed in the late thirties, serious production curtailments could not be avoided. On the other hand, to the extent we succeed in maintaining our agricultural exports at their present levels, the domestic adjustment problem will be reduced.

The history of the 1930's indicates that we cannot hope to maintain a high level of agricultural exports unless conditions favorable to multilateral nondiscriminatory trade are restored in the portion of the world economy with which we carry on the bulk of our trade. You will recall that the trade restrictions and exchange controls employed by foreign countries in the thirties hurt our agricultural exports considerably more than they did our industrial exports. This was because foreign countries turn to alternative sources of supply, such as stimulation of domestic production, for many of the agricultural products normally purchased from the United States more readily than they did for the products of our industry which they found more difficult to purchase elsewhere.

Under the impact of the war and postwar emergency, foreign governments have greatly increased their intervention in trade by such means as embargoes and quotas, exchange controls and artificial exchange rates, state-trading monopolies, and bilateral or regional trade and payment arrangements. Recourse to these restrictive and discriminatory measures has sometimes been justified by the difficulties encountered by many foreign countries in balancing their trade and payments with the United States and other so-called hard-currency countries. ECA assistance is helping many of those countries overcome their acute financial difficulties. But if the world is to obtain lasting benefits from the rebuilding of the war-torn economies, it is necessary that those abnormal trade restrictions and discriminations be discontinued as rapidly as improvements in international financial and trade conditions permit.

To assure international cooperative progress toward this objective, and thus to provide for a revival of multilateral nondiscriminatory trade, is the principal objective of the Ito charter.

#### **Efforts on Behalf of World Trade**

Thus—as has been pointed out by those who have already testified before this Committee—it would supplement our efforts through ECA. It would also supplement our trade agreement program and the international monetary and financial arrangements of Bretton Woods. Further-

more, it would help achieve the United Nations Food and Agriculture Organization's objectives of improved nutrition and standards of rural living throughout the world. Signatory countries to this charter would undertake to work together to avoid the type of situation we had in the thirties.

In addition to the interest of American farmers in the charter because of the need to export farm products, they have an overwhelming interest in the maintenance of other portions of the United States economy in an active healthy condition. It is my belief that the cooperation of nations in the establishment of the International Trade Organization provided for in the charter being considered by this Committee will advance those interests. Other witnesses will elaborate on these aspects of the charter. I would like now to turn to the specific provisions of the charter as they relate to matters of most direct interest to American farmers.

The charter approach is a realistic approach. The Habana conference and the other international meetings in which this charter was drafted did not stop with the establishment of broad principles. They studied specific difficulties likely to be encountered, and they wrote into the charter provisions allowing for sufficient flexibility to deal with the realities of the trade situation.

For example, there is a "general escape clause" similar to that included in the more recent trade agreements. It provides, in essence, that any country may suspend obligations undertaken under the charter or may withdraw tariff concessions if, as a result of unforeseen developments, increased imports of a product cause or threaten serious injury to domestic producers.

As concerns import restrictions on agricultural products, the charter develops what I believe to be a fair basis for meeting the very difficult problem of imports of products on which we have domestic support programs. As you know, we have traditionally imported substantial quantities of agricultural products of kinds similar to, or supplemental to, those we produce in this country. We have a serious basic problem because imports of these commodities, many of them interrupted during the war, are resuming just at the time when we are struggling hardest with the problem of adjusting our agriculture to a peacetime basis through the support of the domestic market.

It is obvious that we cannot permit imported products to take advantage of a market support operation designed to help United States producers. On the other hand, it would be unwise for us to take the other extreme and completely prohibit imports of a product traditionally imported into the United States. The one action would be unfair to us. The other would be unfair to foreign countries. Moreover, it would lead to a type of economic warfare which, in the long run, would harm the export market for United States agricultural products.

The charter deals with this problem by permitting restriction upon imports of an agricultural commodity being supported under any domestic program in the same proportion as the domestic producers benefiting from that program accept restrictions on the production or marketing of that commodity.

This is not a simple rule to apply, but I am sure that the Committee will recognize it as a fair principle on which to base any continuing import restriction. Moreover, it does not prevent the mutually beneficial development of trade between countries that sign the charter.

In addition to this principle regarding continuing import restrictions, the charter permits temporary use of restrictions on imports of agricultural products in connection with operations to remove temporary surpluses.

### **Subsidy Provisions and Commodity Studies**

I would next like to mention the relationship between the subsidy provisions of the charter and our agricultural programs. One objective of our farm legislation is to maintain a fair relationship between agricultural and nonagricultural incomes. Sometimes our price-support program results in holding domestic prices up when world prices are falling. This tends to price us out of our foreign market. Export subsidies can be used to offset such differentials. The charter permits this in special cases, even though it bans export subsidies in general. Again, however, it imposes a limitation that, I believe, we must recognize as fair. It requires that a country using export subsidies does not use them to push its export quantities beyond an equitable share of world trade in the commodity involved. This limitation aims to prevent international economic warfare which would be harmful to all producers of the commodity anywhere in the world.

The charter recognizes, however, that limitations on subsidized exports alone cannot solve the problems arising in the world economy as a result of the accumulation of burdensome surpluses of a primary product. Therefore, there is a special chapter—chapter VI—on international commodity agreements. It provides machinery for intergovernmental study of world commodity problems and for cooperation among the interested governments in efforts to achieve a solution of those problems in a manner fair to both producers and consumers. International bodies studying commodity situations are already in existence in the instances of such important products as wheat, cotton, and sugar.

We already have an international agreement for wheat approved by the Congress last year. That agreement gives a specific example of one way in which an international commodity problem can be handled under the charter chapter on international commodity agreements. I should add that

the extended international discussion that led to the initialing of the commodity agreement chapter of the charter by representatives of 53 countries was an important preparatory process that helped make possible the final negotiation of the Wheat Agreement.

I might say just a word about the Wheat Agreement. American wheat growers responded wholeheartedly to the war and postwar appeal to produce in abundance to feed a hungry world, and they have developed wheat production so that it can be maintained substantially above prewar levels. Thus they have a real and legitimate interest in their share in foreign markets. During the life of the Wheat Agreement, they will have a large guaranteed export market in the participating importing countries.

The producers of other export staples, as for example cotton, who also may in the future be faced with the threat of an accumulation of burdensome surpluses, are interested in the Wheat Agreement because they may want to use a similar technique in future years.

The over-all importance of the Wheat Agreement, and of other commodity agreements that might be concluded in the future, from the viewpoint of international economic relations, cannot be underestimated. There is a basic interdependence among the leading trading countries of the world, and this is particularly important in the field of agriculture. You cannot satisfactorily solve the problem of wheat in terms of United States production for the United States market, any more than the British can solve it in terms of production and consumption in the United Kingdom alone. Unless all of the governments principally concerned get together to discuss the problems that arise out of their common interest in wheat, all will suffer more than need be. The same is true for many other agricultural commodities. Only by friendly cooperation among the main consuming and producing countries will we be able to assure a measure of stability in the world's commodity markets.

There is one additional point I should stress in respect to the commodity agreement chapter of the charter. It does not permit the indiscriminate use of intergovernmental agreements to control trade. It limits recourse to control agreements to cases of real difficulty. In fact, the charter permits such agreements only when there is or threatens to be a burdensome surplus of a primary commodity which cannot be corrected by normal market forces in time to prevent hardship to a large number of small producers.

I would like, in conclusion, to stress that leading farm organizations have expressed support for the principles of the Iro charter.

American farmers recognize the need to supplement international political cooperation by economic cooperation.

I urge favorable action on this charter.

## The Need for an International Trade Organization

*Statement by Charles Sawyer  
Secretary of Commerce*<sup>1</sup>

The Department of Commerce has a vital interest in the international trade of the United States. It has this interest because it is charged with serving the American business community and aiding in the maintenance of a strong domestic economy in addition to the part it plays in the development of our foreign economic policy. Bearing these responsibilities in mind, I want to make clear at the outset that, in our judgment, adherence to the charter will have beneficial results for our country.

Over the past few weeks, you have heard the testimony of many witnesses. Most of these have spoken in favor of joining the Ito. Since you have heard both sides of the question, I shall not impose on you a repetition either of the arguments or the charter's details. What I should like to do is to comment on the attitude of business toward the Ito.

I am aware of the criticisms that have been made by a number of business organizations. Nevertheless, while these groups have differed regarding details in the charter, I believe that they, as well as those which have spoken in favor, agree with the basic principles of the Ito. All are convinced that something is wrong in world trade today, and all are of like mind that something needs to be done about it.

### Criticisms of Charter

Criticisms of the charter have been many and varied. On the one hand, the charter has been called an impractical idealistic document; on the other hand, it is criticized because of its concessions to the realities of the world in which we are now living. While some have said that the charter is too technical and complicated, others feel that it is full of platitudes and generalizations. The most frequent criticisms, however, have been

leveled at the so-called "exceptions" to the charter and the fact that it might cause an increase in imports which these people feel would be bad for the country.

I do not believe that these criticisms should be ignored. They have been made in the main by sincere and conscientious individuals and organizations which have studied the charter. I should, therefore, like to devote a few lines to them. The avenues of trade are still congested with restrictions and discriminatory arrangements instituted to deal with abnormal economic conditions with which you are all familiar. Our businessmen complain about them every day. The point is that the charter did not create those conditions; yet it cannot fail to recognize their existence. In other words, many of the criticisms which have been leveled at the charter should really be directed against world conditions. If the charter did not recognize the state of affairs today it would not be worth having because it would be based on illusions and wishes—not on realities.

The establishment of the Ito, however, will give us an opportunity to work continuously at the ailments which now afflict international trade. For adequate diagnosis and treatment we need a continuous appraisal. Nations must consult with one another to find out what is wrong and reach agreement on what must be done.

I do not believe that the charter will usher in a new era; neither am I so cynical as to believe that it is worthless. It is a step forward; it is more than we have now. It provides for the elimination of many nuisances and unnecessary trade barriers that plague the trader today. I have in mind, for example, the field of customs formalities—often referred to as "invisible tariffs." What the charter seeks to do in this, as in other fields, is to establish agreed rules or principles of reasonableness or fairness in the administration of customs and related regulations and thus to eliminate or cut down some of the formalities and complexities that have become a part of customs administration all over the world.

<sup>1</sup> Submitted to the House Foreign Affairs Committee on May 11, 1950.

I should like to direct your attention to two points with which critics of the ITO have been principally concerned. One of these relates to the so-called "exceptions." The critics feel that the charter would be unfair to the United States because our trade would be carried on without exceptions while the trade of other countries would be carried on under the exceptions. This argument does not hold water. The charter binds all of the member nations to live up to its terms. Some of these terms are unqualified. Those which relate to customs procedures, internal taxes and regulations, and restrictive trade practices are examples.

It is true that exceptions are written into the charter to provide for the unusual conditions to which I have already referred. It should be kept in mind, however, that some were put in at our request for our benefit. Some benefit no other country, an example being the preference exception regarding trade between the United States and the Philippines and Cuba. Other exceptions we asked for and got were those relating to security considerations, import quotas on certain agricultural products, and the use of the "escape clause" in connection with tariff concessions.

#### **Need for Compromise**

Now in order to get these exceptions, and to get other countries to agree to general principles which both the proponents and opponents of the charter have agreed are desirable, we had to compromise on some issues. After all, we were dealing with a large group of sovereign independent nations, many of whom have varied backgrounds, traditions, and customs. We have always compromised in order to reach mutually satisfactory conclusions in dealing with other nations. If we were unwilling to give and take we would make no progress.

Some criticism of the charter has also come from those who fear the effects of greater imports into the United States. This is a problem in which I am intensely interested. The charter, as you know, provides certain rules for trade. It does not in itself cause trade to flow. Thus, it will not by itself create more or less imports. And it does not require us to take any action with respect to tariffs to which we are not already committed under the Trade Agreements Program.

With regard to the question of imports, I should like to point out that the great bulk of the business community not only does not fear imports but is taking active steps to encourage them. Among the national organizations which have taken this position are such diverse groups as the National Association of Manufacturers, the Chamber of Commerce of the United States, the United States Council of the International Chamber of Commerce, the National Foreign Trade Council, the Congress of Industrial Organizations, the Ameri-

can Farm Bureau Federation, and a host of other organizations well-known to you. In an expanding economy, more goods will be exchanged, not less, and goods must flow into the United States as well as out if we are eventually to avoid subsidizing our foreign trade with dollar loans and grants.

I should also like to call your attention to the provisions dealing with so-called restrictive business practices. Experience has shown that certain activities of private international cartels, such as the allocation of trade territories and industrial fields, limitation of production, and price fixing, can restrict the flow of trade and limit competition just as effectively as any government-imposed tariff or quota. For a long time, it has been our general policy in this country to eliminate such practices, but very few other countries have heretofore been concerned with this subject to any appreciable extent. Under the ITO charter, however, each member nation would be required to take steps to assure that enterprises in its jurisdiction do not engage in practices which restrain international trade and interfere with the realization of any of the objectives of the charter.

In the light of the hard facts and realities of the present world, I believe that the ITO charter is in the interest of the United States—and I want to emphasize that by participating in the ITO, we do not prejudice our ability to seek improvements as soon as they can be achieved. I believe we are right in hoping for a day when world trade will conform more nearly to the conditions of business practice within the borders of this country. We should, therefore, in my judgment, approve an agreement that advances us toward our objective even if it is not entirely perfect.

Whatever the shortcomings of the ITO charter, I am convinced that our failure to ratify would be a mistake. The alternative is likely to be a period of more restrictive and conflicting systems of foreign trade control on the part of many countries. We would probably see greater efforts at national self-sufficiency, and wider governmental intervention in commerce. Controls which become no longer justifiable on economic grounds might be continued for bureaucratic or political reasons, and our only recourse would be retaliation which would be bound to have depressing effects upon the economic progress and prosperity of the United States.

Stated simply, I believe the charter should be approved because its fundamental premises are good and agreed to by most businessmen; because most of its provisions are constructive; and because there is nothing in it which will harm the position of the United States or its businessmen. The common-sense approach to this problem would seem to be to approve this charter and then to work with other member countries through the International Trade Organization to accomplish our purposes.



## Relaxing Restrictions on Foreign Investment in Germany

### PROCEDURE ESTABLISHED BY ALLIED HIGH COMMISSION

[Released to the press June 15]

At its meeting in Berlin today, the Council of the Allied High Commission approved the detailed procedure prepared by its financial advisers for the first stage in the progressive relaxation of the present restrictions on foreign investment in Germany.

The formulation of this procedure, which is to be operated on a licensing system under the direction of the Allied Bank Commission and based on Military Government Laws No. 52 and No. 53, follows the approval in principle by the Council, on May 31, 1950, to the reopening of Germany to foreign investment. The new opportunities, which are to be granted to foreign owners of property and funds in Germany and to foreigners wishing to bring new capital into Germany, were the subject of discussions with the Federal Finance Minister on June 6, 1950, and with the representatives of the Benelux Governments on June 9, 1950. The decision of the High Commission has effect in the area of the Federal Republic of Germany and in the American, British, and French sectors of Berlin.

In deciding on the new procedure which, it is hoped, will contribute to the economic recovery of the Federal Republic, the High Commission has had to take into account a number of considerations of which the most important are the need to safeguard Germany's foreign-exchange position, to prevent undue concentration of foreign capital in German industry, and to provide equality of opportunity and treatment (for foreign investment made from blocked funds now held in Germany and new funds from abroad) as between existing foreign owners of property, prewar creditors, and new foreign investors and German investors.

Further measures of liberalization and relaxation will be introduced in the light of the experience gained in the operation of the present new procedure. However, it is not foreseen that convertibility in foreign exchange of capital or in-

come from old or new investments will be permitted.

Principal features of the scheme are:

(1) Capital equipment, raw materials and semi-finished goods, and engineering and other technical services may be brought into the Federal Republic for investment purposes under special license;

(2) Deutchemarks may be acquired from the Bank Deutscher Laender at the current rate of exchange against acceptable foreign currencies and may be used in Germany under the same conditions as govern the use of existing foreign balances;

(3) Foreign owners of claims, expressed in foreign currencies against German persons, corporations, or German public bodies will be permitted by special license to enter into voluntary agreements with the debtors for repayment in deutchemarks;

(4) Foreign-owned real estate or other non-monetary property may be sold in Germany or transferred to another foreign owner for foreign exchange consideration by special license;

(5) Foreign owners of deutchemark bank balances (including deutchemarks acquired by the above methods) and foreign-owned or -controlled German corporations will be allowed by general license to invest in real estate, in securities issued by public bodies, and in publicly-dealt-in securities and, by special license, will be allowed to acquire investments in private business enterprises and loans;

(6) The permitted daily drawings from foreign-owned deutchemark balances for travel expenses in Germany will be increased to DM 75 per person with a maximum of DM 200 per day per family. General licenses under Military Government Laws Nos. 52 and 53 to give legal effect to the above arrangements will be issued by Bank Deutscher Laender in the near future.

In reaching its decision to relax restrictions on foreign investment in Germany, the Allied High Commission has been influenced by the urgent need for new capital investment in Germany to insure

the continued economic recovery of the Federal Republic. It recognizes that the foreign investor has a part to play in providing the necessary capital for this purpose.

In order to attract new foreign capital to Germany and to encourage productive use of existing foreign funds in Germany, the High Commission appreciates that the regulations governing the employment of foreign funds must be as liberal as possible and that exchange-control restrictions must be kept to a minimum. At the same time, the overriding necessity of safeguarding the stability of the currency and of maintaining foreign-exchange accruals, upon which the general standard of living and the level of imports so largely depend, must be borne in mind. It is for these reasons that it is possible to proceed only by progressive stages in the removal of the restrictions on existing foreign owners of assets and on new investors and in restoring the normal contractual relationship between creditors and debtors.

In opening the way for an increase in foreign investment in Germany, certain additional safeguards are essential. These have been provided for in the detailed scheme. The development of new foreign investment is to be kept under constant survey to prevent any undue concentration of economic power. Finally, the same opportunities as are afforded to new foreign investors are made available to old creditors and existing property owners.

Inquiries in connection with this policy and applications for special licenses should be addressed to the Bank Deutscher Laender at Frankfurt, Germany, or to the appropriate Land Central Banks in the Federal Republic of Germany.

## **REGULATIONS GOVERNING FOREIGN INVESTMENT IN GERMANY**

*The Department of State on June 16 released to the press the details of the new policy concerning foreign investments in the Federal Republic of Germany and the American, British, and French sectors of Berlin. This policy was approved by the Allied High Commission at its meeting in Berlin on June 15, 1950, and was announced in summary in the Department's press release 638 of June 16, 1950. The details of the new regulations are as follows:*

A. Subject to the provisions of paragraph B. below :

(1) Foreign owners of DM balances may utilize and dispose of such balances, including DM proceeds from settlements referred to in paragraph (6) below, as follows :

(i) disbursements which are now or which may hereafter be permitted by general licenses issued pursuant to Military Government Laws Nos. 52 and 53. General licenses will be issued which will enable foreign owners to utilize and dispose of their DM balances subject to the same limitations as apply to German owners but only in so far as foreign exchange control objectives of the Federal Republic are not contravened. In particular, the existing general license for travel expense will be amended to permit the account owner to withdraw up to DM 75 per day per person to cover the travel expenses in Germany for

himself and members of his family provided the total of such withdrawals does not exceed DM 200 per day.

(ii) investments in real estate and in securities issued by public bodies and their agencies and securities publicly dealt in to be permitted in accordance with a general license to be issued pursuant to M. G. Laws Nos. 52 and 53 which will provide that real estate and securities so acquired shall be subject to the provisions of such laws.

(iii) investments in private business enterprises and loans will be permitted in accordance with special licenses to be issued on a case by case basis pursuant to M. G. Laws Nos. 52 and 53.

(2) Foreign owners of real or other property in the Federal Republic of a nonmonetary nature will be permitted in accordance with special licenses to be issued on a case by case basis pursuant to M. G. Laws Nos. 52 and 53 :

(i) to dispose of such property subject to the same limitations which apply to German owners of similar property on condition that any DM or other proceeds accruing therefrom shall be paid into a blocked account in the name of the foreign owner, which may be utilized in the same manner as outlined in paragraph (1) above;

(ii) to transfer title to any such property to other foreigners for foreign-exchange considerations provided that such transfers are not for the purpose of avoiding foreign exchange control objectives of the Federal Republic and that such property was not acquired after the date of the lifting of the investment moratorium.

(3) Foreign-owned or -controlled business enterprises organized under German law and operating in the Federal Republic will be freed by way of a general license from any restrictions under M. G. Laws Nos. 52 and 53 which do not affect the operations of German enterprises except for the control of investments to the extent set forth in paragraphs 1 (ii) and 1 (iii) above.

(4) Foreign persons will be permitted in accordance with special licenses to be issued pursuant to M. G. Laws Nos. 52 and 53 to bring into the Federal Republic capital equipment, raw materials and semifinished goods, engineering and other technical services for use in the Federal Republic subject to the same regulations as apply to German-owned properties on condition that any DM or other proceeds accruing therefrom shall be paid into a blocked account in the name of the foreign owner, which may be utilized in the same manner as outlined in paragraph (1) above.

(5) (i) The Bank Deutscher Laender will be authorized, under the supervision of the Allied High Commission or its designated agency, to sell deutschemarks, at the current rate of exchange, against acceptable foreign currencies including those placed at the disposal of the Bank

### **Information on Doing Business With Germany and Austria**

The Economic Cooperation Administration announced on June 12 that materials on *Doing Business With Austria* and *Doing Business With Germany* are now available from its Office of Small Business at Washington.

These materials, prepared by the Office of International Trade, Department of Commerce, contained detailed information of interest to American businessmen engaged in, or contemplating, trade with German and Austrian firms.

In addition to describing general trade possibilities with these ECA countries, the materials discuss exchange controls and capital movements, exchange rates, and trade procedures and regulations.

Deutscher Laender under existing payment agreements or pursuant to such subsequent payment arrangements as may be set up. Foreign exchange derived under this provision shall be held by the Bank Deutscher Laender subject to the same controls as other foreign exchange resources.

(ii) DM balances created or other assets acquired as a result of the foregoing, including income, shall be held subject to the provisions of M. G. Laws Nos. 52 and 53 and may be utilized in the same manner as outlined in paragraph (1) above.

(6) (i) Foreign owners of securities, claims or other obligations expressed in foreign currencies which represent debts of private persons, firms or corporations in the Federal Republic will be permitted in accordance with special licenses to be issued pursuant to M. G. Laws Nos. 52, 53 and 63 to enter into voluntary agreements with the debtors for the settlement of such debts in DM provided that:

(a) Such securities were issued or the claims or other obligations arose prior to September 1, 1939, and were, except in the case of bonds, held by the present owner on the date the lifting of the investment moratorium is announced.

(b) Any DM received by the foreign owners as a result of any such settlements shall be paid into a blocked account in the name of the foreign owner, which may be utilized in the same manner as outlined in paragraph (1) above.

(c) The security, claim or other obligation, if subject to the provisions of the Law for the Settlement of Matters Concerning Foreign Currency Securities (Validation Law) when enacted, shall have been duly validated pursuant to the provisions of such Law.

(d) It is established that all other foreign creditors of the German debtor involved have been given at least 60 days notice of the proposed settlement by publication and by registered letter where possible; such notice to inform creditors that any objections to the proposed settlement must be registered with the designated licensing authority within the stipulated time. The licensing authority shall be empowered to withhold licenses for a settlement when in its opinion a prima facie case of reasonable objection has been established by one or more creditors within the stipulated time on the ground that the proposed settlement would lead to a preference between creditors or to bankruptcy of or foreclosure proceedings against the debtor.

(ii) Public bodies and their agencies will be permitted in accordance with special licenses issued pursuant to M. G. Laws Nos. 52 and 53, to enter into voluntary agreements with foreign owners of foreign currency claims to settle such claims in DM provided that such settlements can be made by the public body or agency thereof without impairing other obligations or causing additional borrowing and that the conditions set forth in subparagraphs (6) (i) (a) (b) (c) and (d) above are met.

(iii) As used herein, the term "foreign owners" shall mean owners who are not residents of the area constituting "Das Deutsche Reich" as it existed on 31 December 1937.

B. It is not intended that the provisions of paragraph A. above will result in unduly increasing foreign ownership in industry and commerce in the Federal Republic. Therefore, appropriate limitations may subsequently be imposed on the provisions of paragraph A. should determination be made that an undue proportion of industry and commerce in the Federal Republic would otherwise come under foreign ownership. Moreover, any licenses issued pursuant to the provisions of paragraph A. above shall provide that the parties to the transactions are not thereby exonerated from the requirement of full compliance with decartelization and deconcentration legislation in force in the Federal Republic.

## U.S. Will Designate Civilian High Commissioner for Austria

*Following is the text of the United States note sent by Ambassador Alan G. Kirk to A. Y. Vyshinsky, the Minister for Foreign Affairs of the Soviet Union, on June 12, 1950, and released to the press on June 15.*

I have the honor to refer to the situation in which the deputies for the Austrian treaty negotiations have been unable to reach agreement on the terms of an Austrian state treaty. It will be recalled that Austrian independence was pledged in the Moscow Declaration of 1943, and my Government regrets exceedingly the failure to reach an agreement which would result in the fulfillment of this pledge.

The Foreign Ministers of the United Kingdom, France, and the United States at their meeting in London on May 18 reaffirmed that their policy with respect Austria requires the earliest possible completion of an Austrian treaty which will lead to the restoration of a free and independent Austria in accordance with the pledge given in the Moscow Declaration and to the withdrawal of the forces of occupation. The three governments further agreed that they are ready at any time to settle without delay all outstanding issues of the treaty, provided that this will definitely bring about agreement on the treaty as a whole.

In the absence of a treaty, the three governments agreed that they are prepared to carry out such measures as may properly be taken to strengthen, within the framework of existing quadripartite agreements, the authority of the Austrian Government and to lighten the burden of the occupation on Austria to the greatest extent possible as requested by the Austrian Government in recent notes to the occupying powers. The three Foreign Ministers further agreed to proceed at an early date to appoint civilian high commissioners in Austria in accordance with the provisions of Article 9 of the Control Agreement of June 28, 1946.

My Government would be pleased if the Government of the Soviet Union, pending final decision on the treaty, would associate itself with the program determined upon by the three Foreign Ministers. In the meantime, my Government will, on its part, as a first step in such a program, proceed at an early date to designate a civilian high commissioner to replace its present military commander in Austria and hopes that the Soviet Government will take similar action.

## Visit of Burmese Banker

Mr. Tin Tun, chief accountant of the Union Bank of Burma, has arrived in Washington to begin a 3-month visit in the United States for the purpose of observing financial institutions.

## REPORT ON INTERNATIONAL REFUGEE ORGANIZATION

*by George L. Warren*

The General Council of the International Refugee Organization (Iro) held its fifth session in Geneva from March 14 through March 22, 1950. The Executive Committee met concurrently from March 8 through March 21, 1950.

At the fourth session of the Council held in Geneva in October 1949, the General Council decided to extend the period of Iro operations from June 30, 1950, to March 31, 1951, in order to complete the task of resettling all eligible refugees in central Europe who might qualify for resettlement and to complete arrangements for the continuing care of refugees requiring permanent institutional treatment. It was planned at the fifth session of the Council to review the remaining tasks facing Iro to reach more specific decisions as to the termination of services and to give further consideration to the organization of legal protection for refugees under the objectives of the United Nations after the termination of Iro. The Executive Committee was convened on March 8, 1950, to consider and to comment upon reports of the Director-General to be transmitted thereafter to the General Council for action.

Of the 18 member governments of Iro, 16 were represented at the meeting; China and Iceland not being represented:<sup>1</sup>

Australia	Luxembourg
Belgium	Netherlands
Canada	New Zealand
Denmark	Norway
Dominican Republic	Switzerland
France	United Kingdom
Guatemala	United States
Italy	Venezuela

Dr. P. J. de Kanter of the Netherlands presided as Chairman of the Council for the session. Mr. P. Zutter of Switzerland served as First Vice-

Chairman; Dr. V. Montoya of Venezuela as Second Vice-Chairman; and Mr. A. Bøgh-Andersen of Denmark as rapporteur.

### Executive Committee

The Executive Committee considered the semi-annual report of the Director-General for the period July 1 through December 31, 1949; partial financial reports for the first and second quarters of the fiscal year 1949-50; and gave attention to the problems of the resettlement of refugees remaining in Shanghai and on the island of Samar in the Philippines. Incidental to its consideration of the Director-General's report it recommended that the Council approve the recommendation of the Director-General that all refugees qualifying for resettlement for whom definite destinations were available should be maintained in Iro camps after June 30, 1950, until their resettlement had been accomplished.

This decision while maintaining the principle of earlier resolutions was taken in the conviction that such action would facilitate the movement of these refugees and contribute to the greater accomplishment of the task remaining before Iro.

The Committee noted with satisfaction that the Director-General had made available without cost to the United Nations Relief for Palestinian Refugees, in accordance with authority previously given, approximately 600,000 dollars in supplies

<sup>1</sup> Representatives of the Governments of Israel, Mexico, and Sweden, of the United Nations, the Vatican, Iro, and WHO also attended as official observers and representatives of many voluntary agencies serving refugees were present.

surplus to Iro operations and that Iro had completed arrangements to make an interest-free loan to the United Nations in an amount of 2,800,000 dollars in other currencies than United States dollars for the relief of Palestinian refugees.

The Committee also welcomed information from the Director-General that negotiations with the Western European countries for the transfer of Iro responsibility with respect to residual refugees who will remain on their territories had proceeded satisfactorily. The plan of expenditure for the supplementary period of operations 1950-51 presented by the Director-General totaling 55,165,456 dollars was recommended to the General Council for adoption. Included in these expenditures was an item of 27,219,000 dollars for transportation covering the cost of movement of approximately 100,000 refugees to the United States, 20,000 to Australia, 10,000 to Canada, and 17,000 to all other countries.

#### **General Council**

The General Council accepted the reports of the Director-General; adopted the plan of expenditure for the supplementary period after June 30, 1950; and approved the decision to maintain resettlable refugees in camps after June 30, 1950, until their resettlement had been accomplished. The Council gave serious attention to the financial reports and urged the Director-General to pay particular attention to the control and reduction of inventory supplies in order that all resources of the organization might be fully applied to the accomplishment of the remaining tasks. The Council also gave special consideration to the problems of refugees remaining in Austria and Italy and urged the Director-General to make special efforts to reduce the number of refugees in those countries in order that they might not be further burdened after the termination of Iro by refugees remaining in their territories. With respect to the problem of protection of refugees particularly in Germany the Council recommended to the High Commission for Germany that the German Federal Government be requested to give consideration to adherence to the draft convention on the protection of refugees presently under consideration by the Economic and Social Council when this convention becomes open for signature.

On the initiative of the representative of France, the Council sent a further communication

to the United Nations with respect to the affording of protection to refugees by the High Commissioner for Refugees when he assumes office on January 1, 1951. It was recommended that certain listed provisions of the Iro constitution which were deemed no longer applicable to the provision of protection to refugees should not be applied and that the High Commissioner should not be bound in his activities by decisions which the Iro had found it necessary to take restricting its services to refugees for administrative or financial reasons. In the course of the discussion on the adoption of this recommendation to the United Nations, the United States representative made a statement that the United States Government would not find it possible to make a further contribution to Iro after the contribution for the supplementary period June 30, 1950-March 31, 1951, then under consideration in the Congress, had been made. This statement reflected the judgment that upon the conclusion of Iro services in 1951 the need for international funds for the direct assistance of refugees would no longer exist because the numbers of refugees remaining in any particular country will not constitute more than a normal burden upon that country.

A decision was also reached by the General Council with respect to the termination of the International Tracing Service which has done commendable work in reuniting members of families, in locating missing children, and in supplying invaluable records concerning the experiences of refugees and displaced persons during the war. The Director-General was instructed to reduce the staff of the Service progressively with the view to the ultimate transfer of the function of tracing missing persons to the High Commission for Germany on March 31, 1951.

The Director-General reported satisfactory progress in concluding arrangements for the continuing care of refugees for whom institutional treatment must be provided after the termination of Iro. The details of such arrangements with Norway, Sweden, Belgium, and New Zealand were made known to the Council, and during the course of the session the French Government announced its agreement to receive 900 aged persons from Germany for permanent care in private institutions in France.

The Council adjourned its fifth session on March 22, 1950, after resolving to convene its next session at Geneva on or about October 9, 1950.

## THE DEPARTMENT

### Report on Department's Security Program Being Studied

[Released to the press June 15]

The Department has just received the report of the Subcommittee of Two<sup>1</sup> concerning the practical operations, enforcement, and day-to-day policing of the security program in the Department of State. The Department is very happy to observe that they felt that the security officers whom they interviewed are alert, capable, and well-trained men with a thorough grasp of their subject. The report contains suggestions designed to improve the Department's security program in certain particulars. These suggestions were made in a constructive spirit, and we are examining them most carefully in order to determine whether they should be put into effect and whether they are possible in the light of our current budgetary situation.

One suggestion on which particular comment might be appropriate is that aliens employed by the Department abroad should be replaced as rapidly as possible with United States citizens. The difficult administrative, budgetary, and human problems which such a project presents have been under consideration for some time, and a gradual program of replacement is now under way.

In considering this problem, however, it should be borne in mind that the great bulk of these employees are engaged in routine and administrative tasks completely removed from matters involving any classified data or questions relating to national security. Many of these aliens have been in the employ of the United States Government for 10, 20, and 30 years. They have demonstrated, often in exceedingly trying circumstances and some at the cost of their lives, that they are carrying out their assigned duties faithfully and with great credit both to the United States and to themselves. The value of their services must not be overlooked.

<sup>1</sup>The subcommittee of the Senate Foreign Relations Committee, that is investigating the charges of Senator McCarthy of Communist penetration of the Department of State, appointed a subcommittee, consisting of Senators Theodore Francis Green and Henry Cabot Lodge, Jr., to inspect precautions that the Department is taking in its missions abroad against Communist espionage. The Senators made an 11-day inspection trip abroad and submitted their report on June 14.

## PUBLICATIONS

### Recent Releases

*For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.*

**Air Transport Services.** Treaties and Other International Acts Series 1955. Pub. 3611. 15 pp. 10¢.

Agreement and accompanying exchange of notes between the United States and the Dominican Republic—Signed at Ciudad Trujillo July 19, 1949; entered into force July 19, 1949.

**Economic Cooperation With Sweden Under Public Law 472—80th Congress, as amended.** Treaties and Other International Acts Series 2034. Pub. 3776. 9 pp. 5¢.

Agreement between the United States and Sweden, amending agreement of July 3, 1948—Effected by exchange of notes, signed at Washington January 5 and 17, 1950; entered into force January 17, 1950.

**Foreign Service List, April 1, 1950.** Pub. 3792. 165 pp. 30¢ a copy; \$1.50 a year domestic, \$2 a year foreign.

Lists officers in the American Foreign Service, their posts of assignment, and 2 indexes: geographic and personnel.

**United States Educational Foundation in Egypt.** Treaties and Other International Acts Series 2039. Pub. 3799. 11 pp. 5¢.

Agreement between the United States and Egypt—Signed at Cairo November 3, 1949; entered into force November 3, 1949 and exchange of notes—Signed at Cairo November 3, 1949.

**Economic Cooperation With Denmark Under Public Law 472—80th Congress, as amended.** Treaties and Other International Acts Series 2022. Pub. 3802. 9 pp. 5¢.

Agreement between the United States and Denmark amending agreement of June 29, 1948—Effected by exchange of notes, signed at Washington February 7, 1950; entered into force February 7, 1950.

**Economic Cooperation With Italy Under Public Law 472—80th Congress, as amended.** Treaties and Other International Acts Series 2028. Pub. 3804. 9 pp. 5¢.

Agreement between the United States and Italy—Effected by exchange of notes, signed at Washington February 7, 1950; entered into force February 7, 1950.

**Mutual Defense Assistance.** Treaties and Other International Acts Series 2016. Pub. 3805. 21 pp. 10¢.

Agreement between the United States and Norway—Signed at Washington January 27, 1950; entered into force February 24, 1950.

**U.S. National Commission UNESCO News, April 1950.** Pub. 3807. 16 pp. 10¢ a copy; \$1.00 per year, domestic; \$1.35 per year, foreign.

Prepared monthly for the United Nations Educational, Scientific and Cultural Organization.

## The United States in the United Nations

### Security Council

[July 1-7]

On July 7, the Security Council approved a joint French-British resolution which recommends that United Nations members providing military forces under the Council resolutions on Korea make such forces available to a unified command under the United States and requests the United States to designate the commander of such forces. This unified command is authorized, at its discretion, to use the United Nations flag in the course of operations against North Korean forces, together with the flags of the various nations participating. The United States is asked to report to the Council, as appropriate, on the course of action taken under the unified command. Seven votes supported the resolution, and none opposed it. Egypt, India, and Yugoslavia abstained.

Ambassador Warren R. Austin told the Council that the United States accepted the responsibilities placed upon it by this resolution, adding that the United States Government had not sponsored the resolution because of the "special responsibilities" imposed on her by the resolution.

#### Secretary-General's Communique on Korea

Following the adoption by the Security Council on June 27 of a resolution recommending the United Nations members "furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in that area," the Secretary-General of the United Nations sent the following telegram to member governments:

I have the honour to call the attention of your Government to the resolution adopted by the Security Council at its 474th meeting on 27 June 1950 which recommends that the Members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in that area. In the event that your government is in a position to provide assistance, it would facilitate the implementation of the resolution if you were to be so good as to provide me with an early reply as to the type of assistance. I shall transmit the reply to the Security Council and to the Government of the Republic of Korea.

By July 10, the following states, in communica-

tions to the Secretary-General, had indicated their support of Security Council action with respect to Korea:

Afghanistan	El Salvador	Norway
Argentina	Ethiopia	Panama
Australia	Greece	Pakistan
Belgium	Guatemala	Paraguay
Bolivia	Haiti	Peru
Brazil	Honduras	Sweden
Burma	Iceland	Syria
Canada	India	Thailand
Chile	Iran	Turkey
China	Iraq	Union of
Colombia	Israel	South Africa
Costa Rica	Lebanon	United Kingdom
Cuba	Luxembourg	United States
Denmark	Mexico	Uruguay
Dominican	Netherlands	Venezuela
Republic	New Zealand	
Ecuador	Nicaragua	

The following states had not replied to the Secretary-General's communication on Korea:

Byelorussia	Ukraine
Egypt <sup>1</sup>	Yugoslavia <sup>1</sup>
Liberia	

The U.S.S.R., Czechoslovakia, and Poland have rejected as "illegal" the Security Council action on Korea. Yemen took note of the resolution of June 25, calling for a cease-fire in Korea, and Saudi Arabia took note of the resolution of June 27.

The Council of the Organization of American States on June 28 adopted a resolution declaring "its firm adherence to the decisions of the competent organs of the United Nations." Italy, a non-member of the United Nations, has also indicated general support for Security Council action on Korea.

*Following is a letter, dated July 6, 1950, from Ambassador Warren R. Austin to Secretary-General Trygve Lie concerning United States assistance to Korea:*<sup>2</sup>

Upon the instruction of my Government, I have the honor to acknowledge receipt of your communication of June 29, 1950, in which you request information concerning the type of assistance the Government of the United States is prepared to

<sup>1</sup> These two states are members of the Security Council; Yugoslavia voted against the resolution of June 27; and Egypt did not participate in the decision.

<sup>2</sup> U.N. doc. S/1580.

offer pursuant to the resolution adopted by the Security Council on June 27, 1950, which recommends that the Members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area.

In response to your request, I am authorized to inform you that, in support of the resolutions approved by the Security Council relative to the attack upon the Republic of Korea by invading forces from North Korea, the President of the United States has ordered United States air and sea forces to give the Korean Government troops cover and support and has authorized the use of certain supporting ground units. The President has also authorized the United States Air Force to conduct missions on specific military targets in Northern Korea wherever militarily necessary and has ordered a naval blockade of the entire Korean coast. The United States will continue to discharge its obligations as a member of the United Nations to act vigorously in support of the Security Council's resolutions.

The United Kingdom, New Zealand, Australia, Canada, China, and the Netherlands have offered specific military assistance. In addition, Chile has offered "regular and adequate supplies of cooper, saltpetre, and other strategic materials to countries responsible for operations"; Thailand has offered foodstuffs, such as rice; Denmark has offered to make available certain medicaments; Norway has suggested that its tonnage might be offered for transportation purposes; Nicaragua has stated that she is prepared to assist in foodstuffs and rubber, and if deemed advisable, to contribute personnel; and the Philippines is prepared to contribute, as called upon, such amounts of copra, coconut oil, soap, rice, and certain medicaments as may help to facilitate the implementation of the resolution.

#### **Economic and Social Council**

The United Nations experts' recommendations on full employment, the related item on methods of financing of economic development of underdeveloped countries, and the draft Covenant on Human Rights are among the main topics on the 52-item agenda adopted by the Economic and Social Council at the opening of its eleventh session at Geneva on July 3. The Council will also review reports of a number of its subsidiary bodies and of the specialized agencies. Representatives of the Soviet Union, Poland, and Czechoslovakia were absent.

The Council decided to refer the draft Human

Rights Covenant to the Social Committee for consideration of the draft's broad aspects with a view to transmitting it with relevant documentation to the General Assembly. The United States representative supported this proposal on the understanding that the Committee would consider only the general aspects of the Covenant, although earlier he had supported a recommendation to send the Covenant to the General Assembly without discussion.

The Secretary-General's arrangements for a training program in public administration were noted with approval by the Council, which recommended that additional activities undertaken in the field of training in public administration, at the request of member governments, be considered under the expanded program of technical assistance. The United States representative's endorsement of this Council action was based on the understanding that activities financed under the technical assistance account would be limited to requests from underdeveloped countries.

#### **Trusteeship Council**

On July 5 and 6, the Trusteeship Council heard and discussed statements from representatives of various groups in French and British Togoland to which the Council had earlier agreed to grant oral hearings in connection with certain petitions. Following statements by representatives of the All-Ewe Conference, the Togoland Union, the Supreme Council of Natural Rulers of Togoland, and the Togoland Progress Party, Council members questioned them on their various proposals for unification of the Ewe people and Togoland and on the comparative strength of Togolese adherence to their views.

The first two parts of the Council's report on the United States annual report on the trust territory of the Pacific Islands and the entire Council report on Australia's annual report on New Guinea were adopted on July 6.

#### **International Civil Aviation Organization**

The assembly of the International Civil Aviation Organization, after a 3-week review of the entire field of international air transport, concluded its fourth session at Montreal on June 20. The Assembly approved the report of the ICAO Council relating to its work of the past year and elected a new Council of 20 nations to serve as ICAO's executive body for the next 3 years. The Assembly also took action on a number of matters in the technical, economic, legal, and administrative fields.



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