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International Economic Union, 1954-1955.

# INTERNATIONAL ECONOMIC UNION

■ OXFORD 7-2495

345 EAST 46TH STREET  
NEW YORK 17, N.Y.

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December 1, 1954

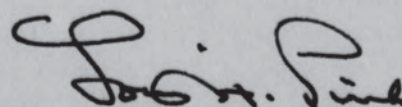
The Rev. Abba Silver  
The Temple  
East 105th St. and Ansel Rd.  
Cleveland, Ohio

Dear Rabbi Silver:

Our organization has been working for twelve years for a broad economic policy and expects to issue in the near future an appeal to the President and the next Congress for a liberal trade program. We have secured the signatures of most of our own directors, of a few outstanding business people, and should like to add also the names of a few representatives of the clergy. In this connection we naturally think of you.

A draft of our statement is enclosed. I hope very much that after you have looked it over you will be willing to let us use your name. If so, we should greatly appreciate hearing from you before December 10 so that we may get the material to the printer by that time and prepare for the proper timing of the release. A return envelope and a brief description of our organization are enclosed; we shall gladly answer any questions you may have about us.

Sincerely yours,



Louis H. Pink



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December 3, 1954

Mr. Louis H. Pink  
International Economic Union  
345 East 46th Street  
New York 17, New York

My dear Mr. Pink:

In reply to your letter of December first, I shall be pleased to sign the draft of your statement which you sent me on a proposed foreign economic policy to be sent to the President and the next Congress.

With all good wishes, I remain

Cordially yours,

ABBA HILLEL SILVER

AHS:rms





## A PROPOSED FOREIGN ECONOMIC POLICY FOR THE EIGHTY-FOURTH CONGRESS

To the President and Members of Congress:

Since the close of World War II, this nation has launched on a new phase of its existence, a phase in which increased economic cooperation with other nations has become an indispensable ingredient of its continued well-being and strength.

Most Americans have already come to realize that, for this nation, the period of political isolation is forever ended. We have no choice on this shrinking globe but to learn to live with other nations whether or not they share with us a common ideology or a common culture.

We are beginning to realize, however, that political cooperation and political tolerance cannot exist without economic cooperation and economic tolerance. Economic cooperation cannot solve differences of ideology, of politics, of language or of culture, but it may help to prevent cycles of injury, retaliation, and counter-retaliation which in the past have created bitterness among nations. Economic cooperation may lead to better human relations and business contacts which will contribute to the growth of understanding between peoples.

For the United States, economic collaboration with other nations has even more immediate ends. Without realizing it, we have become increasingly dependent upon our neighbors to provide the raw materials which feed our industrial machine. Our iron ore, petroleum, lead, copper, zinc, manganese, tungsten, asbestos, and many other vital materials come in increasing measure from foreign sources. At the same time, we are finding markets in foreign lands for increasing proportions of our production, not only for our traditional agricultural exports such as cotton and tobacco, but also for our machinery, automobiles, trucks, tractors, electrical products, and our chemicals. The world about us promises to grow at a prodigious rate in the years ahead, a growth which we can fully share if we participate fully in multilateral trade.

The situation calls for greater economic cooperation between us and our allies and greater economic tolerance between the East and the West. Such a course will strengthen us, strengthen our allies, and help reduce the tensions which keep our civilization in constant peril of self-extinction.

In our opinion, the United Nations is the natural vehicle to achieve the strengthening of cooperation and tolerance in the economic field. The two existing economic agencies of the United Nations, the Bank (International Bank for Reconstruction and Development) and the Fund (International Monetary Fund) have won international confidence, but they cannot do the job alone. A world trade agency, as originally proposed and sponsored by the United States, effectively coordinated with the Bank and the Fund is essential. We should like to see active leadership on the part of the United States in this direction for we are convinced that the larger, stronger, trading countries must be prepared to do more than smaller or weaker nations.

The failure of the International Trade Organization, sponsored originally by the United States, left a void. The need for multilateral trade was so obvious that the GATT (General Agreement on Tariffs and Trade), an international body which the United States and thirty-three other countries joined during the period when the Charter was undergoing ratification, was retained. The GATT, though useful, is an emergency agency without adequate power and its membership does not include all nations of the East and West. The proposed world trade agency would not undo the good work which the GATT has already accomplished; on the contrary, an agency into which GATT



would be merged would provide a more effective vehicle for encouraging multilateral trade. A world trade agency, affiliated with the United Nations, would give the United Nations no control over United States trade and tariff policies. As in the case of the Bank and the Fund, the sovereignty of member nations would be safeguarded while an effective voluntary agreement for the common good would be encouraged.

While the regional economic commissions affiliated with the United Nations which now exist for Europe, Latin America, Asia and the Far East are useful and to be commended, they, like the GATT, need to be coordinated in order to achieve an overall program.

The inability of many leading nations to restore convertibility of their currencies is due, in large part, to the continued existence of trade barriers, such as tariffs, import quotas, and foreign exchange restrictions. If the United States takes the initiative in a more liberal trade and tariff policy, an important step toward currency convertibility will be achieved.

We therefore urge that the United States pursue the following policy in the foreign economic field:

1. Establish with United Nations support or affiliation a new world trade agency open to all nations with the necessary machinery to facilitate multilateral trade and to encourage trade policies which contribute to currency convertibility and closer economic relationships.
2. Encourage the expansion of the total volume of world and United States exports and imports by removing unnecessary tariff barriers and cumbersome customs procedures.
3. Remove restrictions on East-West trade, except for that limited category of goods whose shipment would clearly have a substantial adverse effect upon our military position.
4. Call for a worldwide conference on international trade under United Nations sponsorship to explore measures for expanding world trade and creating a world trade agency affiliated with the United Nations.
5. Continue our financial and technical aid to other nations, and in addition make adequate appropriation for the technical assistance program of the United Nations. Channel as much aid as possible through the United Nations in order to forestall resentment and charges of imperialism.

The world is free from war for the first time in many years. Now is the time to pursue a policy of economic cooperation through international trade. In this atomic age, coexistence is almost the equivalent of existence. Economic cooperation between East and West does not promise large material advantages in the near future, but it is in harmony with our philosophy and our principles and will materially strengthen our allies, whose economic welfare is closely tied up with our own security. In the future it will provide the United States with a net advantage through extended markets for our goods.

The interest of men in all nations and the welfare of the people of the United States require a clear, well-defined foreign policy directed toward peace and higher living standards all over the world.



# Join us



*You  
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invited*

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. . . . *to become a member*

*of the*

**Citizens Conference on  
INTERNATIONAL  
ECONOMIC UNION**

345 E. 46th Street, N. Y., N. Y.

As a member you will be an active participant in this non-partisan organization which is trying to:

- 1** Promote peace by increasing economic cooperation among nations.
- 2** Expand world trade.
- 3** Assist in raising living standards in underdeveloped countries.
- 4** Establish international agencies necessary for economic stability.
- 5** Support the United Nations.

**Citizens Conference on  
INTERNATIONAL  
ECONOMIC UNION**

*was established in 1942.*

Since that time we have strongly supported

1.  
*The Bretton Woods Agreements*
2.  
*The International Bank*
3.  
*The International Monetary Fund*
4.  
*A World Trade Agency*
5.  
*Economic aid to other countries preferably through the United Nations*
6.  
*An Economic United States of Europe and other regional unions*

*In addition*

International Economic Union issues and distributes pamphlets and news releases on current economic problems to members, newspapers, Congress and libraries . . .

Holds informal meetings at which qualified speakers discuss world problems . . .



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IN  
WORKING  
FOR A  
BETTER  
WORLD



# INTERNATIONAL ECONOMIC UNION

■ OXFORD 7-2495

345 EAST 46TH STREET  
NEW YORK 17, N.Y.

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December 9, 1954

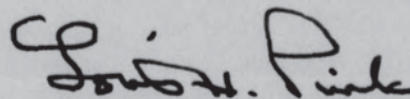
Rabbi Abba Hillel Silver  
The Temple  
East 105th Street  
Cleveland, Ohio

Dear Rabbi Silver:

Thank you very much for your prompt reply to our request in regard to the signing of the proposed memorandum to the President and the 84th Congress on foreign economic policy. We are pleased to add your name and shall do our best to make the statement count in focusing American public opinion on this important issue.

Under separate cover I am sending you a copy of our pamphlet East-West Trade, published in June, which seems to have had some effect in improving the climate of opinion in the United States.

Cordially yours,

  
Louis H. Pink



# Sidelights

CITIZENS CONFERENCE FOR

## INTERNATIONAL ECONOMIC UNION

Vol. 1, No. 3

345 EAST 46TH STREET

NEW YORK 17, N.Y.

April, 1954

### CONFERENCE, WORLD DISARMAMENT &

DEVELOPMENT. March 24-26, New York City

At the heart of international thinking lies disarmament. Without it the mad arms race goes on, squandering the energies and resources of men. How to switch to constructive development has been the dream of men of good will for generations. A conference to consider new approaches to disarmament was skillfully organized by a group of 14 organizations of which *International Economic Union* was one.

Outstanding in the conference was the proposal of David Cavers, Associate Dean of Harvard Law School, for a stand-still agreement. Dean Cavers believes it is more important to stop increasing armaments than to begin reducing them. His proposal dispensed with the preliminary of an armaments census but was based on inspection.

"It (a stand-still agreement) would provide a period to demonstrate the effectiveness of inspection. It would give the nations a chance to explore the possibilities for arms reduction on the basis of mutual knowledge of each other's military potential. Political issues, moreover, could be discussed in freedom from the fears that an arms race excites. . . . . Checks on certain key industries would provide the primary controls, supplemented by air surveys and checks on military personnel, equipment and installations."

Dean Cavers based his hope for favorable Soviet consideration on Soviet economic conditions and the need for easing the present deprivation of citizens, and the fact that a stand-still would prevent German rearmament which Russia deeply fears. "If by checking the plans for German rearmament, we could also freeze Russian arms at their present level while breaking through the Iron Curtain with inspection, the

net result would more than compensate for the abandonment of EDC, especially in view of the strain that German rearmament has been placing on our relations with France."

Copies of the Cavers' speech and other documents may be obtained for a nominal sum. Write the Committee on World Disarmament and Development, 345 East 46th Street.

### WHAT IS UN DOING IN TECHNICAL ASSISTANCE?

"In the hands of a strong man, even a blade of grass can become a sword", said Malcolm Adiseshiah of UNESCO, who reported together with 8 other representatives of the technical assistance agencies to some 150 non-governmental organizations (NGO's) on March 29 in an all day summary of progress at UN.

This as yet modest program has vast potentialities. "It is not a scheme under which a few of the highly developed countries give aid to less fortunate lands. It is a scheme by which technical resources of a vast range of countries and territories are placed at the

Fish in one of Haiti's 25 new ponds are inspected by FAO expert.





disposal of those who can benefit", said David Owen, Chairman of the Technical Assistance Board.

### Chief Impressions

UN Technical Assistance program deserves support. Now in its 4th year, it has so far given aid to 97 countries; there were 74 recipient countries in 1953. It services only countries which seek its help. In 1953 the recipient countries themselves, contributed \$50 million to the local cost of such projects; the UN Budget amounted to about \$22.5 million; of this amount approximately \$18 million was spent in actual operations on the projects. For 1954 UN will contribute about \$25 million.

There is effective over-all planning.

Conscientious effort is made to mobilize all resources of the international community to relieve poverty, ignorance, and disease.

### U. S. Role

The US is spending much more money than the UN on foreign assistance through its Foreign Operations Administration (former Point IV program) but much of it is directed towards political and military ends whereas the UN program is intended only to alleviate human needs and increase the standard of living.

There will probably be little objection on the part of the US to participation in the UN program as we have in the past (we pledged \$12,767,145 in 1953) but there may be some effort on the part of Congress to reduce the US contribution. The US delegation to the UN has pledged \$14 million for 1954. Every effort should be made to have the Congress appropriate the full amount. The matter will come before the Congress in two or three weeks. A letter to your Congressman and Senators should help.

### Eight Arms of UN Technical Assistance

1. TAA (Technical Assistance Administration) works in economic development, social welfare, and public administration but concentrates on economic development, and has found it can be most effective in improving transportation, the production of power, and agriculture.

2. ILO (International Labor Organization) devotes itself to helping countries make most effective use of their human resources. It provides vocational training (no blueprint can be carried out without skilled

persons); research; and sets living and working standards. Vocational training may involve teaching an engineer how to run a power plant, or may be on the most primitive level, as in Libya, where illiterate children had to be taught to eat off tables and wash their hands, etc.

3. FAO (Food and Agriculture Organization) has established cattle disease control programs with great benefit to many countries — foot and mouth control in 10 countries, rinderpest in 8, veterinary service in 5.

FAO has also helped develop inland fisheries in countries where people now suffer from protein insufficiencies, by teaching fish farming, sending more effective fishing boats and equipment (nets and diesel engines) as well as experts. Haiti now gets 30 per cent of her commercial catch from fish imported by UN from Thailand and cultivated in Haiti. In Chile UN is teaching the people to eat tuna and other fish of the Pacific.

4. UNESCO (United Nations Education, Scientific, and Cultural Organization) working often in a team with ILO and WHO, has sent school equipment and educators to break down illiteracy and teach new self-reliance in diverse areas.

One heartening example is the farmers' group in Ceylon, where young farmers helped by WHO, UNESCO, ILO and FAO have increased the production of their farms ten fold in 3 years; where 56 villages now have schools; where there is no malaria and yaws is being wiped out; where the schools are used by day for children and by night for adults; and where each school has a library of 50 or 60 books, all but a handful in constant circulation.

Indian women at Milluni mine, Bolivia. Unrefined minerals make up 90 per cent of Bolivia's exports.





5. ICAO (International Civil Aviation Organization) has an important role; transportation is the bloodstream of communication. Mountains, jungles, oceans and deserts are linked by airplanes. Concerned mainly with safety, ICAO contributes to the culture and confidence of whole areas. Ethiopia with her network of planes piloted by her own nationals — planes carrying everything from live chickens to spare parts, students, diplomats — is an example.

6. WHO (World Health Organization) is helping in the conquest of malaria by DDT, of venereal diseases by penicillin, and the prevention of tuberculosis by BCG vaccination; WHO has not only brought hope and health but has added acres of land for cultivation and unleashed much needed manpower for constructive work.

7. ITU (International Telecommunication Union), the nerve system of the world, has 92 members and is devoted to improving technical facilities and extending their development.

8. WMO (World Meteorological Organization) attempts to standardize weather observations and apply findings to various human activities.

### BOLIVIAN EXPERIMENT

In West South America, without outlet to the sea, rich in tin, wolfram, silver, minerals of all kinds, torn asunder by 100 revolutions in 125 years, is Bolivia, a member of the UN since 1945. In 1951 Bolivia requested a UN mission to study her economic and political problems and make recommendations. (Many of our members will remember when Hugh Keenleyside, former Director General of Technical Assistance, addressed our organization in January, 1952 and spoke of the proposed experiment in Bolivia.)

In 1952, the UN sent to Bolivia 14 experts in public administration, mining and hydro-electric power. The government was so unstable that the UN group recommended that it take a limited number of highly qualified administrators to assist in key spots. The Bolivian government accepted this advice. But by the time the first three experts arrived in La Paz, there was another revolution. The new government absorbed the UN team into government posts and has strongly supported them.

Of different nationalities and language, the UN team spoke Spanish exclusively in 6 months. They became part of the scene — the mining engineers visited every mine, the team outlined a program of action in a country suffering from inflation and contemplating the nationalization of tin.

Only 2 years of the 5-year experiment have passed, but all who are returning regret having to leave — and the Bolivian government, which has now consolidated its position, reciprocates the feeling.

Notable progress has been made in: (1) stabilization of money, (2) balancing the budget, (3) a plan for the use of native resources and outside capital for further development. A food grant of \$9.5 million from the US has helped to restore outside confidence in the country, and relations with the International Bank and Monetary Fund have been greatly improved.

People who ask whether UN technical assistance cooperates with the US Point IV program would be pleased to see the close liaison in Bolivia. When the dream of a Swiss agriculturalist in the UN team resulted in an airplane voyage of 18 Swiss cows, 4 bulls, and 2 calves, it was the US Point IV people who were at the airport to receive them and drive them back to the Point IV experimental station.

UN expert examines cow for rinderpest, which used to kill a million head of cattle a year in Ethiopia, a number which has been greatly reduced with FAO aid.





Improving the sheep industry in Libya under UN guidance.

## INSIDE INTERNATIONAL ECONOMIC UNION

### Our Name

has long been a problem. Not only do we have trouble getting it remembered, we suspect people would write us oftener and make out more checks if we pared it down. We are keeping our corporate title but International Economic Union will be sufficient for checks, letters, identification. See front page.

### Let Us Quote You

Louis E. Find suggests that we include your ideas and questions in SIDELIGHTS. We shall be delighted to use any excerpts we can. Of particular interest would be ideas for improving economic agencies, for IEU policy in economic matters, or comments on the stake of the US citizens in trade, economic union, etc.

### Our India-Pakistan Luncheon, February 26

Some 125 persons heard Eleanor Roosevelt's excellent speech on India and Pakistan and newspapers in NYC and India carried the story. Keen interest and considerable discussion were aroused by the speech, partly because it fell on the day President Eisenhower announced US military aid to Pakistan. Copies available on request.



Because of our efforts toward expanded world trade, the Port of New York Authority has invited our members to be guests on a harbor trip and luncheon in the near future. Notice of this unique opportunity will be sent to you. We hope to have Harold Kellar, Professor of Foreign Trade at CCNY, and a director of IEU, speak on the extension of free ports in the US.

To be effective we must grow. When you finish this issue won't you pass it to a friend and call attention to this invitation to membership? And if you haven't sent us your dues, please let us hear from you. Advantages of membership are:

1. Identification with an organization engaged in practical steps in the economic field to bring about a peaceful world and a higher standard of living.
2. A forum to which an individual may bring his concerns. IEU believes it should take a stand on national and international issues relating to economics.
3. A means of becoming better informed about world economic affairs.
4. Free copies of publications, releases, SIDELIGHTS, and any special trips which IEU can arrange.

*All Contributions are tax exempt.*

Minimum.....	\$5 to \$10	Sustaining....	\$50 to \$100
Active.....	\$10 to \$25	Donor.....	\$100 or more
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NEW YORK POST, SUNDAY, FEBRUARY 28, 1954 6

# Mrs. Roosevelt Hits Accent on Arms Aid

By JOSEPH P. LASH

The priority being given to military consideration as reflected in this week's announcement of arms aid to Pakistan may, in the view of Mrs. Eleanor Roosevelt, seriously harm U. S. world's leadership.

The new military emphasis in our foreign aid programs can contribute to "greater misunderstanding, more suspicion and less peace in the world, particularly Asia," Mrs. Roosevelt warned the Citizens Conference on International Economic Union on Friday.

Prof. Ahmed S. Bokhari, Pakistan's chief representative at the United Nations, disagreed. He called President Eisenhower's decision the "most significant post war act" of the U. S. in Asia, and said there was "no need to go around apologizing" because Pakistan wants "to be strong to protect itself" from larger neighbors to the north and south.

Bokhari made it clear that for the moment at least he was thinking about the neighbor to the south—India.

Bokhari warned against thinking that "colonialism is a disease endemic to white people." There was a need for guarantees, he said, that some of the greatest countries in Asia "will not become expansionist and bully" the smaller ones around them.

Mrs. Roosevelt said she understood the obligation of our military leaders to think of the world-wide defenses against Communist expansion, but felt it was unwise to extend military aid either to Pakistan or India.

### Economic Aid Stressed

In those areas, she indicated, it was more important to give economic help and with it "the hope that comes to people when they feel life is more worth living."



# Sidelights

LENORE TURNER, EDITOR

CITIZENS CONFERENCE FOR

CCIEU

## INTERNATIONAL ECONOMIC UNION

Vol. 1, No. 5

345 EAST 46TH STREET

NEW YORK 17, N. Y.

September, 1954

### A GOOD NEIGHBOR POLICY FOR GUATEMALA

by LOUIS H. PINK

"Challenge from Guatemala" by our director Elizabeth E. Hoyt, Professor of Economics at Iowa State College, published by CCIEU in 1950 received considerable attention in the U.S. and many copies were bought by Guatemala. Intended to forestall such difficulties as now beset that small country, Miss Hoyt's message is today as timely as four years ago.

After an on-the-spot study of workers in United Fruit Company's plant at Tiquisate, she returned to the U.S. and discussed her findings with Samuel Zemurray, then President and now at 80 still the active chairman of the executive committee. As far back as 1945, Mr. Zemurray suggested that the resources and organization of the Company be used to "assist the native population in growing diversified food products without expectation other than good will from friendly neighbors."

The Banana King, who had come to the U.S. as an immigrant boy from Bessarabia, became President of United Fruit after the company which he headed was merged into that organization. He envisioned for Guatemala new housing, hospitals, education for employees, and had he been able to carry out his liberal ideas the story of Guatemala might be happier.

Miss Hoyt's criticism of United Fruit's activities was not a failure to attempt to improve living conditions of workers but that cultural needs and desires of Guatemalans were neither explored nor understood. Higher paid employees lived in pleasant homes behind high barbed fences and were referred to as "those inside there". Lower paid workers did not value their sanitary houses, their safe drinking water or modern hospitals — they wanted flowers, privacy, less regimentation. Wage increases came faster than their capacity to evolve a better living standard — their money went for liquor, for prostitution and other sensory gratifications.

Helping Guatemala today requires insight and wise planning. Material advantages, provided to bolster a military regime and without the cooperation and assistance of the people, will fail. Guatemala's problem is not communism but poverty, illiteracy, disease, failure of land distribution. The Communists seized on the need for land reforms to make political capital for themselves. The Communist appeal was that it promised the people what they wanted — food, schools, more land and better living. Had the U.S. done more through Point Four to develop the economic resources of the country, the Communist appeal would have been less effective. But disliking the Guatemalan government, the U.S. did nothing.



A Guatemalan girl brings her orphan brother to a school staffed by a U.N. social worker.

U.N. Technical Assistance in Guatemala has so far been insufficient to tangibly affect the economy of Guatemala's 3 million inhabitants with a per capita income of \$200, 75 per cent of them illiterate. In 1954 only 12 U.N. experts served Guatemala and the appropriation was less than \$150,000. Though assisting in crucially needed projects, such as land reform, occupational safety, social security, administrative management and a general economic survey, the aid had to be superficial because it was so small.



The U.S. under Harold E. Stassen's FOA spends far more than the U.N. and can make a telling attack on communism in Guatemala by promoting health, education, and higher living standards for the masses, 60 per cent of whom are Indians — impoverished descendants of the great Mayan civilization.

United Fruit can and must play an important role and an example of what may be achieved is the contract between Costa Rica, most democratic of Central American States and United Fruit. The company has turned over its schools, hospitals and utilities to the government for operation. A fair adjustment of taxes, wages, customs duties was arrived at. President Figueres of Costa Rica announced: "There were no winners and no losers, but an atmosphere of cooperation was created."

U.N., U.S. through FOA, and United Fruit must divorce themselves from local politics and help Guatemala through cooperation with her citizens. It is encouraging that FOA, formerly inactive in Guatemala, is making plans for effective help. Can't the United States be as smart as the Communists and support democratic reforms — not only through propaganda as the Communists do, but by a long-term program for economic and cultural development in full partnership with representative Guatemalan leadership?



This little girl works in an Indian rice paddy. She is typical of thousands of Asian children for whom the labor arm of the U.N. technical assistance program is trying to achieve better employment practices.

## CRIPPLING OF U. N. TECHNICAL ASSISTANCE BY U. S. CONGRESS.

It *has* happened. As noted in the April *Sidelights* there was danger that Congress would fail to appropriate the full amount pledged for U.N. technical assistance, though the amount requested — \$17.9 million — was small by comparison with the progress achieved. After a checkered battle through the Senate and House, a joint conference committee voted an appropriation of \$9.9 million, enough to pay the balance of the U.S. pledge for 1954. They included the condition that no commitment for 1955 or thereafter be pledged on behalf of the U.S. until Congress appropriates for such purposes.

One of the U.N.'s most popular programs, technical assistance needs to be expanded not curtailed. President Eisenhower, greatly disappointed at the Committee's action, has promised to take the matter up promptly when Congress convenes, but meanwhile the U.N. program, which operates on a different fiscal year from that of the U.S., is hamstrung.

The Chairman of CCIEU had a letter published in the New York Times of July 30 in the name of the organization urging the U.S. Senate to reverse the position of the House. We then wired Senators Bridges, Ferguson and Knowland. Since almost all of the non-governmental organizations affiliated with the U.N. deplore the action of the conference committee, CCIEU has now suggested a mobilized, simultaneous effort by 60 U.S. national organizations belonging to a Conference Group so that the U.S. public will realize how important it is that the new Congress appropriate promptly for U.N. technical assistance.

As the members of the Fifth American Assembly at Arden House said of the program: "Its potential power to destroy the influence of communism on the minds of men is as great as the power of the hydrogen bomb to destroy the bodies of men. We must do more, not less. In our effort to strengthen the free world, this is a time for raising our sights, not lowering them. We favor the expansion of technical assistance programs, both through the U.N. and through U.S. aid, with a larger proportion of our aid channeled through the U.N. than at present. U.N. technical assistance does not run the risk of arousing the type of resentment sometimes directed toward a rich uncle by less fortunate relatives."



## TRADE AND THE 83rd CONGRESS

National leaders have rarely spoken more eloquently than President Eisenhower for expanded world trade. Why then did trade take such a beating in the 83rd Congress? The commercial trade organizations lobbied ably and many non-governmental organizations made trade an issue of the year.

But protectionist sentiment in Congress and the President's failure to insist on his program wrecked all hope of progress. At the final curtain, Congress had granted only a one-year extension of the Reciprocal Trade Agreements Act, the Customs Simplification Bill was in a Senate Committee, and the Buy American Act was still on the books. Most discouraging was the use of the escape clause to permit an increase of 50 per cent on some imported watches. The result? Foreign countries are jittery and resentful. Switzerland is embittered and retaliation against U.S. goods has been suggested. The U.S. sells substantially more to Switzerland than it buys from her.

### WANTED -- AN INTERNATIONAL TRADE ORGANIZATION

Hot upon the adjournment of Congress, the State Department set September 13 to 17 for public hearings on the General Agreements on Tariffs and Trade (GATT), the international body which the U.S. and 33 other countries have entered into to improve world trade. While the timing was probably politically inspired, hearings are needed. The press in Britain and Europe is pessimistic; its attitude is wait-and-see.

GATT has served as a stopgap but is not the effective agency contemplated in 1943 when U.S. leaders proposed an International Trade Organization affiliated with the U.N. Though the U.S. later deserted the ITO, a working trade agency is as essential as other U.N. economic agencies such as the World Bank and International Monetary Fund which have won international confidence.

### EAST - WEST TRADE

East-West Trade in Europe and the U.S. has been eased by the lifting of embargoes on a number of items. When reason supplants hysteria the trend should be accelerated. Incidentally, our impression is that many in the FOA, which ordered a number of our East-West pamphlets, were glad to find an organization willing to speak out. CCIEU and American Friends Service

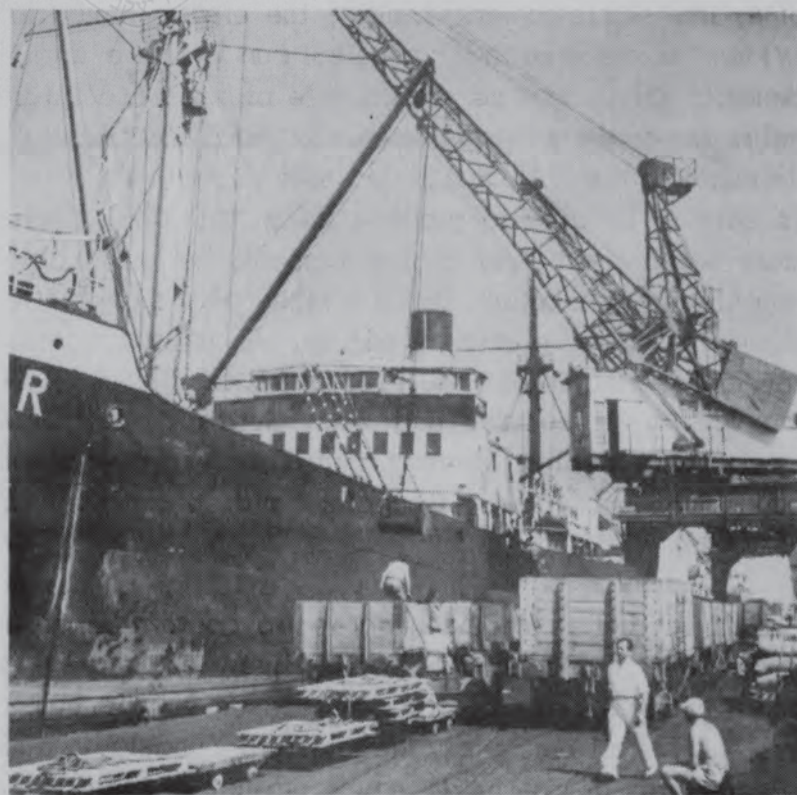
Committee are two which have taken a public stand for liberalization.

Our East-West pamphlet has been favorably reviewed by some farm and labor journals and received an editorial pat from the *Nation*, which commended its "excellent recommendations". Further distribution is needed.

### WHAT WE ARE DOING FOR WIDER TRADE

We are (1) issuing in October a memo to the President and Congress suggesting five measures we believe essential for U.S. foreign economic policy; (2) staging a dinner meeting on October 19 on "Worldwide Trade and Peace" at which Benjamin Cohen, Assistant Secretary General of the U.N. and Congressman J. K. Javits will speak and to which you will receive an invitation; (3) promoting an extension of foreign trade zones and an international trade fair with the help of Congressman Emanuel Celler; (4) distributing reprints of *The Five Fallacies of Protection* printed on September 4, in the N.Y. World Telegram.

You can help. Keeping informed is important but not enough. Discuss trade issues with your friends and associates, write or tell your views to the Congressmen in your district. Remember that a Congressman's mail still controls his votes.



As trade grows in volume, more efficient methods of handling will be devised. At the port of Haifa a U.N. technical expert worked out a better way of discharging bulk cargo. The picture shows the unloading of coal.



## EDC AND THE 83rd CONGRESS

The death of EDC should not have come as a surprise. The surprise lies chiefly in the U.S. failure to have a ready alternate, probably one involving some form of guarantee by Great Britain and the U.S. But to those who looked to the supranational body to be created under EDC to conquer the age-old obstacles to a federated Europe — the fear of union, of dependence on other countries, of lost prestige, the resistance to change, and the insistence that political responsibility continue on national lines — the disappointment is bitter.

### TRANSPORTATION PROGRESS

Two heartening types of economic cooperation, however, are underway in Europe. The first is in transportation. France, West Germany, the Netherlands, Luxembourg and Belgium (the Schuman Plan countries) have formed a committee to deal with their divergent and chaotic transport rates for goods going by train, truck, or barge. By the end of 1953, 32 disputes involving 45 million tons of traffic per year had been settled. By removing inequities and harmonizing traffic rates it is estimated that 20 per cent more goods can be sold in the common market.

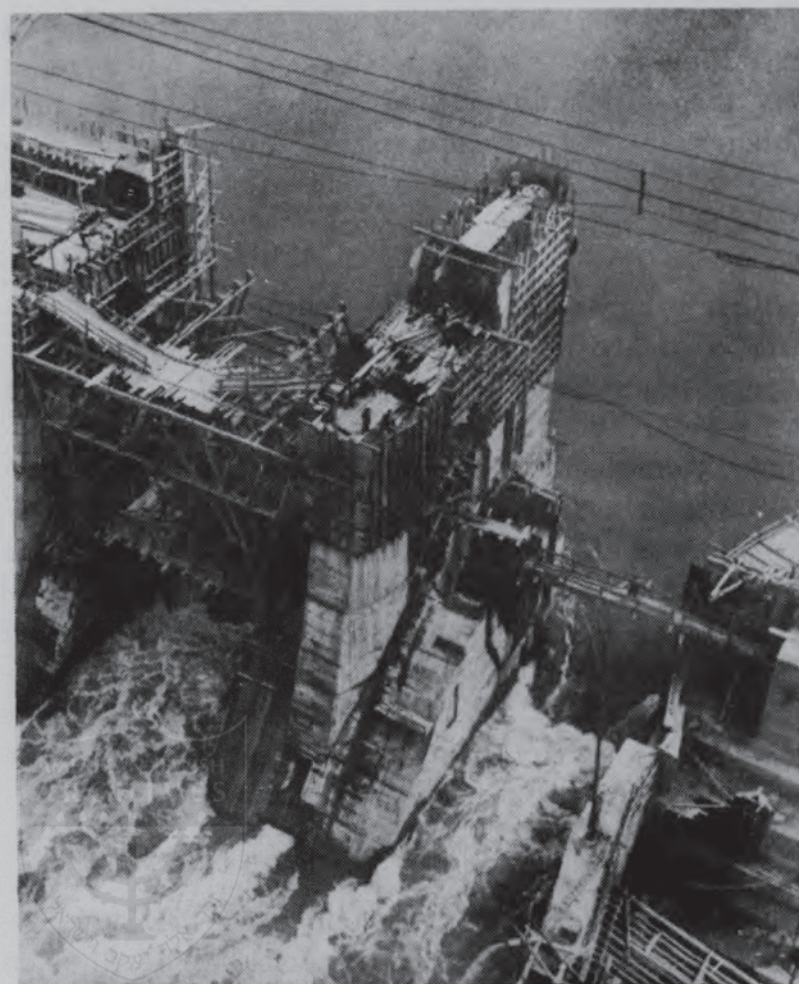
### YUGOEXPORT.

A second type of economic cooperation is the sharing of hydroelectric power. Linking the electro-industrial system in neighboring countries can produce untold benefits and serve as an example of what the future holds for economic integration. In 1952, Yugoslavia's delegate to the U.N. suggested that Yugoslavia, which is said to be able to produce three and a half times more water power per capita than all her immediate neighbors put together, make a study of the possibilities of exporting electrical energy. An ad hoc committee, consisting of one representative each from Yugoslavia, Austria, Italy, and West Germany, has held meetings in Venice, Geneva, and Linz to consider the economic, technical, financial and organizational problems.

Result is that it has been agreed to coordinate electric power plants on the Drava River in Yugoslavia and Austria's plant at Kaprun. Based on the barter system, for all electricity brought into Yugoslavia during the summer months an equal amount of electricity will be conserved and then exported to the Austrian plant during the winter.

Experts say that the development of Europe will require increased power. Italy and Switzerland lack ex-

tensive coal fields and must import either coal or power. Germany has coal and expects to build power plants but high production costs are expected. Yougelexport, as the plan is called, shows bright promise even though large-scale cooperation is years away.



Yugoslavia is constructing a number of new hydro-electric power plants. The one above is at Zvorvik on the Drina River.

## MEMBERSHIP

To be effective we must grow. When you finish this issue won't you pass it to a friend and call attention to this invitation to membership? And if you haven't sent us your dues, please let us hear from you. Advantages of membership are:

*All Contributions are tax exempt.*

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*An Appeal to the President  
and the 84th Congress for*

GREATER ECONOMIC  
COOPERATION



A LETTER  
FROM A GROUP OF AMERICAN CITIZENS

*under the auspices of*

THE CITIZENS CONFERENCE ON INTERNATIONAL ECONOMIC UNION

345 EAST 46TH STREET, NEW YORK 17, NEW YORK



*To the President and Members of Congress:*

Since the close of World War II, this nation has launched on a new phase of its existence, a phase in which increased economic cooperation with other nations has become an indispensable ingredient of its continued well-being and strength.

Most Americans have already come to realize that, for this nation, the period of political isolation is forever ended. We have no choice on this shrinking globe but to learn to live with other nations whether or not they share with us a common ideology or a common culture.

We are beginning to realize, however, that political cooperation and political tolerance cannot exist without economic cooperation and economic tolerance. Economic cooperation cannot solve differences of ideology, of politics, of language or of culture, but it may help to prevent cycles of injury, retaliation, and counter-retaliation which in the past have created bitterness among nations. Economic cooperation may lead to better human relations and business contacts which will contribute to the growth of understanding between peoples.

For the United States, economic collaboration with other nations has even more immediate ends. Without realizing it, we have become increasingly dependent upon our neighbors to provide the raw materials which feed our industrial machine. Our iron ore, petroleum, lead, copper, zinc, manganese, tungsten, asbestos, and many other vital materials come in increasing measure from foreign sources. At the same time, we are finding markets in foreign lands for increasing proportions of our production, not only for our

traditional agricultural exports such as cotton and tobacco, but also for our machinery, automobiles, trucks, tractors, electrical products, and our chemicals. The world about us promises to grow at a prodigious rate in the years ahead, a growth which we can fully share if we fully participate in multilateral trade.

The situation calls for greater economic cooperation between us and our allies and greater economic tolerance between the East and the West. Such a course will strengthen us, strengthen our allies, and help reduce the tensions which keep our civilization in constant peril of self-extinction.

In our opinion, the United Nations is the natural vehicle to achieve the strengthening of cooperation and tolerance in the economic field. The two existing economic agencies of the United Nations, the *Bank* (International Bank for Reconstruction and Development) and the *Fund* (International Monetary Fund) have won international confidence but they cannot do the job alone. A world trade agency, as originally proposed and sponsored by the United States, effectively coordinated with the *Bank* and the *Fund*, is essential. We should like to see active leadership on the part of the United States in this direction for we are convinced that the larger, stronger, trading countries must be prepared to do more than smaller or weaker nations.

The failure of the proposed International Trade Organization, sponsored originally by the United States, left a void. The need for multilateral trade was so obvious that the GATT (General Agreement on Tariffs and Trade), an international body which the United States and thirty-three other countries joined during the



period when the Charter of the ITO was undergoing ratification, was retained. The GATT, though useful, is an emergency agency without adequate power and its membership does not include enough nations of the East and West.

While we fully approve the efforts in Geneva to strengthen the GATT, we think that this emergency agency should be merged into a world trading agency which enjoys the official backing of both the United Nations and the various governments. Such a merger would mean that the achievements of the GATT are preserved while at the same time a more adequate and effective vehicle for encouraging multilateral trade is created. A world trade agency, affiliated with the United Nations, would give the United Nations no control over United States trade and tariff policies. As in the case of the *Bank* and the *Fund*, the sovereignty of member nations would be safeguarded while an effective voluntary agreement for the common good would be encouraged.

While the regional economic commissions affiliated with the United Nations which now exist for Europe, Latin America, Asia and the Far East are useful and to be commended, they, like the GATT, need to be coordinated in order to achieve an overall program.

The inability of many leading nations to restore convertibility of their currencies is due, in large part, to the continued existence of trade barriers, such as tariffs, import quotas, and foreign exchange restrictions. If the United States were to take the initiative in a more liberal trade and tariff policy, an important step forward toward currency convertibility would be achieved.

We therefore urge that the United States pursue the following policy in the foreign economic field:

1. Establish with United Nations support or affiliation a new world trade agency open to all nations with the necessary machinery to facilitate multilateral trade and to encourage trade policies which contribute to currency convertibility and closer economic relationships.
2. Encourage the expansion of the total volume of world and United States exports and imports by removing unnecessary tariff barriers and cumbersome customs regulations and procedures.
3. Remove restrictions on East-West trade, except for that limited category of goods whose shipment would clearly have a substantial adverse effect upon our military position.
4. Call for a world-wide conference on international trade under United Nations sponsorship to explore measures for expanding world trade and creating a world trade agency affiliated with the United Nations.
5. Continue our financial and technical aid to other nations, and in addition make adequate appropriation for the technical assistance program of the United Nations. Channel as much aid as possible through the United Nations in order to forestall resentment and charges of imperialism.

The world is free from war for the first time in many years. Now is the time to pursue a policy of economic cooperation through international trade. Economic cooperation between East and West does not promise large material advantages in the near future, but it is in harmony with our philosophy and our principles and will mate-



rially strengthen our allies, whose economic welfare is closely tied up with our own security. In the future it will provide the United States as well as other trading nations with a net advantage through extended world markets.

The interest of men in all nations and the welfare of the people of the United States require a clear, well-defined foreign economic policy directed toward peace and higher living standards all over the world.

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Date: January 10, 1955