

U.S. Economic Policy Is "Unbusinesslike," Baruch Tells Senators

• • • Recommends Immediate Inventory of the Nation's Resources And Obligations

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WASHINGTON—Bernard Baruch told a Senate committee that United States economic policy is unbusinesslike and recommended an immediate inventory of the nation's resources and obligations.

He suggested that knowledge of America's raw materials potentialities might require negotiation for new foreign sources simultaneously with current negotiations on loans to foreign countries.

"I don't say we have exhausted ourselves," Mr. Baruch said during testimony on a national science program, "but I'd like to know exactly where we stand."

Distribution abroad of surplus raw materials may be a mistake, Mr. Baruch said, unless the United States is certain that it is retaining sufficient reserves to meet its own needs.

First item on the inventory suggested by Mr. Baruch would be an evaluation of the government's debt. This should show, he said, how much the country owes, how much of it is in demand loans, how much must be borrowed to meet obligations still outstanding as a result of the war, and how much must be borrowed to meet final obligations such as the United Nations Relief & Rehabilitation Administration, International Bank, Bretton Woods agreements and loans to foreign nations for rehabilitation. The last item alone, he said, may run around \$20 billion.

The inventory should next assess the prospects for government revenue in the way of taxes and other sources, Mr. Baruch said.

Third item on the Baruch inventory would be an evaluation of production. This comprises the nation's real assets, Mr. Baruch said. It would include examination of the resources of the soil and the resources of American minds, which, mixed together in factories, result in production.

Finally, the world-wide demand for America's production should be assessed, with first priority for this country's output going to this country's needs. Whatever is left over then can be divided among the other nations according to their needs, Mr. Baruch said.

He pointed out that taking Germany and Japan out of production has created a supply vacuum yet to be filled. The United Nations have provided political substitutes for the conquered nations but have not yet provided economic substitutes, Mr. Baruch said.