

Editorials:

Counter-Attack on Economic Isolation

IT WAS fitting that President Roosevelt should ask Congress for a broader foreign trade program on a day when Gen. Eisenhower's armies were speeding the disintegration of the Nazi Reich.

With each step closer to victory, the economic nationalists at home have crept farther from the bomb shelters into which they retreated after Pearl Harbor. There is talk now that only half the Bretton Woods plan may be approved. The high tariff lobbyists raise anew the ancient spook of "a flood of imports" menacing our way of life.

The President's message, proposing a three year extension of the Reciprocal Trade Agreements Act with broader tariff reduction authority, is a timely reminder that the peace now being won by force of arms will not be complete until it is secured by economic, as well as political, reconstruction.

THE movement to lop off half the Bretton Woods plan may be compared to orders which would call Patton to a halt halfway into Bavaria. That currency stabilization will be needed to support a vitally necessary expansion of world trade is admitted on all sides. Why go only part way towards the objective? Why gamble on the fatuous hope that chance or circumstance or some lucky break will spare us the consequences of failing to secure real stability?

Not only must the Bretton Woods machinery of international exchange be set up; it must also be used. If we would give other nations access to the dollars with which they can buy our goods, we must buy their goods with our dollars. Here is the answer to those who fear depletion of the

currency stabilization fund. It will not be depleted unless we refuse to accept imports as the ultimate means by which we obtain payment for exports and collection of our foreign loans.

But would not imports flood our domestic markets with the products of "cheap foreign labor," and curtail employment of those who produce the competing goods? This old myth is built on two fictions: first, the fiction that importing shoes, for example, means an automatic curtailment of our own shoe production, whereas in fact it may mean that Americans are enabled to afford more shoes; and second, the fiction that national prosperity arises from restricting the trading area, whereas in fact it has arisen from the very breadth of the tariff-free area in which we live.

IMPORTS would make available to our citizens those goods which other countries can most efficiently produce; and the saving in cost would release purchasing power for greater consumption of the goods which America most efficiently produces.

No revolutionary change in our economic situation, let us recognize, is proposed. The reciprocal trade agreements policy is one of gradual, careful, painstaking adjustment. By that policy we recognize the true facts of our position—the fact that we are a creditor nation, the fact that our industry is the natural seedbed of world-wide industrialization—and slowly adapt ourselves thereto. This is the course of common sense. It is the course of a prudent and practical resolution to build the economic understructure of a lasting peace.