

The Peace Treaty Is Being Written Now

An Intimate Message on National Affairs

By Richard L. Strout

WASHINGTON

A good many people don't seem to realize that the peace treaty is being written right now. A good many people think of a formal signature of a peace treaty, in ornate, Old World surroundings—say the Hall of Mirrors, Versailles—that will set the pattern of the world for years to come. That's all out of date. At least on the economic side. The treaty of peace (in the sense of America's part in international affairs for the next generation) is already before Congress.

It isn't before Congress in just one treaty. Things aren't done that way any more: It's definitely more complicated than that. But the big decision is whether the United States is going to co-operate after the war with the rest of the world on trade, industry, and the like, or embark on a program of something that isn't pretty to contemplate—a program of economic imperialism.

The decision won't all come in one agreement. There are about half a dozen before Congress now. They are very technical, very important. None of the proposals is perfect. All of them are subject to criticism, perhaps, and by sincere, conscientious people. Besides that, they are also almost all opposed for reasons of self-interest by one group or another. But, in the aggregate, they are to decide the role that the United States is going to adopt in the future—a role of vital world importance because the United States is the great postwar "have" nation. And it faces a curious decision itself.

Will America be willing to accept pay from debtor nations for the debts it will want to collect; in other words, will the United States accept imports after the war, or do what it did after World War One—demand that it be paid, put up tariff barriers that prevent payment, then complain because the other nations didn't pay? That is one of the little decisions involved in the matters now pending before Congress.

One of the big matters is the Bretton Woods fiscal agreement. That is highly complicated, hard even for Congressmen to understand. But it is tremendously important. Without an international agreement on finance and credit, postwar chaos is threatened, with all the countries tempted to em-

bark on competitive undervaluation of currency. This agreement would set up a system of loans for special emergencies, and give international supervision in a field that needs it badly. In brief, it is an effort to put the world monetary system in order prior to tackling commercial matters, and 44 nations have agreed on what should be done.

In somewhat the same way, the Chicago aviation agreement worked out a tentative system for handling the specific problem of world air travel after the war. In some ways, the agreement fell short of what it might have accomplished. But in other directions it was surprising how far it came.

Perhaps not dominant, but prevalent, is the feeling that the U. S. can "go it alone," that it should not be trammelled by restrictions imposed by international agreement. With all America's wealth there is much to be said for this in the short term; but over the long term the world, and America, will be infinitely better off by joint action.

The State Department worked out what it thought was a pretty good treaty on petroleum with the British, but American oil interests did not like it and it has been withdrawn, to be revised. It is to be hoped that an agreement can be achieved. In the same way, there is now bitter opposition by California to the treaty with Mexico for allocating water from international rivers. The unfortunate thing about the rejection of this treaty would be that a good many suspicious Latin-American and foreign observers are using this treaty as a test of America's good intentions.

The food agreement reached at Hot Springs hasn't come to Congress yet, but soon the subject of tariffs will be brought up in the act to continue the reciprocal trade agreements for another three years. If this goes through, the Administration will probably call a general international trade conference—bigger in importance even than Bretton Woods—to discuss trade barriers, tariffs, import quotas, exchange controls, dumping, subsidies, monopolistic trade practices.

These are some international matters before Congress. Most of them aren't political but economic. They will write the economic peace treaty, set the world pattern, and America's role in it, for years to come.