

# UNITED NATIONS

## Only Full Employment Will Keep the Peace

SAN FRANCISCO

San Francisco's trolleys, buses, and quaint old cable cars are more than jammed to the doors with war workers. Men hang on the outside of them, and sit on the old-fashioned car and trolley fenders. The streets are full of working women in slacks, some of them less than bewitching in that costume.

The war is not yet over, and, thanks to the war, San Francisco, like the rest of the U. S. A., enjoys full employment. What will happen when the war ends? This is one worry the average San Franciscan has in common with the average delegate to this huge 46-Nation conference.

The pre-war Geneva cast of characters is prominent here. The nations represented are largely led by the same men and parties which governed them and governed them so badly—before the war. The strategic, security, and balance-of-power considerations which mold the discussions are little different from those familiar to every modern European statesman from Cardinal Wolsey to Clemenceau.

But in one respect the chain of World War II conferences, of which San Francisco is the most glamorous, but not necessarily the most important, link, differs markedly from the past. The conferences which made the peace after World War I—Versailles, St. Germain, The Trianon, Neuilly and Sevres—were concerned almost entirely with political questions.

### Reparations

Their principal economic concern was with reparations, and reparations were themselves the fruit of political rather than economic considerations—the need to satisfy the angry feeling of the Allied electorates, the hope of crippling Germany's power to make war again.

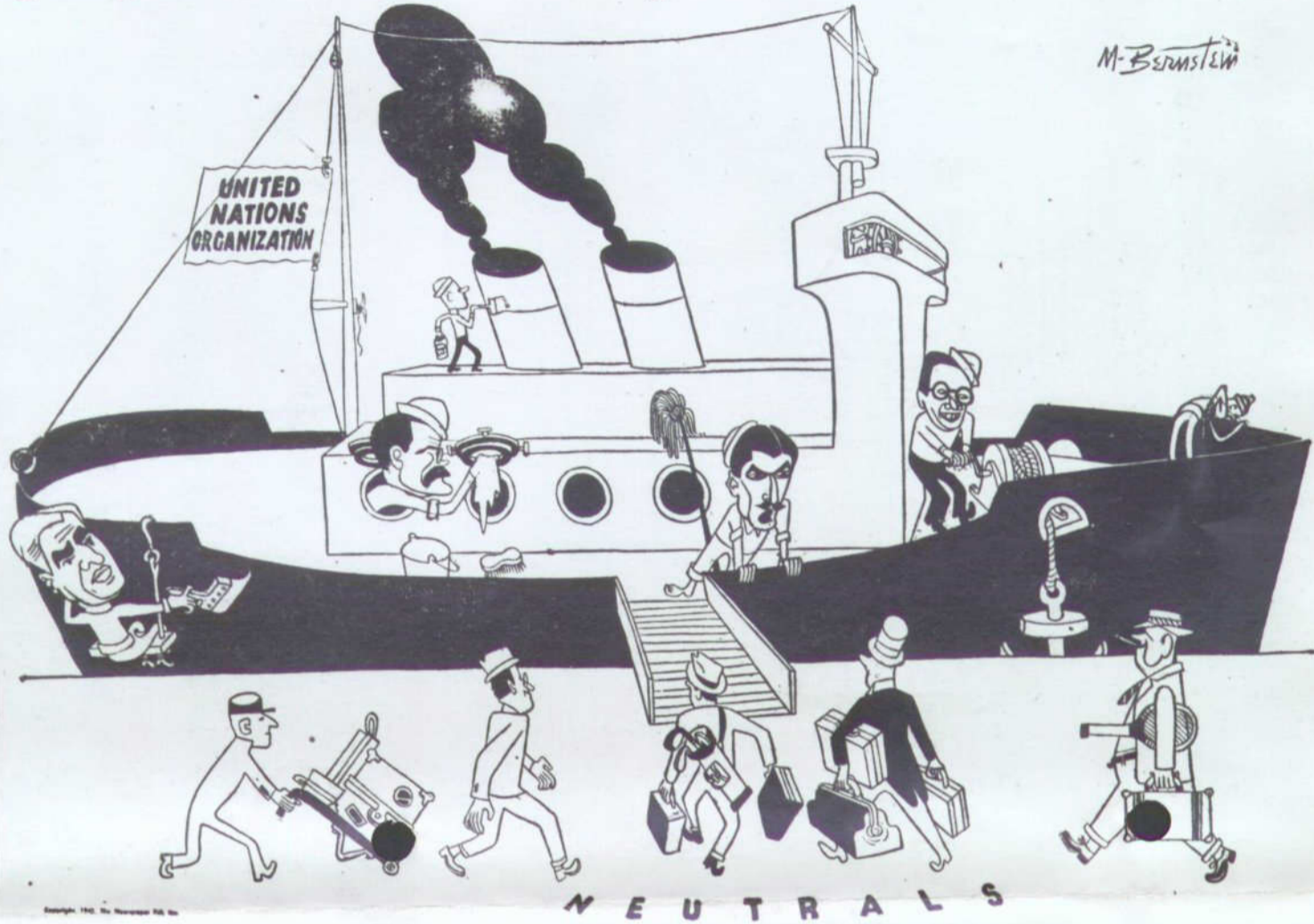
It is true that the League Covenant provided for an International Labor Office, but more as a pious gesture to progressive thinking and working class aspirations than as a major activity of world organization.

But the series of conferences marking the culminating phases of World War II is characterized by an intense preoccupation with economic problems. Hot Springs was food, Atlantic City was relief and reconstruction. Bretton Woods was monetary stabilization and international lending.

Even here, as at Dumbarton Oaks, both primarily and formally political conferences, there is a strong undertone of concern about economic problems. And the chief, the principal, the paramount economic problem of the world today is the achievement of full employment or something pretty close to it in the U. S. A.

### Up to U. S. A.

The main question that thoughtful European newspapermen put to us of the American press is whether the U. S. A. will succeed in solving the full employment problem. The U. S. A. is today about half the total world market. If there is full employment here, the world will have economic and political stability. If there is serious unemployment in the U. S. A., all that is being done under the floodlights of the Maxfield Parrishy



"Sorry boys — everybody works his passage on this ship."

San Francisco Opera House will be so much waste motion, the United Nations Conference for International Organization a glorified international junket and sideshow.

The men who met in 1919 met at the close of a world war, but the men who meet here meet in the aftermath not only of a world war, but of a world depression.

The men who met at Versailles were more concerned than we realize with the threat of the Russian Revolution. Recent volumes of 1919 documents published by the State Dept. indicate how much time was spent privately in worrying about the Bolsheviks. But Lenin and Trotsky were then regarded as adventurers and the Russian Revolution as a passing phase. The "passing phase" has turned up here as a military and economic power whose magnitude is matched by the U. S. A. It has no full employment problem. The combination of the world depression and Soviet success has brought a new consciousness of economic factors to the governments and statesmen here; they are all, crudely and unwittingly, "Marxist." By that I mean that they regard economic matters as more fundamental than political, and this is reflected in the opening statements and speeches.

"Economic security," Secretary of State Stettinius told the first plenary session Thursday afternoon, goes hand in hand with security from war. Widespread economic insecurity and poverty, ignorance and oppression, breed conflict and give aggressors their chance."

This is a note which was not struck at Versailles.

"A great many of our troubles," Brit-

ain's Deputy Prime Minister, Clement Attlee, told a packed press conference at the Mark Hopkins on Tuesday, "came from faults in our economic system. The great depression was the breeder of dictators, anti-Semitism, and the other things we saw spring up in Europe."

Attlee, whose balding head and intellectual schoolmasterish face somewhat resembles Lenin's (politically any resemblance is to Kerensky), was asked whether he thought machinery for removing the causes of war (economic measures) were more important than machinery to maintain peace (political measures). To this he gave a most thoughtful answer, which provides an important key to the conference and the present world situation. He not only said they were "closely related," which is obvious, but made the point that until a framework of peace-keeping machinery had been set up, not much could be done about the economic problems. This needs to be fully understood.

### Security

Nations which have no assurance of world political stability must fit their economies to the necessities of defense and the possibility of war. That means tariff barriers to maintain at home industries whose products could be obtained more cheaply from abroad. It means subsidies to produce at home by synthetic means what could more easily and less expensively be purchased from the producers of the natural products. It means supervision of imports to make sure that any potential military needs and stockpiling will have first priority on the foreign exchange available. It means a large measure of economic autarchy and

the compartmentation and destruction of the world market by a series of economic Chinese walls.

On the other hand, even if some measure of political stability and unity is achieved here, it cannot last unless the U. S. A. musters sufficient social intelligence adequately to utilize its immense productive capacity. For only a fully employed America can provide the market to keep the rest of the world prosperous and only a fully employed America will be immune to the viruses of fascism.

The spokesmen for the U. S. banking community formulate the problem in inadequate terms. They say we must learn to comport ourselves as a great creditor nation, i.e., to moderate our tariffs and recognize the necessity of buying as well as selling abroad. They say that the whole Bretton Woods stabilization scheme will break down without this change in American policy and they support the extension of reciprocal trade agreements on this ground. And in all this they are correct.

The most of them do not see or do not care to see that the tariff question is a very minor one compared with the full employment question, that an America with much unemployment is a poor market however low its tariffs may be.

Conversely, recent studies have shown that a fully employed and prosperous America is a great world market irrespective of the height of its tariff walls. No one would deny the importance of a wise tariff policy, but it is not tariffs but the volume of economic activity in this country which is the prime determinant of our foreign trade.

The noted economist, Calvin B. Hoover, in his recent book on postwar goals