

MR. GREEN'S RESERVATIONS

President William Green of the A. F. of L., as staunch a supporter of the Administration as President Philip Murray of the C. I. O., although usually less noisily vocal, probably will not oppose the Administration's request for power to lower tariff rates 50 per cent lower than the current law allows. Nevertheless Mr. Green is a protectionist, cleverly realistic. No other interpretation can be placed upon his request that Congress attach two reservations to the resolution approving the Bretton Woods agreements.

The primary purpose of the International Bank and Monetary Fund is to promote the development of international prosperity through trade. A loan of \$1,000,000 to a country with lower standards of wages than prevail in the United States might result in the production of goods for sale in this country at a price lower than American goods could be placed on the market. Accordingly Mr. Green has requested Congress to condition its approval of these lending and stabilizing agencies upon two reservations: No loans to be approved until (1) consultation has been had with International Labor Organization and (2) the recipient of a loan should guarantee the observance of prevailing wages and hours, safety and health standards and, in general, the labor standards recommended by the International Labor Organization.

These reservations, if adopted, would confer upon organized labor the power to veto any loan. Even should Congress wipe every tariff schedule from the statutes, labor could with this veto power raise a wall of protection that would make the old tariff walls look like ant hills. In the international field this power would be a potent club to force unionization along the lines dictated by the ILO.

Mr. Green, appearing before the House Committee on Banking and Currency, urged the adoption of these reservations on the ground of "enlightened self-interest on the part of the United States to share in restoring the prewar economic status of our Allies." That sweet-sounding argument cannot gloss over the fact that economic conditions both here and abroad in the prewar years were nothing to cheer about.

It so happens that Mr. Green's organization is not the first to suggest conditional acceptance of Bretton Woods. The American Bankers Association pioneered in that field. Its ideas were blasted by Secretary of the Treasury Morgenthau as "selfish" and a few things worse than selfishness. It will be interesting to observe Mr. Morgenthau's reaction to Mr. Green's proposal that the ILO be given a power over loans which not even the hard-crusted and heartless bankers suggested for themselves.