

Promoting Prosperity

STAFF CORRESPONDENCE

ABOARD CORRESPONDENTS' SPECIAL, Enroute to San Francisco—Before the United Nations delegations at San Francisco will be the Dumbarton Oaks proposals for promoting world prosperity as a means of preventing wars. The proposals reflect the common aspirations of people everywhere.

The Dumbarton experts conceded that consumers, buyers, purchasing power, makes jobs. Many workers must rely for employment on overseas purchasers. Business buys from around the globe and expects to sell around the globe, not merely nationally or locally.

Sound buying and selling require stabilized foreign currencies and the removal of excessive trade barriers of one kind or another. Predominantly agricultural countries depend largely on foreign markets. Countries like America find a definite relationship between exports and prosperity.

WORLD-ECONOMIC COUNCIL

With these and related facts before them, the Dumbarton Oaks conference called for the establishment of an economic and social council functioning under the general assembly of the world security organization.

Their job will be to work toward a sound and balanced economic life.

Efforts in this direction are already under way. Special problems were probed at Bretton Woods (finance and currency), at

Hot Springs (food and agriculture), and at Chicago (aviation). Still others will develop. No complete answers are yet in.

POSTWAR THREE R'S

In the immediate postwar period, as in our first school days, there will be three R's—relief, rehabilitation, and reconstruction.

Relief will be both the economic and social levels, and will be administered by international, national, and private agencies. UNRRA (United Nations Relief and Rehabilitation Administration) is a notable example. Then there is the Foreign Economic Administration.

Rehabilitation will involve the restoration of transportation systems, public utilities, and factories; and the provision of farmers with tools, seeds, and fertilizers. The long range program will call for credit and technical help from international agencies such as were proposed at Bretton Woods and at Hot Springs.

ABOUT RECONSTRUCTION

Reconstruction will involve long term investments for financing reconstruction and development programs over the years. Economic experts, representing 44 United Nations, recommended at Bretton Woods that their governments set up an international bank for reconstruction and development.

The proposed international bank would work chiefly in this wise — by using its capital to guarantee loans made by private investors, or itself when necessary to finance productive projects. It would also assist in developing the less advanced countries.

A chief aim of the bank would be the stimulation of a steady trade between nations, and by investments to open up new opportunities in undeveloped parts of the world.

FREER TRADE
Agree many proposals are before the United Nations delegates for achieving a better world economy by encouraging maximum trade among nations, for low economic development brings a great number of other social problems.

One of the proposals is that an international monetary fund be created to stabilize currency exchange rates between nations, and to eliminate discrimination against traders of any countries.

One barrier to trade is high tariffs on imports and another economic problem results when, during depressions, nations seek to keep out imports and to increase exports. The devices used lower the levels of total trade, and are invariably discriminatory. This leads to retaliation and to economic conflict, and even to war.

CARTELS DISAPPROVED

The creation of cartels, an agreement between competing firms to adopt certain methods to avoid competition and to control prices, is another economic handicap. These are especially dangerous to peace when cartels engage in political activities and restrict the flow of trade between countries.

Commodity surpluses—see economic detriment, and plans are underway to offset and prevent them so as to protect both the interest of consumers and producers.

Since international trade and travel must move by land, sea, or air, and in the future increasingly by air, and since the air over each country belongs to it—each country could forbid planes of another from flying over it, or to land and pick up passengers and cargo, if it chose. This is another area for international discussion and agreement. A beginning was made at the late 1944 air conference in Chicago. Also something will be done about the unbalance in shipping fleets between nations.

In the economic and social council of the proposed United Nations organization the nations would have an economic general staff through which to plan the economic well being of their peoples.

War prevents nations from fully using their resources for peaceful economic development, and artificial economic obstacles make for war. So the strategy for peaceful economic progress is actually a proposal for security from war or threats of war. Nations working together to promote world prosperity will promote the conditions for peace and security.

— P. BERNARD YOUNG JR.