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**The Quality and Scope of Support
for the
Loan Agreement with Britain**

**Compiled by the
Special Committee on
British Loan Agreement
712 Jackson Place
Washington 6, D. C.**

THE COMMITTEE ON INTERNATIONAL ECONOMIC POLICY
in cooperation with
The Carnegie Endowment for International Peace
New York

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in cooperation with
THE CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

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IS THIS THE WAY TO PROMOTE DEMOCRACY?



Justus, Minneapolis Star-Journal

MINNEAPOLIS STAR-JOURNAL, Nov. 24, 1945.

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TEXT OF S. J. RES. 138

Introduced by

Mr. Barkley and referred to the Committee on Banking and Currency

JOINT RESOLUTION

To implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Whereas in the Bretton Woods Agreements Act the Congress has declared it to be the policy of the United States "to seek to bring about further agreement and cooperation among nations and international bodies, as soon as possible, on ways and means which will best reduce obstacles to and restrictions upon international trade, eliminate unfair trade practices, promote mutually advantageous commercial relations, and otherwise facilitate the expansion and balanced growth of international trade and promote the stability of international economic relations"; and

Whereas in further implementation of the purposes of the Bretton Woods Agreements, the Governments of the United States and the United Kingdom have negotiated an agreement dated December 6, 1945, designed to expedite the achievement of stable and orderly exchange arrangements, the prompt elimination of exchange restrictions and discriminations, and other objectives of the above-mentioned policy declared by the Congress: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury, in consultation with the National Advisory Council on International Monetary and Financial Problems, is hereby authorized to carry out the agreement dated December 6, 1945, between the United States and the United Kingdom which was transmitted by the President to the Congress on January 1, 1946.

Sec. 2. The Secretary of the Treasury is authorized in the manner prescribed by subsection (b) of section 7 of the Bretton Woods Agreements Act (Act of July 31, 1945, Public Law 171, Seventy-ninth Congress), to provide and use an amount not to exceed \$3,750,000,000 solely for the purpose of carrying out the agreement between the United States and the United Kingdom. Payments to the United Kingdom under this Act and pursuant to the agreement and repayments shall be treated in the manner prescribed by subsection (b) of section 7 of the Bretton Woods Agreements Act, and payments of interest to the United States shall be covered into the Treasury as miscellaneous receipts.

FOREWORD

The voice of America has been definitely raised in approval of the Loan Agreement with Great Britain. This is indicated by the following compilation of statements, editorials and radio comments from every segment of our society, from every section of the country.

This is convincing proof of how thinking people everywhere feel about the British Loan Agreement.

It's worth your time to read these important statements on this important subject.

March 29, 1946

Charles S. Dewey
*Chairman, Special Committee
on British Loan Agreement*

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I EXECUTIVE

Joint Statement by President Truman and Prime Minister Attlee, Dec. 6, 1946

The economic and financial discussions between officials of the United States and United Kingdom Governments meeting in Washington have now been completed.

These discussions . . . have covered the questions of financial assistance from the United States to the United Kingdom, the demobilization of wartime trade and monetary restrictions, the settlement of lend-lease, the disposal of surplus war property in the United Kingdom owned by the United States, and finally, long-range commercial policies in the broad sense, embracing the fields of trade barriers and discriminations, policies in respect of commodities in world surplus, cartels, an international trade organization and international aspects of domestic measures to maintain employment.

Both sides have been fully conscious of the significance to other countries as well as their own, of the outcome of these discussions, and they have from the beginning had continuously in view the common interest of their Governments in establishing a world trading and monetary system from which the trade of all countries can benefit and within which the trade of all countries can be conducted on a multilateral, non-discriminatory basis.

These arrangements, if carried out, will put an end to the fear of an economically divided world; will make possible, throughout the world, the expansion of employment and of the production, exchange, and consumption of goods; and will bring into being, for the first time, a common code of equitable rules for the conduct of international trade policies and relations. . .

President Truman's Message to Congress, Jan. 30, 1946

. . . the Agreement now transmitted will set the course of American and British economic relations for many years to come. In so doing it will have a decisive influence on the international trade of the whole world . . . and in my opinion will provide a solid foundation for the successful conduct of our economic relations with each other and with the world. . .

. . . The Financial Agreement will enable the United Kingdom, through the prompt relaxation of exchange restrictions and discriminations, to move side by side with the United States toward the common goal of expanded world trade which means expanded production, consumption and employment and rising standards of living everywhere.

. . . The implementation of the Financial Agreement will be a great contribution to the establishment of a permanent state of peace and prosperity. We are all aware of the dangers inherent in unchecked economic rivalry and economic warfare. These dangers can be eliminated by the firm resolution of this nation and the United Kingdom to carry forward the work which has been so well begun. . .

Secretary of State Byrnes before the Foreign Policy Association, New York, Feb. 11, 1946

. . . Our ultimate prosperity heavily depends upon whether the economy of the world is free or in chains. . . No American seriously contends in this day and age that the prosperity of the wheat farmer of the Dakotas, the cotton grower of the Carolinas or the market gardener of California is not directly linked to that of the miner in Pennsylvania and the manufacturer in New York.

We take for granted the interdependence of the national economy. The interdependence of the world economy is less apparent. But it is quite as real. Prosperity here and abroad requires the expansion both of production and of markets.

. . . Thus Britain's difficulties in returning to normal economic intercourse are of direct concern to us.

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... Unless the British receive this loan of dollars from the United States, only one course will be open to them. They must buy what they need almost exclusively from the countries which normally buy equal or larger amounts from them. Or they must buy from countries which are willing to accept payment in pounds and spend the pounds for goods in Great Britain or in some other part of the sterling area.

Since this is not the way trade arranges itself naturally, Great Britain would have to do this by government decree. The war controls would have to be . . . extended. These controls would necessarily discriminate against the United States because in normal times our sales to British customers are always larger than our purchases from British sellers.

... The British credit is a large investment undertaken to gain an even larger objective. Without it, our efforts to construct an expanding world economy may well be frustrated. With it, we shall have won the support of a powerful ally in our efforts to break down those harmful economic practices which throttle trade, perpetuate poverty, engender ill will among nations and sow the seeds of conflict.

Secretary of Treasury Vinson before the Academy of Political and Social Science, Philadelphia, Jan. 9, 1946

... The shape of the postwar world is being formed by what we do right now. Unless steps are taken to prevent it, there is a real danger that countries will turn again to economic isolation, and that the world will again be divided into conflicting economic blocs. Peace and prosperity cannot flourish in a climate of suspicion, mistrust, and economic sword-play. . .

After more than three months of discussion, the representatives of the United States and England agreed on three major points. First, a conflict on international economic policy must be avoided. Second, Britain will need help in securing her essential imports while her export industries get back on their feet. Third, with such help, Britain would be able soon to abandon the wartime currency and trade controls. . .

The discussions in Washington were concerned with trade as well as financial problems. A joint statement of policy was issued by the United States and the United Kingdom setting forth an understanding regarding a proposal for a commercial policy agreement among the United Nations to facilitate the expansion of world trade. An international conference is to be held next summer for the purpose of establishing an International Trade Organization, and of reaching an agreement to reduce the barriers to trade, to eliminate discriminations in trade, and to facilitate the maintenance of high levels of employment.

It is unfortunate that there have been some intemperate statements concerning the terms of the proposed loan. In Britain they have been called too hard, in the United States, too easy. They are, in my judgment, fair to both countries. They take account of Britain's need for aid and her ability to repay. They take account of the financial cost to this Government of providing aid to Britain. The interest charged Britain is reasonably comparable to what it costs this Government to borrow money.

The amount of the proposed British credit is large, but it is needed to do the job. Three and three-quarter billion dollars is a lot of do-re-mi in anybody's book. But war, including its aftermath, is costly business. This loan represents about two weeks of our expenditures for war toward its close. In my judgment, this is not an expenditure but an investment. It is sound business for America.

We, more than any other country, are concerned with the kind of economic world that is now being built. The fact is that we would be the primary target in the continued use of restrictive and discriminatory currency and trade measures. There is no doubt that we could take countermeasures. There is no doubt that we could defend ourselves if economic warfare should break out. But the cost to us and to the world would be reflected in decreased trade, decreased employment, and lower standards of living. Neither we nor any other country can afford a breakdown in international economic relations.

The significance of the financial agreement with Britain goes far beyond its economic effects, important though they are. This is a world in which all countries must work together

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if we are to live in peace and prosperity. The alternative — God save us — is to perish together. Mankind surely has the wit and the will to choose not death but life.

Secretary of Treasury Vinson on NBC's University of the Air, Jan. 12, 1946

... The people of the United States and the United Nations have agreed on a program in which countries cooperate to maintain peace and prosperity. The United Nations Organization, with its Security Council, General Assembly, Economic and Social Council, and International Court of Justice, constitute one side of this program. The International Monetary Fund and the International Bank for Reconstruction and Development and the proposed International Trade Organization constitute another side of the same program. The Financial Agreement with the United Kingdom is essential to the realization of this entire program for peace and prosperity. This is what I hope the people and Congress will bear in mind in considering the Financial Agreement.

Under-Secretary of State Acheson before League of Women Voters, St. Louis, Feb. 19, 1946

... Britain and the United States provide the currency which ... will be the currency with which two-thirds or three-quarters of the trade of the world is conducted. . . . Before the war . . . that little island (of Great Britain) was like a lung. It was the breathing in and out, the drawing in of imports and the sending out of exports, which was one of the great activating forces of world trade. . . . Every part of the world was activated by British and American trade.

... During the war many things happened to that island. . . . The British took no half measures. They never spared themselves. All of their industries were transformed into the production of war goods. . . . Life throughout Britain was completely disrupted to produce materials for the war and to carry on the war. . . . British exports were down to 30 per cent of what they had been before the war . . . and they had to conduct the war from the Straits of Gibraltar to India and Burma through the use of the British pound sterling. At the end of this year the British will have accumulated 14 billion dollars in sterling debts to other countries. . . . What does that mean in terms of world trade?

It means, first, that for decades and decades, the British will have to export goods for which they get no pay. Those goods will have to be exported to pay off the sterling debt. . . . And that means that, unless drastic steps are taken to secure an interchangeability of currency, the British must work for their individual creditors; and their individual creditors, if they are to realize upon their debt, must accept British goods and services only. That problem, if not dealt with in some way, would bring about a channeling of economic activity which could only result in the division of the world into closed economic blocs.

... It is to nobody's interest that the British cease to buy abroad because they lack the necessary dollars or francs or guilders. Nobody makes any money when a customer is unable to buy. If that customer is worthy of credit, it is to everybody's interest that he be carried over the period of his embarrassment. . . . Now what is the amount of money that will be required? . . . After many calculations and taking into account loans yet in the offing from Canada and other countries to whom Britain might look for credits, it was determined that 3 billion, 750 million dollars would be the sum which, added to these other credits, would carry the British over the next few years. . . .

Without the credit which we have agreed to extend to the British, it would be wholly impossible for them to undertake the commitments included in the Financial Agreement and quite beyond their capacities in the next few years to support our proposals for securing a multilateral trading system in which the businessmen of the United States can freely compete for the markets of the world. . . .

What we have done is to arrive at an understanding with a nation, whose position in world commerce is unique, to move forward towards the removal of controls and restrictions

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which hamper and reduce international trade so that both of us and other nations may prosper in an expanding world economy.

**Under-Secretary Acheson on NBC's University of the Air,
Jan. 12, 1946**

. . . This loan is not a pension for a worthy war partner. It's not a hand-out. It's not a question of relief, of bundles for Britain. This loan looks to the future, not to the past. It does the things that are necessary to keep the kind of world we want. We're willing to bet three and three-quarters billion dollars that we and the British can make it work. It's a case of opening up the trade of the world, so that money will be good anywhere in trade. The things the British have agreed with us to do will go a long way toward accomplishing that — toward making it possible for our people to go out and do business freely anywhere in the world. . . It is as essential to the foreign economic policy of the United States as it is to the future economic prosperity of Great Britain. It's a mutual arrangement for mutual benefits, arrived at out of mutual necessity.

. . . The alternative is that we do not get the commercial arrangements which are necessary for the survival of our free industrial system. The alternative is the division of the world into warring economic blocs.

**Assistant Secretary Will Clayton before National Farm Institute,
Des Moines, Feb. 15, 1946**

Let us see what it means to our agricultural interests to have British markets open to us, not to speak of world markets. In normal times we sell more farm products to Britain than to any other country. More than a third of our total agricultural exports went to Britain in 1938, the last prewar year. Our exports of agricultural products to Britain averaged around a quarter of a billion dollars annually in the years before the war. Prior to the first World War the volume of these exports was still larger. If we should suffer the permanent loss of this business, it would hurt.

In the last year before the war, Britain bought 18 per cent of our raw cotton exports; 21 per cent of our corn exports; 31 per cent of our wheat exports; 62 per cent of our lard exports; 72 per cent of our tobacco exports; 84 per cent of our exports of canned fruits, and 85 per cent of our exports of hams and shoulders.

This is the story of our agricultural exports to Britain in the recent past. But if world trade is freed of the unreasonable restrictions and impediments that now plague it, we have reason to believe that Britain will become an even better customer for our farm products in the future. . .

Demand for farm products is now at a high level, and many agricultural commodities are in short supply. It would be foolhardy, however, to conclude that the problem of farm surpluses has been permanently solved and that foreign markets are no longer important to us. . . Many of you remember what happened after the first World War: The value of our agricultural exports fell by nearly 50 per cent from 1919-21, and our cash income from the sale of farm products fell by more than 40 per cent over the same two-year period. The collapse of the foreign market was unquestionably one of the main causes of the sharp decline in our farm income.

The British need our agricultural products . . . desperately. . . Before many months have passed we will again need the British market as our chief foreign outlet for the products of our farms. We want to sell the goods that Britain wants to buy; but because of the financial dislocations resulting from the war, the British temporarily lack the means of payment. The proposed loan to Britain is a businesslike solution of this problem. Under the loan we would carry our best customer on credit, thereby maintaining an outlet for our goods, until he is able to reestablish his earning power and pay his own way.

Without the loan, it is perfectly clear what path Britain would take and how our farmers would be affected. The British would have to conserve their dollar resources very carefully

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and spend them only for essential products which cannot be produced in Britain or bought elsewhere in the world. They would have to subsidize even further the expansion of inefficient British agriculture. They would have to obtain more and more of their agricultural imports from the countries of the sterling area, with whom they have special trading relationships. They would have to resort to primitive barter arrangements, obtaining agricultural products from countries which would be willing to accept an equal value of British goods in return. All of these things would tend to freeze the American farmer out of the British market, to pile up farm surpluses in the United States and to depress the prices of our farm products. . .

An economic bloc means the regimentation of international commerce. Lincoln said: "This Nation cannot exist half slave and half free." This applies to commerce as well as to human beings. If we have regimentation in our foreign trade, how long do you think free enterprise can continue in our domestic commerce? . . .

The main prize of the victory of the United Nations in this war is limited and temporary power to establish the kind of world we want to live in. I want to emphasize that this power is both limited and temporary. . . Britain can only join with us in this high enterprise if she obtains the necessary assistance to enable her to make a revolutionary shift herself from the closed to the open multilateral system of world trade. With the help of Britain, leader of the greatest international trading area in the world, there is strong reason to believe that we can be successful in charting the right course. Without her help we can hardly hope to succeed. We must choose now!

Clair Wilcox, Director of the Office of International Trade Policy, Department of State, Address before the City Club of Cleveland, Jan. 19, 1946

. . . World organization for security is essential; but if it is to succeed, it must rest upon continuous international cooperation in economic affairs. The stabilization of currencies and the provision of credits are necessary and desirable; but if they are to accomplish their purposes, they must rest, in turn, upon measures which would remove the barriers that now obstruct the movement of world trade. If political and economic order are to be rebuilt, we must provide, in our trade program, the solid foundation upon which the superstructure of international cooperation is to stand.

. . . The United States and Great Britain are the mainstays of the world's economy. Economically, there is no other nation that is anywhere nearly as important to us. It is this fact that gives the Anglo-American understandings their peculiar significance. . . The British loan . . . is an integral part of the pattern of the Anglo-American understandings, just as those understandings are an integral part of the pattern of American foreign policy.

. . . It is the purpose of the loan to enable the British economy to get back on its feet. It is working capital, a seed-loan, a grub-stake, if you please. . .

It should be recognized that the circumstances surrounding this transaction are entirely different from those that accompanied the debts arising from the First World War. Let me state the differences:

(1) Last time, reparations were payable in cash and our debtors relied upon their share of reparations to get a large part of the money to pay us. When Germany defaulted, they lost the funds on which they had relied. This time, reparations are payable in kind and no one relies on them for money to pay debts.

(2) The last war's debts, in the main, represented goods destroyed in battle. They created no new wealth and no new earning power. This time, we are not trying to collect for dead horses or smashed tanks. This loan is for new goods. It will finance the production of new wealth. Like any good commercial loan, it will create the means of its own payment.

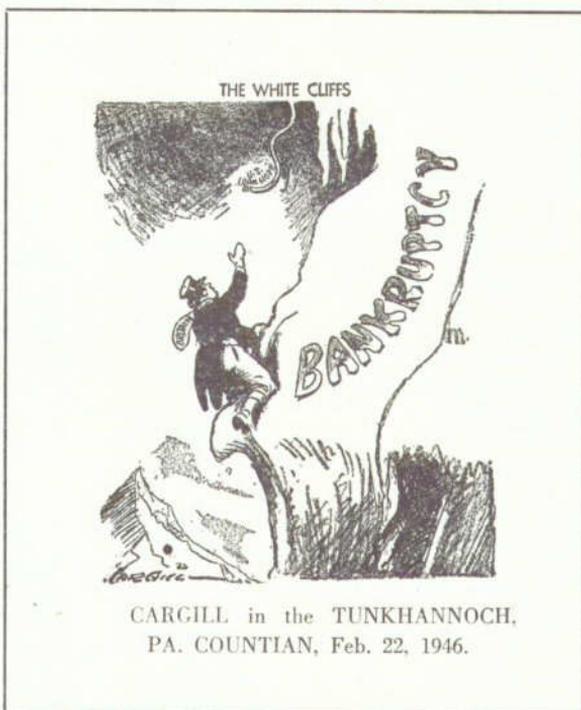
(3) Last time, we lacked effective international arrangements to stabilize foreign exchange. Each country acted independently. Exchange rates were sometimes too rigid and at other times chaotic. This time, we start out with the International Monetary Fund. . . .

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(4) Last time, the debt funding agreements carried a rigid annual interest charge and made no provision for the difficulties that might well arise. When Germany defaulted and the great depression struck, the result was moratorium. This time, the agreement itself provides for the waiver of interest when stated circumstances would make its payment impossible. It thus avoids the accumulation of unpaid obligations and substitutes a reasonable flexibility to meet conditions yet unknown.

(5) And this is most important. Last time, we raised our tariffs, in 1921, in 1922, and again in 1930, thus denying to our debtors an opportunity to earn the funds with which to pay us. This time, we start with the Trade Agreements Act in force, with our proposals for the reduction of trade barriers published to the world, and with conferences to act on these proposals projected for the summer and the fall. This time we intend to let our debtors earn the funds with which to pay us. We have come to recognize our creditor position and to adopt the commercial policy which that position requires. We have demonstrated, at last, that we can learn from history.

The real question on the repayment of this loan . . . is whether the world is going to be prosperous and foreign trade large. . . We are investing in Britain, yes. But, more than this, we are investing in our own future.



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II LABOR

Philip Murray, President, Congress of Industrial Organizations, Statement, Mar. 1, 1946

The Congress of Industrial Organizations has supported the proposed loan to Great Britain and will continue to do so for the following reasons:

First, The CIO recognizes the present plight of Great Britain as essentially the result of war-time expenditure of her resources in common battle and therefore a situation in which the United States has clear-cut obligations as the only Allied nation capable of giving her effective economic assistance.

Second, The loan amounts to economic first-aid for Britain; but it is also an essential first step to an expanding world trade in which American labor has a vital stake.

Third, The loan expresses in practical terms the interdependence of labor in closely-allied countries and provides a mutually profitable solution of present world trade difficulties for both American and British industry. . .

With an expanding world trade that will insure prosperity for the United States and raise the living standards of each trading nation, the position of the American worker will be made secure. But if we refuse the loan to Britain, we shall have left a large section of that world trade damaged and inactive, and it will be forced to protect itself with restricted currencies, fenced-off trading areas and all the other barriers of economic nationalism. Britain would not like that sort of trading world any more than we would and she would stand to lose as much as we would lose. Without the loan she would not have much of a choice.

A clear understanding of these alternatives may mean the difference between security and insecurity for the American worker. It is about time that his relatively high standard of living should become a world asset rather than a potential liability. Surely we have had enough of doing without when there is plenty to go around for everybody.

Executive Council, American Federation of Labor

Sympathetic as we are to the British people, the proposed loan should not be considered on a sentimental basis. It is a business proposition. It will help us as well as Great Britain. In prewar days, Britain was one of America's greatest customers. In the years to come, we must restore that large volume of trade for our own benefit. To do that we must help our good customer and valued ally to reorganize her economy.

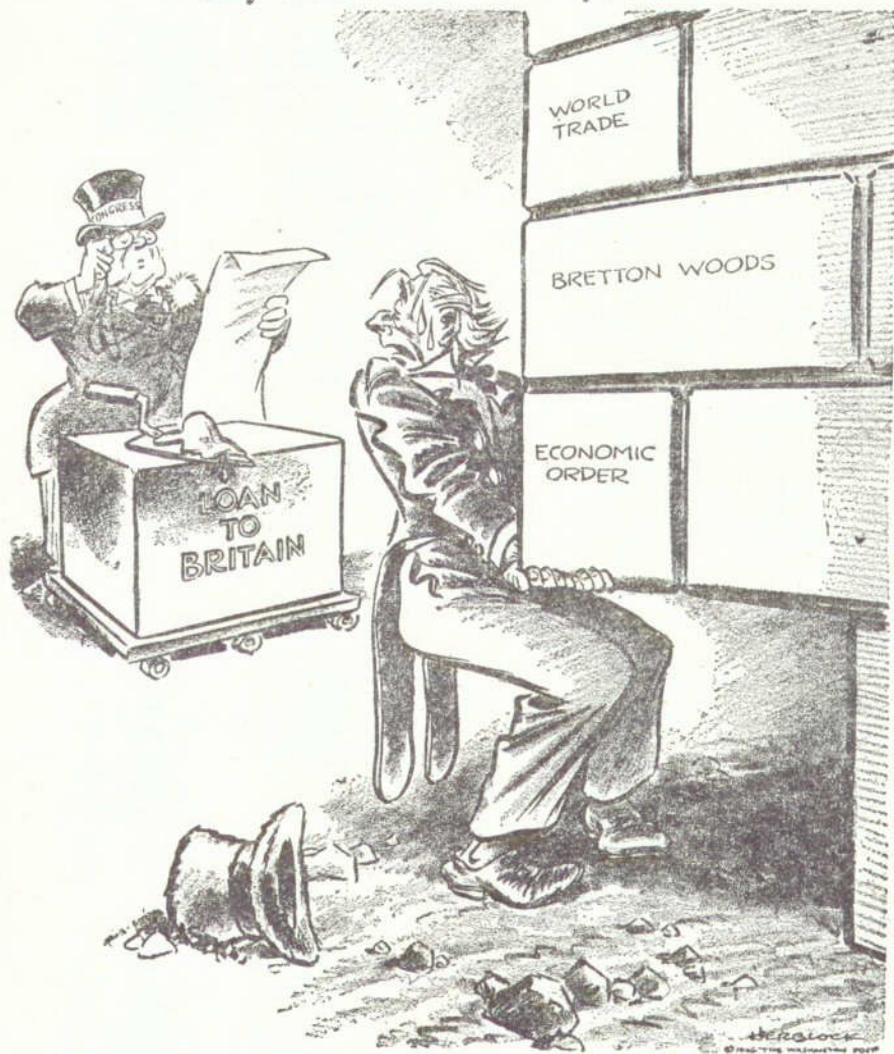
Furthermore, Britain constitutes the last and most powerful bastion of democracy in Europe. The British way of life comes closer to our ideas of the value of individual life and freedom than any other. We cannot afford to let that way of life be snuffed out by economic ruin.

The proposed loan to Great Britain now awaiting Congressional approval, is a step toward improving and stabilizing a workable world economy.

The Executive Board of the National Women's Trade Union League, Resolution

"If Congress should refuse to ratify the loan, Britain would be forced to continue the sterling bloc, which in turn would inevitably result in a dollar bloc in the Western Hemisphere and a ruble bloc in the Russian area, each at the throats of the other two. Therefore, the National Women's Trade Union League supports the British loan for two reasons: (1) it paves the way for friendly relations among the nations and (2) it is only by lifting restrictions on international trade that we can have the increased flow of trade necessary to maintain high productivity and full employment in this country."

"Any Time You're Ready, Mister"



HERBLOCK in the WASHINGTON POST
(Reprinted with permission)

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III BANKING

Winthrop W. Aldrich, Chairman of Board of Directors, Chase National Bank; President, International Chamber of Commerce, and Chairman, The Committee on International Economic Policy, before the Senate Banking and Currency Committee, Mar. 13, 1946

. . . My interest in this measure (S. J. Res. 138) arises not only from years of practical experience in the financing of international trade but also from a deep conviction on my part that international trade must be facilitated and restored if world peace is to be maintained. I believe that the adoption of this Joint Resolution will create a situation in which governmental foreign exchange controls and international trade controls can and will be gradually relaxed throughout the British Commonwealth of Nations.

The relaxation of these controls unquestionably will influence public policy in all other nations, with the exception of those few which are definitely wedded to a system of rigid state capitalism. The relaxation of controls will gradually have the effect of retransferring the handling of foreign trade from governments and governmental units to private enterprise. In particular, the relaxation of controls will enable business men of this country to participate again in foreign commerce throughout the world.

As long as foreign trade is a monopoly of governments, it will tend, from the very nature of government trading, to be bilateral in character. Only if the business men of all countries can participate in foreign commerce, without undue restrictions and on a basis of equality, will foreign trade tend to become multilateral in character. Since the operation of private enterprise in the economic field is the counterpart of democratic action in the political field, the relaxation of controls will give support to and will promote the forces of political democracy.

My appearance before your Committee is not only in my capacity as Chairman of the Board of Directors of The Chase National Bank, but also as President of the International Chamber of Commerce and Chairman of the Committee on International Economic Policy. I think you are all familiar with the work of the International Chamber of Commerce which, since its organization in 1921, has worked unceasingly for freer international trade and better economic relationships among nations.

The Committee on International Economic Policy is an outgrowth of the work of the American Section of the International Chamber of Commerce, now known as the United States Associates of the International Chamber of Commerce. The Committee on International Economic Policy, in cooperation with the Carnegie Endowment for International Peace, has over the past two years issued a series of pamphlets on various subjects in the field of international trade and international commercial relations. . .

Not only the Committee on International Economic Policy, but also the United States Associates of the International Chamber of Commerce, have endorsed the proposed line of credit to the United Kingdom. These two groups have taken this action because they are convinced that the granting of this line of credit will be a major step in the restoration of world commerce and the elimination of state control and state direction of world trade . . . it will create a situation in which the dynamic forces of private enterprise can have full scope in the development of international trade, and in which small as well as large business can engage freely and actively in the exchange of products across frontiers. In making most effective use of the resources of the world and the talents of mankind, this will contribute to the well-being of all peoples and lay a firm basis for international peace. . .

. . . It will be international trade conducted on a multilateral basis, and hence free of the strait-jacket effects of bilateral trade. Conducted on a multilateral basis, it will be trade which private enterprise, as opposed to state control and intervention, will activate. . .

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. . . The British problem is the key to the exchange and trade problems of the world and once it is solved the other problems naturally fall into place as the pieces of a mosaic. . .

Multilateralism eliminates the distinction between the so-called "have" and "have not" nations. The reason is that multilateralism provides access on terms of equality to the world's resources. In consequence, multilateralism creates a situation which fosters the maintenance of peace. Bilateralism, accompanied by economic nationalism, tends to promote aggression on the part of governments — leading to demands for additional territory in order to expand the area of controlled trade. Bilateralism thus contributes to the growth of international ill-will and suspicion and creates a situation in which international trade becomes an instrument of state policy and is used for purposes of political penetration and aggrandisement.

. . . In enabling England to assume the obligations of multilateral trade, it will obviate the need for internal controls, will create a situation in which the forces of private enterprise can function, and will enhance the influence of those who wish internal controls to be removed. . .

To me the proposed credit to England represents a justifiable investment in the future prosperity, peace and security of the world. It is an investment in the economic life and stability of a great trading nation. In view of the stakes involved it is a good venture because its results will redound to the economic self-interest of the people of the United States, collectively and individually.

Ralph E. Flanders, Chairman of Federal Reserve Bank of Boston and Chairman of the Research Committee of the Committee for Economic Development, before the Senate Banking and Currency Committee, Mar. 14, 1946

. . . We may say with full confidence that Russia does not desire war. We may say this with confidence because it is so obviously contrary to her interests to have war. . . When it comes, however, to a contest between different types of social organization, we may be sure that Russia does want that kind of a struggle. . . Fundamentally it is competition to improve the material conditions of humanity.

It is my belief that this British agreement constitutes one of the engagements in this new kind of struggle. . . In this long struggle . . . in which rival ideas strive for the mastery of the world's economy and social organization, this is the first skirmish. Let us not lose it.

If we are discerning, if we are vigilant, if we are energetic, this support of a free economy in the British Empire will be the first of a series of successful engagements in a friendly competition with the Soviet Union for the well-being of the world.

Bankers Association for Foreign Trade, Statement of Policy

An outstanding objective of the United Nations—and, indeed, a determined and aggressive policy of the United States—is the establishment of world conditions under which business and finances, among all peoples, may be free of discrimination, with great reductions of trade barriers, of mutual and equal benefits. Implementation of such policies—to unleash the constructive forces of world economy—requires the modification and relaxation of British Imperial tariff and trade preferences and restrictions and the reduction of United States tariff rates to enlarge imports.

This Association, therefore, urges that Congress provide appropriate financial assistance to the United Kingdom, as being vital to transition and reconversion, at home and abroad, to accomplish the four-fold objective of:—

- (a) Maintaining a firm dollar-pound sterling relationship, with free convertibility of sterling;
- (b) Dealing adequately with the trade strangulation caused by the huge bloc sterling debt;

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- (c) Permitting the United Kingdom, British Dominions and Colonies and other Nations of the Western Hemisphere, Europe, Africa, and Asia to purchase essential rehabilitation imports, thus enlarging employment and trade throughout the world, and,
- (d) Modifying and relaxing trade, financial and exchange controls and decreasing British Imperial preference discriminations and American tariff rates, so that there may be negotiated a great new series of reciprocal trade agreements under the new stronger authority granted this year by the United States Congress.

National City Bank of New York Statement

... The loan and the agreements that go with it represent an effort in the direction of re-establishing world trade on a multilateral basis, which has always been the American system and was that of Britain during the heyday of British expansion up to the first World War. Without the loan, it seems inevitable that Great Britain would have to follow the pattern on which Germany operated in the '20's and '30's—that is, bilateralism, trade quotas, exchange controls and managed currency. With the loan accord, there is at least a fighting chance that we and Britain, working together, could reconstruct the kind of an international trading system which will best promote growth and stability in world commerce.

The Magazine of Wall Street

December 22, 1945

The significance of the Anglo-American financial and trade agreements is that they will set a world pattern for revival of post-war international trade. Also, they will do much to assure a high level of foreign trade over the next few years and they will greatly facilitate an eventual revival of international investment activity. . . . If these hopes and expectations materialize—and they should if proper policies prevail—they may well be worth the cost. . . .

Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, Before Senate Banking and Currency Committee, March 8, 1946

... You will have noted that I advocate this loan on its own merits and primarily as a contribution to world stability. I do not believe in foreign lending for the sake of creating employment here and exporting unemployment to foreign shores. We get employment, yes, while the money is being spent, but the fruits of that employment are lost to us permanently if we persist in refusing to take goods and services from foreign countries to enable them to service and repay their debts. If we desire to maintain a thriving export business and receive service on our investments abroad, we must make the exchange of goods and services a two-way street. In the end, responsibility for making it possible for our debtors to pay is ours, and ours alone.

The decision is in your hands. It is a fateful one. Without effective British participation, which is possible only if we lend our aid, the Bretton Woods institutions cannot fulfill the hopes which we have placed in them. Without the fulfillment of these hopes for a stable economic order in the world, there is little prospect of success for the United Nations Organization in its search for political stability and security. Without economic or political stability, we can expect only a continued drift of world affairs toward the catastrophe of a third World War.

Is there not finally another compensation if we make this loan? It arises from the American sense of fair play. Are we the sort of people that would fail to help in an hour of great need a stout-hearted ally dedicated to the institutions of freedom and democracy—an ally which once stood alone through the long dark night as the only barrier between this country and Axis aggression. As we review the past, let's not forget that while the British owe us much, we also owe them something.

We quote " - - -

IV BUSINESS

Eric Johnston, President, United States Chamber of Commerce and President, Motion Picture Association of America, before Young Men's Republican Club of King County, Seattle, Wash., Feb. 12, 1946

... To eliminate the sterling bloc, to assist Britain to get on her feet, to promote expanding trade in the world, our government is proposing a loan to the British. In my opinion, this is good business for America. It is good business for the port of Seattle. It is good business for peace. I fear to contemplate what would happen to the whole world, including capitalist America, if we go back to restricted areas of trade, blocs and cartels.

There are now two great powers in the world — Russia and the United States. And we represent two different economic philosophies — communism and capitalism. These two systems will be competing throughout the world for the minds of men. The two systems are on trial. In the final analysis, that which provides the greatest benefit to the greatest number of individuals will win out.

I am betting on capitalism because I think we will have an expanding economy in the world. The British loan will be a vital step in that direction. We aren't doing this for the British. We are doing it for ourselves, for our system of capitalism, for an expanding trade, for greater opportunities for all. If this loan is rejected, we create a great vacuum in the world of commerce which we, or any other nation, are unable to fill. We can't afford not to make this loan.

Business Advisory Council for the Department of Commerce, December 12, 1945

... Resolved, that the Business Advisory Council of the Department of Commerce hereby records itself as (1) Recommending approval by the Congress of the proposed three and three quarter billion dollar loan to Great Britain on the terms and conditions set out in the proposed Agreement; and (2) Endorsing as a basis for discussion and for consideration by an International Conference on Trade and Employment the Proposals for Expansion of World Trade and Employment contained in Department of State publication No. 2411.

National Foreign Trade Council, Statement, December 24, 1945

... The Executive Committee of the National Foreign Trade Council . . . endorses the financial agreement negotiated by the Governments of the United Kingdom and the United States . . . Cooperation between the two Governments along the lines laid down is a prerequisite to restoration of a healthy world economy and the establishment of the International Monetary Fund and the International Bank for Reconstruction and Development . . .

Board of Directors, United States Chamber of Commerce, February 2, 1946

... The credit makes possible a relaxation of governmental controls and thus marks a reversal of trends of recent years . . . No other program offers equal assurance of an expansion of world trade on a multilateral and non-discriminatory basis . . . The alternative is extensive and harmful economic warfare among rival groups of nations . . . The United Kingdom occupies a unique position in world trade which makes a credit by the United States advantageous to us and to all the trading nations of the world . . .

We quote " - - -

**Executive Committee of United States Associates, International
Chamber of Commerce, Statement, January 17, 1946**

...The Committee considers financial aid to the United Kingdom and an agreement with the United Kingdom on policies with respect to trade and foreign exchange to be essential to any program for restoring multilateral trade in which we ourselves are so deeply interested. The agreement that is now submitted to Congress is the result of long and careful negotiations by representatives of both governments, and has been ratified by the British Parliament. We believe it should be accepted by our Congress . . .

Board of Directors, Texas Cotton Association, January 29, 1946

...Whereas it is imperative . . . that a free exchange of goods and services be reestablished between the nations of the world and: whereas there is now an acute shortage of dollars in the hands of former customers of the U. S. which stands as a serious threat to the revival of reciprocal commercial transactions and; whereas the granting of dollar credits offers the only foreseeable hope of rebuilding orderly international trade relationships without which we feel there can be no hope of lasting peace; therefore be it resolved that the board of directors of the Texas Cotton Association . . . earnestly urge Congress to approve the loan to Great Britain . . .

**Board of Directors, Houston Cotton Exchange and Board of Trade
(Inserted in Congressional Record of February 8, 1946
by Rep. Thomas D., Tex.)**

...We believe . . . that enlightened self-interest dictates the necessity of aiding this country (Britain) so that they in turn may contribute to this great work which is so vital. There is no question but that this loan will be of enormous benefit in opening to us the export and import markets of all nations and the consequent prosperity derived from this more than justifies the risk which is involved. Therefore be it resolved that the board of directors of the Houston Cotton Exchange and Board of Trade wishes to go on record as unanimously approving the ratification of this loan . . .

Foreign Traders Association of Philadelphia, January 26, 1946

...This Association endorses the objectives of the proposed loan to Great Britain and recommends its approval by Congress . . .

**William K. Jackson, Vice President, United Fruit Co.,
Statement in New York Journal of Commerce, February 26, 1946**

...Ratification of the financial agreement with Great Britain will be a major step in the restoration of world commerce and in the elimination of state direction and control of business.

Great Britain needs food or dollars with which to buy food—until her export trade, so greatly diminished by the war, shall have been restored. She is a good customer, a good neighbor, temporarily embarrassed by unparalleled war losses, and we can help her to regain her normal commercial health. No good businessman would do less for a good customer . . .

**Frederick R. Pinter, Vice President and General Manager,
Corneliussen and Stakgold, Inc., New York City,
Statement in "Export Trade and Shipper", February 18, 1946**

...The credit to Britain, while only a facet of a complex but integrated economic reconstruction plan, is certainly the keystone . . . High levels of employment and income in

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many parts of the world will be possible only if there is resumption and gradual expansion of the international exchange of primary and manufactured goods in world trade. And this trade will only be possible if the chief trading nations—the U. S., Britain, and Canada, achieve a high level of employment . . .

**John Abbink, Chairman of the Board of Directors,
National Foreign Trade Council, Inc.,**

before the Senate Committee on Banking and Currency, March 19, 1946

... This statement in support of the proposed loan and related agreements between the United States and Great Britain is made in behalf of the National Foreign Trade Council of which I am Chairman of the Board of Directors. The membership of the National Foreign Trade Council comprises manufacturers, merchants, exporters and importers, agricultural interests, rail, sea and air transportation companies, bankers, insurance underwriters, and others interested in the promotion and expansion of the nation's foreign commerce . . .

... The productive capacity of the United States, already enormous before the war, will be capable of an output of goods and services greatly in excess of what can be consumed in this country after immediate pent-up demands have been satisfied. The United States must greatly expand its foreign trade if it is to find outlets for its excess productive capacity and provide maximum employment. In this connection, it should be remembered that Great Britain and the countries comprising the British Empire and sterling area have in the past been and in future can continue to be the best market for American products.

Our chief consideration is the position which the United States will occupy in world trade in the years to come. The demands that exist today for commodities are likely to cause us to forget that all too soon we will be looking for overseas market. The trade provisions in the legislation before your Committee afford an opportunity to remove restrictions that have limited the total volume of world trade, and the participation therein of the United States. No alternatives have been proposed which would provide assurance of an expanded volume of international trade.

The National Foreign Trade Council believes that it is to the best interest of the United States that the proposed loan and related agreements with Great Britain be made effective.

Resolution of the Advisory Board, Office of War Mobilization and Reconversion

(As reported in the New York Times, March 5, 1946)

The President has received from the Advisory Board of the Office of War Mobilization and Reconversion:

"Resolved: That the Advisory Board of the Office of War Mobilization and Reconversion endorses the financial agreement with Britain, which calls for removal of barriers to trade between this country and the British Empire. The Advisory Board sees in the British agreement a major opportunity, through expanded world trade, to stimulate the world-wide production, jobs and markets which are essential to stable and prosperous post-war economic conditions and, thus, to world peace itself."

This resolution was signed by the following members:

Public—O. Max Gardener, Under-Secretary of Treasury, chairman; Chester C. Davis, president, Federal Reserve Bank of St. Louis; Mrs. Anna M. Rosenberg, chairman, New York City Veterans Service Committee.

Agriculture—Edward A. O'Neal, president, American Farm Bureau Federation; James G. Patton, president, National Farmers Union.

Industry—Nathaniel Dyke, Jr., assistant to the chairman, Federal Deposit Insurance Corporation; Eric A. Johnston, president, United States Chamber of Commerce, and president, Motion Picture Association of America; George H. Mead, president, the Mead Corporation (paper), Dayton, Ohio.

We quote " - - -

Labor—T. C. Cashen, president, International Railway Switchmen's Union of North America; William Green, president, American Federation of Labor; Philip Murray, president, CIO.

Upon receiving the resolution, which was transmitted by the Honorable John W. Snyder, Director of War Mobilization and Reconversion, the President made the following statement:

"I am delighted to know that this policy has the approval of the Board.

"Before the war, the British people were the largest single foreign customer for American goods. They bought our surplus cotton and wheat, tobacco and fruits, and our manufactured products in huge quantities.

"During the war Britain, because of lack of dollars, was forced to restrict trade mainly to the empire and to countries tied to the pound sterling. Now that the war is over, we want to do business with Britain, and Britain wants to do business with us. With this loan Britain will be able and has agreed to abolish barriers that block our mutual trade.

"This agreement is good business—good business for the industries of America, good business for our farmers, and good business for our workers.

"Foreign trade is vitally necessary to an expanding American economy. Our system cannot survive in a contracting economy. The British loan agreement is an important step in rebuilding foreign trade and in creating jobs in America.

"The alternative to the British loan is trade warfare between nations. Peace can be built only on a foundation of world economic cooperation and stability. The British loan is a cornerstone in the world's structure of peace."

McGraw-Hill Publications

April, 1946

(From an editorial appearing in the April issues of 25 Trade Papers)

... Few other issues of foreign policy in the present troubled world lend themselves to such clear appraisal of where our National interest lies.

In simplest terms, the question is whether we should extend to Great Britain a credit of \$3¼ billions (plus \$650 millions in payment for lend-lease balances) in return for her promise to repay principal with interest over a fifty year period starting at the end of 1951, and her pledge to give the fullest possible support to the kind of world trading system which it is the declared policy of both the United States and the United Nations Organization to promote . . .

... If the weight of British influence in foreign trade is thrown toward the Russian pattern rather than toward ours, it is apparent that bloc trading, with all of its supporting devices—bilateral deals, exchange controls, import and export quotas, subsidies, currency manipulations and the like—will be the prevailing pattern for foreign transactions . . .

... Most of all, we would lose in prestige, through demonstrating that we are still unprepared to exercise a world leadership to which our giant stature as the possessor of almost half of the world's economic capacity entitles us. Once again we would be exhibiting to the world political feet of clay supporting an economic frame of heroic proportions . . .

... The way to exercise leadership is to lead. Nothing could be more futile than to go half way toward establishing the economic order for which we stand, and then withhold the crucial measure that will make it work. Failure to approve the loan to Britain will be a clear default of leadership. Failure to approve it promptly will dissipate its effectiveness . . .

... For the loan to Britain, it can be said that never before has one nation had an opportunity to gain so much at so little risk as has the United States in this uniquely decisive case . . .

National Council of American Importers, Inc.,

December 20, 1945

... Resolved, that the Board of Directors of the National Council of American Importers approve the proposed three and three-quarter billion dollar loan to the United Kingdom, and recommend that the Congress adopt appropriate legislation agreeing to the loan; and

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Be it further resolved, that the Board of Directors endorse the agreement reached with the United Kingdom with respect to the proposals for expansion of world trade and employment . . .

Overseas Automotive Club

After a public discussion meeting of its members and by vote of its Board of Directors, the Overseas Automotive Club takes this opportunity to record its support for the British-American financial and commercial policy accords and asks their adoption by Congress. Likewise, this organization fully supports the principles of the proposed International Trade Organization, as a most important part of the United Nations, and it applauds the decision by which the 14 leading commercial countries have been invited to undertake preliminary negotiations at Washington this spring for realistic tearing down of impediments to world trade.

Motor and Equipment Manufacturers Association

After full discussion by its members and their unanimous vote, the MEMA Export Credit Group takes this opportunity to record its support for the British-American financial and commercial policy accords and asks their adoption by the Congress.

Likewise, the MEMA Export Credit Group fully supports the principles of the proposed International Trade Organization as a most important part of the United Nations, and it applauds the decision by which the fourteen leading commercial countries have been invited to undertake preliminary negotiations at Washington this spring for a realistic tearing down of impediments to world trade.

Philip D. Reed Before Senate Banking and Currency Committee, March 13th, 1946

. . . I am Chairman of the Board of General Electric Company. I am also Chairman of the United States Associates of the International Chamber of Commerce. The United States Associates is an association of the American members of the International Chamber. It includes hundreds of companies from all segments of business and financial life and also a large number of commercial, manufacturing and banking associations—national, state and local. It is one of the functions of the United States Associations to present in the Councils of the International Chamber the views and policies of American business.

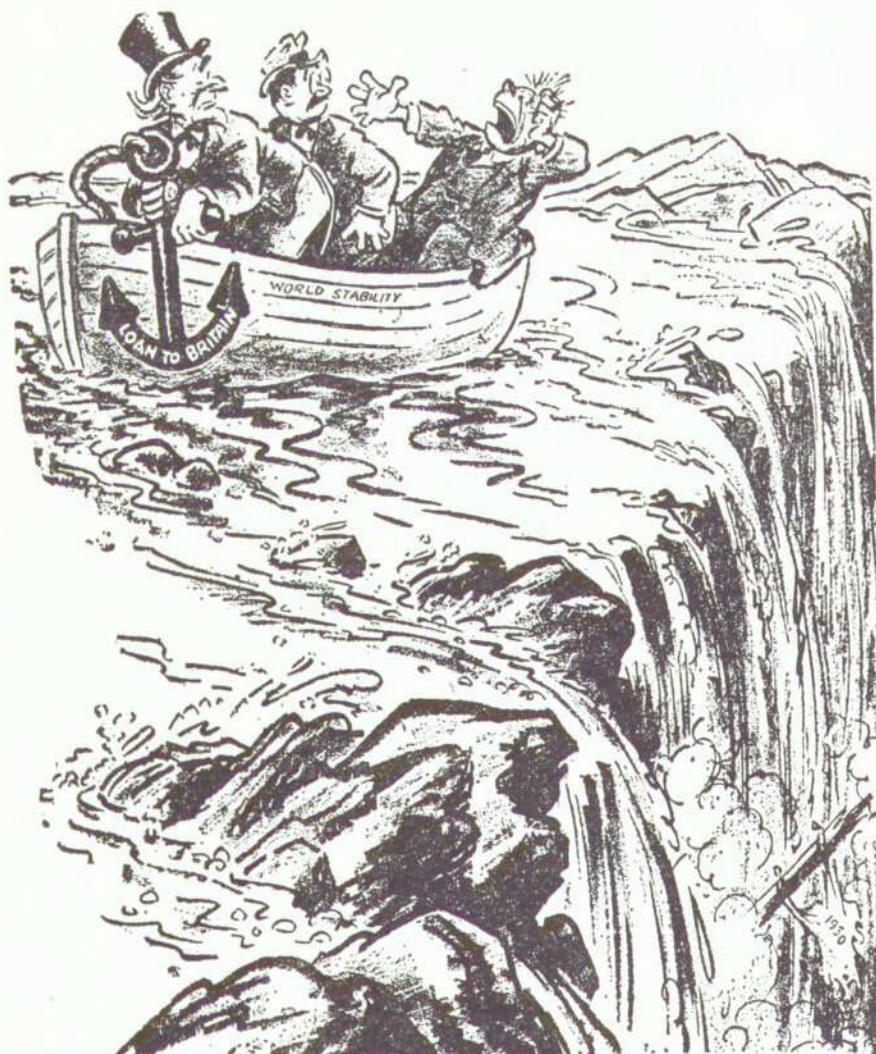
Some weeks ago the Executive Committee of the United States Associates issued a statement endorsing the proposed loan to Great Britain and recommending its approval by the Congress. . . . I commend it, however, to your careful consideration because I believe its conclusions to be sound and its comments, including the word of caution on the subject of other foreign loans, to be worthy of note. . . .

. . . From what I have said you will see that the true purpose and effect of the loan is to arrest the trend toward nationalization and government control of international trade. It emphatically does not and could not assist Britain to nationalize her industries as is sometimes mistakenly asserted. It is *failure* to make the loan that would be a victory for the Left in Britain, because the government would inevitably tighten and broaden its economic controls if the loan is not made. And we would be forced to do the same in self defence. . . .

. . . We, as the strongest single member of the international community, have a tremendous responsibility to provide wise leadership in the years ahead. On many problems, known and unknown, we shall very much want the counsel, cooperation and influence of a friendly Britain—a Britain strong enough to assume her share of responsibility for maintaining the peace until that great day when a world government can effectively police the international community and control war production in the atomic age.

And so I say it is to the end of peace, high employment and a rising standard of living here at home that the loan to Britain is justified. . . .

"Look! He's Throwing Something Away!"



—Herblock in The St. Paul Pioneer Press

(Reprinted with permission
of the WASHINGTON POST and the NEW YORK POST Syndicate.)

We quote " - - -

V FARM

American Farm Bureau Federation, Resolution of the House of Voting Delegates, adopted at Convention

We favor long-term capital loans to other nations of the world as a means of increasing the productive and consumptive capacities of the countries involved. Experience indicates that the countries with the higher standards of living are the best customers for American trade. Increased living standards through increased production in many countries of the world, offer vast potential markets and opportunities for capital investment, to say nothing of the humanitarian aspects. . . . In addition to private business loans, we believe there are conditions such as the present loan to England, under which the long-time interest of this Nation, in promoting world trade, maintaining desirable forms of government, and promoting our best international interest can be furthered by making direct governmental loans.

National Farmers' Union

The overwhelming fact about the proposed \$3,750,000,000 loan to Britain is that it begins at once the expansion of world trade, which is essential to continued peace and prosperity. Throughout the war and in the innumerable international conferences that have led to the setting up of the new instruments of world cooperation, we have been pretty much unanimous in the belief that trade barriers must be lowered, that economic warfare must not survive the war, and that nations must learn to cooperate economically as well as politically. We have agreed that freer exchange of goods in world trade is absolutely an indispensable foundation for the peace. The British loan agreement presents us with the opportunity to begin to do what we have agreed is indispensable.

VI VETERANS

Oren Root, Jr., Member of the National Planning Committee of the American Veterans Committee, before the Senate Banking and Currency Committee, Mar. 16, 1946

. . . the governing board of the American Veterans Committee is in accord with the Financial Agreement between the United States and Great Britain . . . and has voted its support of the Joint Resolution. . .

The American Veterans Committee is an organization of veterans and prospective veterans of World War II, both men and women. A year ago this organization had about one thousand members. Today it has something more than 30,000 in 200 chapters. 170 of these chapters are in the United States and 27 are overseas, spread from Tokyo and Manila to Berlin. Veterans and service men and women are joining AVC at a current rate of about 2500 per week.

Perhaps some members of this Committee are wondering why a veterans' organization is concerned with financial and commercial agreements between the United States and Great Britain. The reason is this: The members of AVC consider themselves citizens first and veterans second. We know that our welfare as veterans is bound up in the welfare of the communities in which we live, of the country and of the world. We know that any measure which contributes to prosperity in the United States and stability in the world contributes

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to the well being of the veterans, and conversely that any action—or inaction—which retards such prosperity and such stability is contrary to our interests. "

That is why AVC is in accord with the Financial and Commercial Agreements. . . We believe in widening the free economic area of the world. We want Great Britain to remove the discriminations which now operate against American trade in the sterling area. We want Great Britain's participation in the Bretton Woods institutions. We want to see Lend-Lease and United States surplus property in Great Britain become closed issues. We believe in the Proposals for the Expansion of World Trade and Employment, and we want Great Britain's active support to bring them into operation. To achieve all this, we are willing to advance, and we favor advancing, the proposed \$3,750,000,000 line of credit.

. . . If we now allow Great Britain to fail economically or, in order to avoid failure, to follow the pattern on which Germany operated in the '20s and '30s — that is, bilateralism, trade quotas, exchange controls and managed currency — then the war will in large measure have been fought in vain. The total burden of the proposed credit is less than fifteen days at war. Surely we can take that risk to secure so vast a part of the objectives for which so many sacrificed so much.

VII

THE CHURCH

The Federal Council of Churches of Christ In America, Columbus, Ohio, March 7, 1946

If the powers are to live together as a family of nations, economic cooperation and mutual aid must transcend the traditional struggle for one-way economic advantage. A coordinated world economy is needed to overcome the economic causes of conflict and to meet the Christian responsibility for mutual helpfulness. We urge Christian citizens, therefore, to support the economic purposes of the United Nations and its related agencies for stabilization and reconstruction. We further commend the proposals of our government for an international trade organization to promote the exchange of goods and services and the reduction of barriers to such exchange. We urge that generous material aid be given to the United States to help countries impoverished by the war to rebuild their economic life. We recognize that the proposal for an extension of credit to Great Britain, now before the Congress of the United States, represents the kind of practical assistance which is imperative for world order. We also urge that permanent machinery be established under the Economic and Social Council to help meet world needs for emergency relief, when UNRRA comes to an end.

John Foster Dulles, Chairman, Commission On A Just And Durable Peace, Columbus, Ohio, March 7, 1946

. . . Consummate the proposed credit to Great Britain. We recognize that the proposal for an extension of credit to Great Britain, now before the Congress of the United States, represents the kind of practical assistance which is imperative for world order . . .

AMERICA

December 22, 1945

The final terms of the loan to Britain are the fruit of shrewd bargaining and some necessary compromise. . . . If we turn the British away and oblige them to chart a lone course, we shall be forced to live in a postwar world of trade restrictions and rival economic blocs. We shall doom all hope of international collaboration, even on the political level.

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World Alliance for International Friendship Through the Churches

We believe that all who sincerely desire a world of cooperation—a peaceful world—will do their utmost to see that approval is given for this loan. We believe the loan is an essential step in the restoration of world peace, world economic stability and freer trade.

Church Peace Union and World Alliance for International Friendship Through the Churches

President Truman has recently sent a message to Congress urging approval of the \$4,400,000,000 loan to Great Britain. We believe that all who sincerely desire a world of cooperation—a peaceful world—will do their utmost to see that approval is given for this loan.

We believe the loan is an essential step in the restoration of world peace, world economic stability and freer trade.

Council for Social Action of the Congregational Christian Churches

The British loan and a subsequent loan to Russia, are positive ingredients which will make peace possible. The policy of cooperation must operate in financial agreements as well as in construction of an international political organization. The Congress should act to ratify the joint resolution approving the Anglo-American agreement which has been introduced upon the recommendation of the President.

Friends Committee on National Legislation

. . . Economic prosperity in the United States is not possible in a world which has lost a large part of its productivity because of the war and which is characterized by low standards of living and declining national incomes. This loan will add approximately 1% to the public debt but will help materially in restoring the economy of our best customer. It is for productive purchases, while the World War I debts were for war materials already shot up when the funding agreements were made. The loan enables Britain to participate in the Bretton Woods Monetary Organization; she agrees to work with us in freeing the barriers to world trade through the International Trade Organization; the loan will help in removing currency restrictions.

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VIII PUBLIC INTEREST GROUPS

Americans United for World Organization, Inc., in a "Call to Action", Feb. 19, 1946

. . . The President's plea to Congress that it speedily ratify the \$3,750,000,000 loan to Great Britain has behind it impelling reasons that we cannot afford to ignore. It is the first step toward the organization of a durable peace through the re-establishment of expanding international trade. . .

The contribution such a loan can make to American prosperity and the hastening of British recovery should make the possibility of loss in the loan seem like a small risk to assume. It behooves the citizens of the United States to demand of their Representatives and Senators that they weigh the prospective agreement with statesmanship and an eye to cementing the United Nations.

National Council of Jewish Women Statement, Jan. 31, 1946

Step by step, the United States is steadily building our economic "one world". Last year we extended the Reciprocal Trade Agreements Act, permitting an additional 50 per cent reduction in tariffs. We also approved the Bretton Woods Agreement setting up the International Bank and Monetary Fund. This year, this nation is taking the initiative in calling an International Conference on Trade and Employment. Now, we're asked to take a further step, a necessary corollary of our endorsement of all these international agencies. We're ready to vote on the British Loan and Financial Agreement. . . .

. . . The British loan must be ratified by Congress. Following Committee hearings, which will be held soon, the House and Senate will vote on the loan. Give your Section membership the facts about the loan. . . .

The American Association of University Women

By overwhelming vote, the American Association of University Women, consisting of over 8,000 members, organized in 930 local branches, stands committed to active support for "a constructive American foreign policy" looking toward the promotion of international economic cooperation and reconstruction, the expansion of world trade, the development of world resources. On behalf of the Association, therefore, we heartily endorse the Proposals for Expansion of World Trade and Employment, recently published by the Department of State. These proposals set forth suggestions for relieving world trade from hampering restrictions, whether governmental or private, for regulating world markets and employment, and for establishing an international trade organization, all of which are in line with the objectives endorsed by the Association.

The AAUW, therefore, urges that the loan to the United Kingdom be given immediate and favorable consideration by Congress, as an important step toward the building of a sound system of world economy. . . .

National Federation of Business and Professional Women's Clubs

The National Federation of Business and Professional Women's Clubs, representing a membership of 91,000, has endorsed H. J. Resolution 311—the British Loan.

We intend to work diligently for passage of this legislation, believing that it cannot be considered differently from all the other great plans for international peace.

No nation ever floundered and lost its footing because it became too solicitous of conditions and peoples beyond its borders. Only those nations whose philosophy permitted neither lending nor giving have struck utter defeat and ruin.

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National Board of the Y.W.C.A.

Increased trade depends a great deal on a restoration of British trade as quickly as possible. This can be done through the proposed loan to Britain.

For this reason, we urge the grant of the loan to Britain. It is dictated, too, by a feeling of sympathy and loyalty to a nation which unflinchingly bore so heavy a burden in the war. Moreover, it is on the cooperation of a strong Britain that many of our hopes for a cooperative peaceful world depend.

Committee on Education for Lasting Peace, Published in "Backlog for Action" January, 1946

. . . the more broadminded persons on both sides of the Atlantic look upon this agreement as the most important single step yet taken toward creating the freer conditions of trade essential for winning the peace in the economic field.

National League of Women Voters, Letter to Speaker Rayburn and other leaders, Jan. 14, 1946

We believe a loan to Britain to be essential for two reasons. First, the concessions which Britain has made with respect to trading practices in return for this loan are in our opinion a substantial step forward in the United States program of promoting a return to freer multilateral trade. . . .

Second, unless Great Britain achieves a sound economic basis, she will not be able to join us in our efforts to bring about economic stability. . . .

American Association for the United Nations, Letter from Clark H. Eichelberger to chapters and cooperating groups, February 20, 1946

We believe that it is of the utmost importance that the British loan be passed by Congress as quickly as possible. We urge a campaign of popular education and discussion concerning it. . . . If the British loan is defeated, the sterling bloc and other currency blocs will be intensified and economic recovery will be made very difficult. Economic reaction will have its effect upon political confidence. On the other hand, the passage of the loan, with the subsequent freeing of restrictions on trade and the

stimulating of world recovery will have a beneficial effect on political cooperation through the United Nations. . . .

Women's Action Committee for Victory and Lasting Peace, Statement, January 25, 1946

Refusal of the loan . . . would force Britain to raise her tariffs against us and enter into separate trade agreements with other countries. This would reduce our national income drastically. Moreover, it would start a world-wide economic war, costing us many more billions than the amount of the loan. Another point, looked, is an extremely significant agreement, which hinges on the loan. Therein the United States and Great Britain agree to work to abolish world trade barriers. This has tremendous import for it promises a great boost for the standard of living of all peoples and fuller employment everywhere. . . .

Union for Democratic Action, March 1, 1946

Failure to ratify the loan means a mortal wound to Bretton Woods agreements and postwar reconstruction, an undermining of world organization. . . .

TRENDS (News Service) National League of Women Voters

December 17, 1945

It is . . . a fact of major importance that the United States and Great Britain have agreed on a set of liberal trade principles which lay the groundwork for economic cooperation leading to expanded and freer trade. Before the war Britain was the world's largest buyer of goods and next to the U.S., the largest seller. Therefore the trade practices of these two countries are of great importance to the whole interna-

We quote " - - -

tional economy. If Congress approves this agreement a good beginning will have been made.

GRANT S. McCLELLAN,
Foreign Policy Bulletin

December 14, 1945

After recurring rumors of a breakdown in Anglo-American economic discussions, the successful conclusion of the Washington negotiations . . . is an encouraging move toward world stabilization. . . The agreement . . . establishes a basis for cooperation between the world's two most important commercial nations and prepares the groundwork for more general international action in the field of trade. . .

This bargain, as in any contractual arrangement, represents a compromise of original objectives, but legal "consideration" or benefits have been secured by both parties. In the lend-lease settlement, both nations have profited on the terms of that original arrangement.

With the credit now to be made available, Britain may more quickly recoup its vital foreign trade without recourse to further excessive extension of State controls over exports and imports. . .

FOREIGN NOTES

(Chicago Council on Foreign Relations)

February 22, 1946

The British loan is now receiving some of the unfavorable comments in this country which were hurled at it in Britain when Parliament reluctantly approved it in December. The arguments against it stem often from anti-British or anti-Foreign prejudices, a lack of understanding of the nature of international finance and trade; from an unwillingness to live up to the role of the world's banker and from a not too repressed desire to be rid of other people's troubles.

Patience, He'll Toss It in When He Gets Ready



DORMAN H. SMITH, NEA SERVICE, N. Y.
(Reprinted with permission)

IX PERIODICALS

LIFE

December 31, 1945

. . . Since the Anglo-American group dominates world trade, the possibilities of that agreement (the loan) are enormous. It can reverse the trend of two decades. It can wash away restrictions on a rising tide of trading volume, and on this same tide, Britain can do so much business that the interest on the loan will be little burden. . .

The American negotiators assumed that all this will happen. It is the only possible context in which the loan makes sense. But to prove our negotiators right and the British pessimists wrong, America must look beyond the next few years of an export boom and prepare to open its own home market to a greater volume of imports than it has ever known before. We shall shortly have one more chance to heed the economists who denounced the Hawley-Smoot tariff. It may be our last.

The British loan is not in itself the answer to anything. It merely keeps open the door while Americans decide whether they want a free, prosperous and expanding world or not. It is one of the great decisions in America's history. It will be tragic if we are not equal to it.

SATURDAY EVENING POST

February 16, 1946

. . . The Government of Great Britain and the United States each made considerable sacrifices to produce a situation from which it is hoped trade can be increased between the two countries along with other countries in the so-called Sterling area.

Although these hopes would entail an initial act of cooperation by Governments, the success of the agreements will be decided by how much cooperation can be achieved by individual Americans and Englishmen who have goods and services to buy and sell. . .

NEWSWEEK

December 17, 1945

In the direct negotiations, both nations gave considerable ground. . . Barring an upset in Congress or Parliament, however, the loan embarked the two largest trading nations on an economic offensive to boost world trade to record levels. . . British approval of the Bretton Woods international financial agreements becomes a certainty, and many other nations are ready to follow. The British are to use the credit to sustain their population and provide raw materials while their industries rebuild the export trade on which the economy of the British isle depends.

NEW REPUBLIC

December 17, 1945

Both countries could easily cut themselves off from many billions of dollars of annual national income by squabbling over a few billions of real or supposed liabilities left over from the war. The agreement provides, in principle, for the lowering of restrictions against international trade, and further expansion should develop next summer. We hope that the bitter lesson that restriction means poverty has at last been learned on both sides of the water; and that both Congress and Parliament will ratify the agreement without delay. If this is done, Parliament will also, no doubt, accept the Bretton Woods plan, which is an integral part of the whole picture and for which the deadline is growing perilously near.

NATION

December 15, 1945

The immediate gains offered to the United States by this agreement include the early relaxation of British exchange controls, the liquidation of the sterling area's dollar pool, so far as current transactions are concerned, and the prospect of a settlement of Britain's huge sterling debt. . . More important in the longer view is

We quote " - - -

the fact that the proposed credit will place Britain in a position to cooperate with this country in reconstructing international trade on a non-discriminatory basis. The day of American isolation and economic self-sufficiency are gone forever; our prosperity in the years ahead will depend increasingly on ability to buy and sell internationally. But without the participation of Britain, the world's greatest market no universal economic system could possibly be achieved. . .

A sterling bloc would inevitably lead to the formation of a dollar bloc, and economic rivalry between the two would speedily disintegrate the partnership that carried us through the war. The schism would splinter the United Nations Organization and thrust the world back into a more vicious anarchy than it has ever before experienced. It is in the light of such perspectives that our legislators must ponder the agreement. We look to them to be statesmen, not hucksters.

NEW LEADER

December 22, 1945

. . . Congress should quickly pass the bill validating the loan. It is too little, and the interest load is too heavy. But it is a start. Gradually we shall have our eyes opened to the issues involved.

PAUL WOHL in NATION'S BUSINESS

February, 1946

The credit to Britain is certain to stimulate American business and be an incentive to world recovery, if, as she has pledged, Britain joins in a world trade conference to liberalize multilateral trade and amend former restrictive practices. . .

GRACE LOG

February, 1946

The chief justification for our Government's proposed \$4,400,000,000 loan to Britain is that by helping the British over the postwar hump, it will do much to free world trade from many of the restrictions which have repressed it since World War I.

FRANK GERVASI, *Colliers*

December 22, 1945

Politically a large loan would help maintain an Anglo-American front in dealing with recalcitrant Russia. Economically, it would improve the chances of eventual success of the Bretton Woods plan for reviving a world that's commercially moribund and so enhance the possibilities of avoiding another war. . .

The alternative to an agreement whereby the British will have financial assistance could be disastrous to Anglo-American trade. But there's more at stake than Anglo-American commerce. Anglo-American friendship, so essential to the furtherance of democratic principles, is also on the bargaining counters of the State Department, the Treasury, the Bank of England and the British Foreign Office. Only if that friendship is maintained can Britain and America 'walk together' as Winston Churchill said in the dark days 'side by side' in majesty, in justice, and in peace!"

FOREIGN AFFAIRS

The British Loan

*by Judd Polk and Gardner Patterson,
April, 1946*

. . . the major significance of the agreements appears only when viewed in the context of related international measures. Seen in connection with the International Monetary Fund, the International Bank for Reconstruction, and the proposed International Trade Organization, this financial accord may become a crucial part of the general design for an unfettered international commerce. Without these other institutions, it is doubtful if these agreements, except for the credit line, have any significance other than as the record of an interesting bilateral conversation.

In the light of the general international design, it is notable that although the agreements involve commitments which tend to bring the British economy into a larger international economic unit, there are no parallel commitments—particularly from the United States—to provide for sustained production and employment in this larger unit. In fact, it is a remarkable

We quote " - - -

feature not only of the present financial agreement, but also of the related international agreements for monetary institutions (Bretton Woods) and proposals for trade organizations (the State Department's "Proposals for Expansion of World Trade and Employment"), that the avowed purpose of attaining high levels of international trade, production and employment is nowhere accompanied by positive provisions for controls commonly regarded in national economies to be necessary for the accomplishment of such a purpose.

While the financial agreement can scarcely be regarded as guaranteeing a full solution of the critical British problem, and much less the creation of a full-fledged

multilateral trading sphere, it is important to recognize its significance as a vital step toward both of these objectives. The approach to both might preferably have been multilateral. That alternative is no longer open. If we reject the financial agreement, the British will probably be constrained for political reasons to withdraw their effective participation in the Bretton Woods agreements. With both Britain and Russia outside of the international economic arrangements which we have sought to make, the arrangements themselves would for a long time represent no more than a United States trading sphere of even narrower scope than that which existed before the war.

X

RADIO COMMENTATORS

FRANK KINGDON, MBS

December 9, 1945

The first essential step toward steadying the situation is for the dollar and the pound to support each other. Our loan to Britain is the formulation of this first step. It's the beginning of the reconstruction of the world economy shattered by the war. And not the least important part of it is the additional agreement of the United States and Britain to move together toward political and economic policies which will make possible the freest possible trade among all peoples. This whole agreement is a bold step toward international stability.

Our full participation in the United Nations and this Anglo-American agreement are both admirable, long-range policies.

H. V. KALTENBORN, NBC

January 30, 1946

The President contents himself with emphasizing the constructive features of the loan; he does not discuss the deplorable results which would follow its rejection. Both politically and economically, failure of Congress to support the Administration's policy on this important international

transaction would block all hope of an early revival of America's export market...

ELMER DAVIS, ABC

December 12, 1945

Rep. Read said that if we lend money to the British we'll make an enemy of every nation to whom we refuse to lend money. Dem. Rep. Cellar said that the loan would support British imperialism. Well, it will enable the British people to keep alive. Whether, after they have managed to keep alive, they will choose to continue some of their imperialistic policies is another matter. But the loan was negotiated by men in this country who believed that the continued survival of Britain was essential to the economic, political and strategic interests of the U.S. and none of the other nations who might ask for money happens to be quite as essential to our national interests. We didn't make this deal out of charity.

RICHARD HARKNESS, NBC

March 5, 1946

If the loan goes through . . . it will be not because of anything any Administra-

We quote " - - -

tion spokesman may say or do, it will not be because of anything that may be said or done at London. Passage of the loan will be because of growing anxiety in Congress over the present activities of Russia.

H. R. BAUKHAGE, ABC

March 6, 1946

It was especially interesting to me to note in the analysis of the Gallup poll that the people who knew most about the British loan and had a better education and therefore are better equipped to understand its importance were in favor of it. And I find the same tendency in the letters that I get on the subject. In most cases opposition is based on emotional prejudices while support is largely based on common sense reasoning.

GABRIEL HEATTER

December 6, 1945

I believe Congress will go along on the British loan. I believe it should go along. . . . I think, however, you can say this. . . when men agree on matters affecting their pocket book, they'll agree on almost everything else. We have agreed on as complex and difficult an international problem as we have ever had and with that as a basis we can work out a sane economic world. . . . This loan, this agreement, is a good agreement and should be passed by Congress. . . .

RAYMOND SWING, ABC

December 6, 1945

The big thing about the agreement is the plan for freeing world trade from its restrictions, its quotas, preferences, cartels — all the devices which close in trading areas and feed intense nationalist rivalries. The loan is essential to this plan of liberation, for if the British are not able to balance their books, they're not able to forego these restrictions and if they do not forego these, there's little hope of any other nation doing so. Without the plan, the loan is of far less moment. It's the two together which makes this the one great effort which can be expected from

this generation to establish conditions to make "One World" on the economic level.

JOHN W. VANDERCOOK, NBC

December 6, 1945

Among the short-sighted and those who are inadequately informed, the understanding reached on the British loan will no doubt be interpreted much too simply as just another lavish handout by wealthy Uncle Sam. . . . The notion that all the advantages will accrue to England and none to America is effectively disposed of by the fact that the loan proposal is bound to meet some strong opposition in London where many Englishmen feel that the U.S. is buying the kennel of top dog in world trade at a bargain price and by putting through this credit will have won the competitive position as world trader which we could not have obtained in any other way or had England not suffered so long from a wasting war.

A Poor Way to Show Our Gratitude



MESSNER in the
ROCHESTER (N. Y.) TIMES
UNION, Feb. 26, 1946.

(Reprinted with permission)

XI COLUMNISTS

FRANK R. KENT

March 2, 1946

Leaving aside the strong economic reasons for the rehabilitation of our best customer, the very powerful argument is made that the surest form of security for us is to keep our one reliable ally with whom war is practically inconceivable on her feet; that this is the cheapest and best possible kind of defense for the United States; that failure to insure it would be national idiocy. Clearly this is the most potent argument for the loan. Once it is admitted, no other is needed. . .

RICHARD L. COE

March 3, 1946

The British loan and the Cairo riots are closely linked. Behind both dozes what could become an American tragedy. Failure of the loan to pass Congress would mean that the Middle East—and wealthy Egypt in particular—would not be able to buy American goods. That would be a great commercial loss to the U.S. . . . But more than that—to Egyptian eyes it would seem that once more we had talked boldly and bravely about a fine, free world, only to retreat again into isolationism. . .

WALTER LIPPMANN

December 8, 1945

. . . Many men find it hard to believe that there can be an international arrangement by which everyone gains. This is, however, such an arrangement. There is nothing that either government has conceded which it would have been more profitable to its people not to concede.

There is no doubt that the benefits of the agreement go far beyond the immediate financial effects of the credit itself. The arrangement makes it possible to open up trade between and within the regions of the world where the dollar and sterling

are international money. These regions do at least half of all the international business of the world. This is enough to make it reasonably sure that a relatively free rather than closely and narrowly regimented system of trade shall survive and flourish well enough to hold its own, and in the end to prevail.

If Britain and America went their separate ways, which would have to happen if this agreement failed, then there would be no conceivable way of maintaining any kind of free economy in the world. The world would become divided into small economic regions, bureaucratically controlled and no amount of speechmaking about free enterprise would then save free enterprise.

In the last analysis, though the money goes to the British government and will help the British people through some of their immediate difficulties, it is an investment by the United States to restore and perpetuate that system of world trade which we believe in. . .

MARQUIS CHILDS

February 15, 1946

. . . The loan, let it be said again, is the cornerstone of cooperation.

If it fails, the Bretton Woods monetary agreement fails. Economic nationalism, with all the fierce rivalries which that means, will be unleashed. The powers that should cooperate in helping to reconstitute the world will be divided.

EDGAR MOWRER

December 11, 1945

Prompt ratification of the American loan to Britain is an urgent necessity. Ratification with a minimum of debate. Without too much penny-pinching. . .

For the new agreement, reached after such painful negotiations, is principally a political act. If—which is impossible—ev-

We quote " - - -

ery nickel of the three and three-quarter billion loan were to be ultimately lost, it would still be as much a paying investment as winning the war. . . .

Obviously, the agreement is, at the same time, an economic measure and a most important one. If it works out as planned, it will help to stabilize the business world. . . . But the real stake behind the Anglo-American agreement is . . . the preservation of a society based on individual freedom rather than on protected unfreedom. . . .

RUSELL REEVES

December 9, 1945

As for the loan to Britain, time may prove that the proper classification for that is 'smart business' instead of 'charity'. England, as this column has observed before, is in a very bad way, economically. To keep going during the war she liquidated her vast foreign investments and encouraged the industrialization of her dominions and colonies. . . . Congress will do well to bear in mind a simple truth. That is that the form of government of Britain . . . is none of this country's business. . . . Probably the most encouraging part of the debt agreement is that portion which pledged both nations to sweep away international trade barriers. News of that must have warmed the aging heart of former Secretary of State Cordell Hull who devoted so much of his rich life to that very purpose.

WILLIAM H. HESSLER

February 17, 1946

Before the war, more than half the trade of the world was carried on either in dollars or pounds sterling, in American currency or British. And most national currencies were established in relation to one or the other. Because of the war, in which we were the major supplier of goods, there is an acute shortage of dollar exchange in most countries, particularly those of the sterling bloc.

THIS IS MORE important for the everyday American than it may sound. If an

Australian wool-grower sells his crop in Britain, he gets pounds sterling in return. Unless he can convert his pounds into dollars, he cannot buy American goods. And as things stand now, he cannot get dollars. He doesn't even get sterling that is convertible into dollars. He has to spend his money in Great Britain or in another country of the sterling bloc.

That is the real problem—a problem we waged a long diplomatic and economic struggle to solve even before the war. The loan to Britain, awaiting approval in Congress, is one very important effort to solve that problem in a way satisfactory to us. A condition of the loan is the free interchange of dollars and pounds sterling in all the so-called sterling countries. That means anybody in any country like India or Australia or Norway will be able to buy in the United States, whether he has pounds sterling or dollars or some other currency.

BARNET NOVER

December 8, 1945

The Anglo-American financial agreement now reached after arduous negotiations lasting three months is the most constructive development in the field of international affairs since the signing of the United Nations Charter last June.

There is nothing one-sided about it: It confers no benefits on one country without reciprocating concessions to the other.

Since it is to our interest to find markets for our producers of food and raw materials and since it is also to our interest to help put Great Britain, one of the most important of our prewar customers, on her feet, this loan will be beneficial to us as well as to that country.

MAX LERNER

December 9, 1945

A big move has been made in patching up the world. I mean the signing of an economic agreement between us and Britain. . . . Congress, of course, will have to ratify the loan, but it's a good investment for America, because it restores Britain to her former place as a great trading

We quote " - - -

country and a buying country and all the money we lend the British will directly or indirectly be spent for American goods.

EDWARD T. AUSTIN

March 7, 1946

At no time since the war ended has the importance of our granting the British a loan of \$3,750,000,000 been more apparent than it is now. The international situation is deteriorating and it will continue to become worse unless the democracies get their economic houses in order and begin asserting themselves along commercial and industrial lines.

GEORGE FIELDING ELIOT

March 18, 1946

I say that this is a government with which Americans can co-operate usefully and confidently, to build that secure world which is the objective of all our hopes and which the hate-mongers and the poison spreaders are trying their little spiteful best to undermine. This is a government which truly represents the British people—the plain folks who want just the same kind of world as we Americans. They need some help now. The war hit them a lot harder than it did us. We're the only ones who can give them that help—and in doing so, we are helping ourselves, too, and the cause for which we fought the war.

Those who hate that cause are against the British loan. They are making their voices heard, their influence felt, out of all proportion to their numbers. Are we, the plain citizens who really do care about a decent world, going to let these vermin speak for America?

JON BYRNE

March 13, 1946

Some people argue that it is not our interest to rebuild British economic strength. To this we reply that the economic strength and prosperity of the British Empire and the friendly countries of western Europe are to the great advantage of the United States. It is to our advantage because, when export trade again becomes important to our prosperity, we shall, as

in the past, find those countries our best market. . .

Who will deny that the signs and portents indicate we are going to need allies upon whom we can depend?

DONALD BELL

March 12, 1946

We are now in a dilemma from which there is only one exit. The British loan is essential to the revival of British economy and it is necessary to explain to the American people how necessary it is that the world market be revived with our assistance.

ERNEST K. LINDLEY

February 18, 1946

. . . The main purpose of the proposed credit is not to benefit the United States financially or, in the narrow sense, commercially. It is political and strategic—to help Britain recover her strength. The British need the credit. To deny it would be to weaken the outposts of our own security. It is not easy for high officials to talk about this publicly. But the situation is there. If members of Congress ignore it, they are trifling with our national security.

SAMUEL GRAFTON

March 12, 1946

. . . The loan remains necessary, and must be granted; to deny it means to sharpen every British fear and to harden every item of British imperial policy, and perhaps to weld British public opinion behind that policy. Let us remember that the tough old birds of Empire, like Mr. Churchill, don't want this loan, they want the alliance; they don't want free trade in an open world; they want the Empire as it was, with an ally or two to back it up.

And, in part, the loan is a direct matter between the British people, who, after their war, find they may have to put plain, ordinary bread back on ration, and the American people, some of whose whiskey ads (I notice, with all respect) are telling them how to make a drink which requires using a pat of butter per portion. The loan

We quote " - - -

is a step on the road to peace; if its prospects have become dimmed lately that is indeed a sign that disintegration is indivisible; that a decline in the prospects for peace anywhere spreads its gloomy influence and its gray touch everywhere.

BERTRAM BENEDICT

February 23, 1946

. . . The loan is tied up with international transactions to promote world trade. Great Britain is to end at once exchange controls on day-by-day business transactions with Americans, and within a year exchange controls throughout the entire Sterling Area. All discriminatory restrictions on American goods are to end within a year, and the British Empire tariff preferences are to be steadily reduced. Further British-American tariff rate reductions are to be consummated. After World War I American tariff increases made the war debt payments even more difficult.

RUSSELL WEISMAN

February 27, 1946

. . . To get back to the real argument for the loan. As I see it, it is to enable Great Britain to regain a prominent place in what remains of the world of free political and economic institutions. To refuse to make the loan is to force upon her a program of sharp trade limitation and restriction for a decade and probably a generation, and to promote international commercial and financial policies in the sharpest contrast with those contemplated by the Master Lend Lease Agreement, which, it seems to me, ought to become our Magna Carta for the reconstruction period.

GRIFFING BANCROFT

March 8, 1946

Britain is like a machine shop built on top of her only real raw material, coal. She is completely dependent on imports and exports to maintain the 40,000,000 people on her little island.

Since her dollar credits were virtually exhausted early in the war, she was com-

pelled to make bilateral agreements with other countries to trade on a purely British sterling basis with dollar expenditures for purchases of goods from this country held to a minimum.

She believes that with the dollar credits contemplated in the agreement and with continued belt tightening several notches shorter than belts were ever pulled in this country, she can work her way back to free competitive trade in a few years.

She is willing to take the gamble and drop her present trade agreements if she gets the credit. If she doesn't it is obvious she will have to continue to live the only way she can, and a trade war harmful to all concerned is inevitable.

It might be said in passing that all of this is heartily endorsed by the chief American negotiator of the agreement—Assistant Secretary of State William L. Clayton, a hard-headed businessman who made millions importing and exporting cotton and not a man likely to sell his country to the international wolves.

DOROTHY THOMPSON

February 4, 1946

. . . It is greatly to be hoped that the British loan will be expedited by Congress. . . . A prolonged debate . . . would be in the nature of a strike against any international financial relations, or a prolonged state of suspension with anger and querulousness would create an international deadlock, promoting every sort of political and economic speculation. . .

THOMAS L. STOKES

March 3, 1946

Upon what Congress does about the proposed \$3,750,000,000 loan to Britain well may depend success or failure of the great adventure in international co-operation that we have done so much to sponsor.

It is a test of our intentions, for its rejection could start us on the path followed after World War I.

Analysis of Britain's situation show that nation would have to continue currency and trade restrictions to defend herself within her own empire if she does not get a line of credit from us to tide her over

We quote " - - -

her present difficulties—and we are the only nation that can provide it. That would shut us out from much of her market.

The resulting cycle of events logically would lead to a trade war. Effects would reach to other nations because of the dominant positions of the United States and Britain in world trade. The world hardly can stand all that again.

The special value of the proposed British loan agreement is that it provides the means, within itself, for repayment. By removing present restrictions that affect our trade with Britain and her colonies and by assuring that she will join in an international conference to remove trade barriers all around, it will provide a favorable atmosphere for her trade so that she can get the means to repay the debt to us.

RANDOLPH CHURCHILL

March 19, 1946

What happens if the British loan fails to pass through Congress? If the loan does not go through Britain will have to tighten her belt upon an already undernourished stomach. . .

Instead of having an expanded world economy in which there will be mutually profitable trade for all, a cut-throat competition for foreign markets would break out between Britain and the U.S. . . . Instead of organizing and dividing fairly the abundance of an expanding world economy there would be a dollar bloc and a sterling bloc fiercely competing, with tariffs and quotas, with subsidies and with currency devaluations, for a strictly limited volume of world trade. . . . Throughout what remains of the free world there would be unnecessary hardship and, day by day, both Britain and America would be building an economic system of poverty which could only find its ultimate release in war. . .

MARK SULLIVAN

March 6, 1946

. . . The world is in flux; its parts moving into new relationships with each other and to the whole. In this evolution, at its present phase, America is at one pole, Russia is the other. In this situation

Britain is our ally. Whatever strengthens Britain strengthens us.

. . . Whatever form the future world is to have, within a United Nations Organization, or in matters outside the scope of U.N.O., Britain and America belong together. The likeness of the two is more than likeness; it is, in fundamental matters, practically an identity. The two have the same conception of government, of courts and justice, of the liberty of the individual and the individual's relation to government.

This common possession, and common hope for the future world suggests the answer to any upon us to help Britain survive and be strong.

RUSSELL BARNES

February 20, 1946

. . . If Congress rejects the proposed American loan, which would enable Britain to buy food and raw materials during the three or four years she estimates will be necessary to boost her exports to the point where they would cover imports, she will be forced into totalitarian trading devices. . .

So rejection by Congress of the proposed British loan would likely have the effect of fomenting trade war between the American and British systems. In any event, American and British economic policies would be running at cross-purposes. On the political side, the effect would be to drive a wedge between the American and British peoples, and strengthen British tendencies to go socialist. . .

SYLVIA F. PORTER

February 19, 1946

. . . I cannot accept the thought that the proposed British credit will be turned down, for I cannot accept the thought that our Congress will be so shortsighted and, to put it bluntly, purposefully stupid. . .

. . . To me, the British credit makes sense on moral, economic and political grounds. It will help our greatest customer back to her feet. It will assist in the expansion of world trade for the benefit of all. It will contribute to our own as well as to Britain's stability and prosperity. . .

We quote " - - -

If Congress turns down the proposed British loan, it will strike a death blow at the Bretton Woods bank and currency stabilization fund.

In fact, we then will have to write off these first attempts at world economic cooperation as "paralyzed in infancy". . .

If the loan fails, Britain will be pushed toward the Soviet Union, no matter what her inclinations and wishes.

In fact, we then will have to consider the thought of Britain in the "Russian orbit" and the U.S. outside. . .

If Congress refuses to extend this credit, a trade war between the U.S. and Britain will be inevitable. . .

If we won in this sort of trade war—which we probably would—we would contribute toward Britain's collapse.

And don't fool yourself. Destroying an alley is not winning.

It's not a pretty story, nor are these casual warnings. And yet, these and even more sordid results could come from a Congressional repudiation of the loan agreement.

I repeat, I cannot believe that our Congress will take this risk.

DAVID LAWRENCE

February 8, 1946

A test of the simple issue of whether the American people or their representatives in congress have learned the true meaning of the last war is coming shortly. It will come when the vote is taken on the proposal to lend the government of Great Britain \$3,750,000,000 to straighten out her

finances and assist in the economic reconstruction of the world.

. . . The need for a loan to Great Britain has been admitted by many experts in finance and banking, irrespective of political party. Conservatives and Liberals can be found who agree on the facts of Britain's economic plight. Who then is trying to defeat the proposal? Certain groups which oppose anything that in the slightest degree would aid anything British are fighting the loan. Likewise, there are other groups which want America to adopt a program of economic isolation with high tariff walls to protect their inefficiencies.

Restoration of world-wide trade is an essential to the return of economic stability in the world. And unless there is economic stability, the seeds of future wars will be sown.

If the economic problems of central Europe had been solved in the last post-war period by the Allied governments and peoples, Hitler would never have had his political opportunity to capitalize on the distress and desperation in which the people found themselves. . .

. . . The future prosperity of the United States depends on full employment of our manpower and full utilization of our industrial plants and facilities. We may sell to foreign countries only ten per cent of our total volume of goods produced but this is an essential ten per cent because in some industries it means as much as fifty per cent of the total volume.

The American loan to Great Britain can be justified a hundred times over as an expression of gratitude to a nation which held the line for us till we could send over armies to beat Hitler, but it can be justified even more persuasively as an economic measure in an era of world rehabilitation.

XII

EDITORIALS

East

WASHINGTON, D. C., STAR

March 8, 1946

... In the President's words, therefore, the American-British agreement is not only "good business" for our own industry and agriculture but also an important safeguard against the danger of a trade war undermining the economic stability and peace of the world. To this end it calls for the removal or drastic revision of such barriers as the empire preference system so as to stimulate international commerce in a way that will serve the best interests not merely of Britain and America but of other nations as well.

The Canadians emphasize the same point in connection with their grant of credit. The two loans, adding up to \$5,000,000,000, constitute what bankers would call a good risk. With them Britain can do much to achieve financial equilibrium and to promote a better world, economically and politically. The alternative—trade warfare—is not pleasant to contemplate.

WASHINGTON, D. C., POST

March 18, 1946

...The political advantages of making the loan are less obvious than the economic advantages, but they are real enough. They will not, of course, appeal to the inveterate isolationist. But it should be clear that a rich man in a community of paupers is not in a very enviable position. This is precisely our situation in the world. The envy that will grow up about our fortunate position, acquired in some part by the stimulation of war, bodes no good for our international relations. Nobody is so well off that he does not need friends, even if he can dispense with customers. Two Titans now dominate the world, Soviet Russia and the United States; and as long as such a power status remains, rivalry is bound to be bred. Our best hope of a peaceful world is to disperse our extra power as an investment in friendship. Where there is either

hunger or chaos there can be no peace, which, in the last analysis, is the companion of a common prosperity. The loan to Britain is worth pondering in these terms as well as in the purely cash terms of trade—in the terms, that is to say, of the promotion of a common interest as the postwar equivalent of self-interest.

BALTIMORE, MD., SUN

March 2, 1946

Congress now has before it legislation to authorize the proposed Anglo-American loan of nearly \$4 billions. Some signs of opposition to this loan have appeared, such opposition being based on the erroneous notion that the loan is solely for the advantage of the English.

We have to thank Mr. Philip Murray, president of the CIO, for a useful refutation of that idea. Mr. Murray announced yesterday that the CIO supports the loan legislation. . . .

In short, Mr. Murray, representing the CIO, does not look upon this loan at all as a gesture of misguided generosity. He looks upon it as a transaction by which both the United States and Great Britain stand to gain. It is on that basis that its merits should be judged.

WILMINGTON, DEL., NEWS

March 5, 1946

... it should be perfectly apparent now that Congress could hardly make a worse mistake, at this stage of our affairs, than to refuse Britain the credit which she desperately needs.

As President Truman says, "Foreign trade is virtually necessary to an expanding American economy" and the British loan is a vital step in rebuilding world commerce. If we extend the credit we have a chance of achieving the economic stability and cooperation among nations which is the only foundation on which peace can be built.

But there are other reasons, no less compelling, why it would be folly to turn a cold shoulder to the British request for aid. England is the last stronghold of democracy and free enterprise in western Europe. She stands at the crossroads between capitalism and socialism today, between a system of free trade and one of barter, barriers, and rigid state controls. The last thing we should want to do, in an uncertain world, is to turn our backs on our closest ally, our greatest friend, and our best customer at a time when she badly needs our help.

NEW YORK HERALD TRIBUNE

December 7, 1945

There have been mistakes, and egregious ones, on both sides of the overprotracted Anglo-American financial negotiations. But the result as it is now finally laid before Congress, Parliament and the two peoples, represents a real effort at enlightened statesmanship.

We are . . . offering to make a not very onerous investment, first, in Britain economic recovery, but more particularly in the restoration of a more or less free world market, relieved of the exchange controls, trade barriers, governmental monopolies and discriminations, totalitarian regimentations which otherwise threaten to overwhelm us all. . . . The cancers in world trade are formidable and virulent. But at least with this agreement we will turn what would otherwise be simply another grave focus of infection into a focus of health and sanity which, also may grow and spread.

NEW YORK TIMES

March 5, 1946

Strong support for the proposed loan to Britain was urged again upon Congress yesterday by President Truman. He spoke of it as a "cornerstone in the world's structure of peace." This description fits the project accurately. The purpose of the loan is not to help the present British Government carry on social experiments and Labor reforms at home—for that purpose it can use British pounds—but to provide it with the dollar exchange needed to reestablish Britain's position as a purchaser of Ameri-

can and other foreign goods and a strong and healthy influence in the economics of the post-war world. We have good reason to want her to recover that position. Especially in these critical and uncertain times it is to the deep interest of the American people to maintain the closest possible ties of friendship and cooperation between the English-speaking democracies—between a strong United States and a strengthened Britain. . . .

Despite their apparent reluctance to discuss the question, the Republicans in Congress are moving toward a test of their party's purpose as clear and decisive as the tests they failed to meet successfully on the great and historic issues of Lend-Lease, Repeal of the Arms Embargo and the Hull Trade Agreements. We hope that there is leadership within the party capable of rallying a strong majority in favor of the British loan when the debate ends and the votes are counted.

ITHACA, N. Y., JOURNAL

March 16, 1946

. . . In the long run, we shall prosper most in a world that prospers and in which business as well as diplomatic relations are harmonious. Maybe we don't owe it to Britain to help her to her feet, but we do owe it to ourselves to do what we can to promote world prosperity. . . .

GENEVA, N. Y. TIMES

March 16, 1946

. . . The loan, with or without interest, as a gift or with repayment expected, should be passed by the American Congress, and speedily. The United States needs to have Great Britain getting on her feet.

WATERTOWN, N. Y., TIMES

February 23, 1946

. . . We are not pulling any economic chestnuts out of the fire for the British. We are lending them money to revive their industry so they can buy from us and other nations. The alternative would be to doom Britain's economy with the United States, the world's greatest producer of raw materials, as the chief loser.

We quote " - - -

EAST

WATERTOWN, N. Y., TIMES

December 20, 1945

We have driven a rather hard bargain with the British which accounts for what the man on the street would call "all this squawking." In return for loaning Britain this money, the British have been compelled to make us a number of important economic concessions. Our judgment is that a fair deal has been made. . . .

AMSTERDAM, N. Y., RECORDER

February 27, 1946

. . . The British loan has commended itself to this newspaper as a good business move, because of the central role which a prosperous Britain will inevitably play in reviving world trade. . . .

NIAGARA FALLS, N. Y., GAZETTE

January 24, 1946

. . . The fact is that the loan should be good business for the United States, and for the world. In return for the credit of \$3,750,000,000—to be spent for goods produced by American factories—the United States is given access to one of the richest markets in the world, hitherto rigidly controlled by the sterling bloc.

That is a selfish reason. From the standpoint of statesmanship this loan is the entering wedge against economic nationalism that sows the seeds of war and spawns depressions. On this basis \$3,750,000,000 does not loom so large. Two weeks of war would cost as much, a year of depression would cost more.

ELMIRA, N. Y., STAR-GAZETTE

March 6, 1946

. . . We do not want world trade to be channeled within closed systems. The British financial position is such that if the United Kingdom averts bankruptcy it must either obtain the loan or set up barriers against free commerce. We believe avoidance of the latter necessity is worth the proposed credit. . . .

ELMIRA, N. Y., ADVERTISER

March 14, 1946

. . . We also need to consider the fact that it will do us no good if Britain has difficulty in restoring her equilibrium. In the long run, we shall prosper most in a world that prospers and in which business as well as diplomatic relations are harmonious. Maybe we don't owe it to Britain to help her to her feet, but we do owe it to ourselves to do what we can to promote world prosperity. And a decent way to treat an ally is to do what you can to help him to get along. . . .

ELIZABETH, N. J., JOURNAL

March 8, 1946

. . . In the interest of our economic well-being as well as for its political effect, the United States can hardly afford not to render financial assistance to Great Britain at this time.

SCRANTON, PA., TRIBUNE

March 18, 1946

. . . While the loan goes largely for purchases of raw material and equipment to help restore the British economy, much of the advance will be spent in the U. S. or in countries that buy from the U. S. All discriminatory restrictions on American goods are to end within a year, under the agreement, and the British Empire tariff preferences are to be steadily reduced.

American exporters of agriculture commodities hail the loan as helping their cause.

Meanwhile, Canada is about to take favorable action on a loan of \$1,250,000,000 to Britain. That country is motivated by its long term plans for a huge expansion in her export-import trade.

MEADVILLE, PA., REPUBLICAN

March 5, 1946

. . . The loan to Britain is essential to our national defense and to the rehabilitation of international trade. Most of the objections raised against it have been answered satisfactorily. It will not be used as a

precedent for other international loans. And it in no way is comparable to the uncollected loans made by this country at the end of the last war.

. . . The Republican party could render no more important public service and thus add prestige and popularity to its program than to support the loan wholeheartedly and without reservation. It has been given a golden opportunity to receive substantial credit for passage of the loan bill if it just doesn't wait too long. We hope that it will combine a sound appraisal of the importance of the loan with enough political wisdom to see the value of giving it immediate support. . . .

PHILADELPHIA BULLETIN

January 24, 1946

Approval by the Executive Council of the American Federation of Labor of the loan to Britain is based on the solid foundation that world prosperity is a concern of the United States. Workers in this country will reap benefits because Britain is made a more fertile ground for industry and international trade.

As the more conservative group in American labor circles, the AFL has never favored the program of nationalization now being carried out by the British Labor Party. But the AFL correctly states that British domestic policy has nothing to do with the sound reasons for the loan to Britain.

WILMINGTON NEWS

January 5, 1946

. . . If we refuse to lend Britain the financial aid she needs to rebuild her war-ravaged economy, we destroy our own best customer and staunchest ally. Helping her is our best chance of promoting the growth and stability of commerce and laying the basis for a peaceful world. A strong, free and prosperous Britain is enormously important to us as we discovered when Hitler stood on the shores of the channel five and a half years ago. These facts, plus Britain's capacity to pay, are strong enough reasons for making the loan to her on terms more favorable than those offered other nations.

PITTSBURGH POST GAZETTE

December 8, 1945

. . . Let's forget for a moment the angle of doing something for England and decide whether this deal doesn't do something for the United States—and that sort of world order we hope to set up. Will it help preserve political stability in the world to put the British through bankruptcy? Will it serve our international objectives to force an even lower standard of living upon our recent allies? They would be neither good friends nor good customers.

Isn't it to our advantage to eliminate exchange and trade restrictions that have largely barred American goods from India, the middle east and the commonwealth of nations? Isn't it worth something to break down world economic barriers? . . .

PHILADELPHIA RECORD

December 8, 1945

. . . The *Record* hopes Congress will speedily approve the British loan, not just because it will help Britain, because it will help us. A few facts are worth a lot of argument:

Britain was our best customer before the war. . . .

Denied the loan, Britain will have one alternative; tightening up her Empire Preference System, putting her trade more and more on a barter basis, drastically cutting her purchases here, and doing more business with other nations because they can buy more directly from her.

The entire amount of the proposed loan is only equal to what the United States spent in 15 days of the war just ended.

In return for the loan . . . Britain agrees to adopt Bretton Woods, do what she can to modify Empire preferences and join us in a general effort to revive free trade. . . .

We think the terms are fine. . . . The proposed settlement clears up, once and for all, the Lend-Lease account.

CHRISTIAN SCIENCE MONITOR

December 26, 1945

One fine of argument against the loan deserves special attention because it is

based on ignorance. . . . The argument runs: "If we lend money to Britain now, Britain will have to pay it back and pay interest on it. Since Britain hasn't the money to do this, she will have to pay in goods. The import of these goods into the United States will cut into demand for American goods and cut into American employment."

The first fallacy here is the assumption that the U. S. is lending money but will have to take back goods. . . .

If British repayment will mean the import of British goods into the U. S. . . . the making of the loan means an export of American goods now and whenever the British use their line of credit. . . .

So far as the workers are concerned, it means "jobs for sure" now as against the mere possibility of loss of jobs in some uncertain tomorrow. . . .

BOSTON, MASS., TRAVELER

March 6, 1946

... We have a \$200 billion investment and an infinitely more valuable investment of lives already in victory. A Britain politically and socially stable and able to play its historic role in stabilizing the uneasy continent of Europe is an integral necessity to abiding victory.

... Thus stated, it isn't a matter of dollars and cents primarily. It certainly isn't a question of Britain's "right" to bespeak our aid. It is a question of enlightened self-interest. . . .

BURLINGTON, VT., FREE PRESS

March 9, 1946

... The British loan is a measure directed as definitely to the interests of the United States as to those of Britain. It is indeed intended to help Britain over her financial difficulties; but financial experts seem to agree that it is necessary in order to bring about a relaxing of exchange controls, and to establish freer multilateral trading. In a word, it will serve America's trade as much as Britain's. . . .

LOWELL, MASS., SUN

December 19, 1945

It is obvious that while the loan will be of the greatest importance to the economy of the British Empire, it will likewise be of help in stimulating American commerce and manufacturing.

Since the loan has been fully negotiated, little is to be gained by keeping it alive as a controversial issue. Possibly Lord Keynes' comment will be the last on either side of the water.

BENNINGTON, VT., EVE. BANNER

February 19, 1946

Senator Austin's judgment in matters of foreign policy is highly respected in Washington. For that reason his endorsement of the proposed \$3,750,000,000 loan to Britain carries weight. . . .

... we fail to see how any statesman can be blind to the necessity of giving Britain what aid she needs, in order to assure ourselves of her friendship, and thereby maintain a strong combine of democratic nations with power to prevent World War III.

MANCHESTER, N. H., LEADER

March 8, 1946

... The real stake in a refusal to grant the loan therefore is an economic world divided against itself, something no American can desire. It is whether there is to be economic as well as political collaboration in the task of laying the future foundations of world prosperity. The American people surely cannot wish to see their best customer crippled, and the world turned again down the long road to excessive nationalism demonstrated by economic blocs, exchange controls and trade restrictions.

PROVIDENCE, R. I., JOURNAL

March 7, 1946

... What we seek is a restoration of multi-lateral trading in the world. The pledges which the British Government has

made to our Government in consideration for the pending loan are intended to promote this purpose. It is a vital first step in wiping out all existing preferential agreements that now seriously interfere with multi-lateral trade.

Inasmuch as the British are in no financial position to unfreeze their bloc sterling balances without our assistance, congressional approval of the loan can be justified on this ground alone. For our whole future in international trade is directly involved.

**SPRINGFIELD, MASS.,
REPUBLICAN**

March 12, 1946

... If Congress were to reject the loan, Britain would almost surely withdraw from the Bretton Woods compact establishing the world bank and the monetary stabilization fund; and that development would be the death blow to the whole Bretton Woods enterprise. In the end, therefore, as a group of Cornell university economists state the case:—

"If Congress refuses to approve the British loan, the result must be to push the sterling area, under British leadership, aggressively along the road of trade discrimination and seriously to threaten the whole effort to recreate an international economic system without which the prospect of peace is much more uncertain."

WESTERLY, R. I., SUN

February 21, 1946

Surely if ever a great and friendly nation in financial difficulty deserved help from another great nation, Britain today deserves it of the United States. She held the fort of world freedom through exhausting years until America came to fight at her side. It was all the same war for the same purpose, the same people speaking the same language, possessing the same culture and the same ideals. She fought hard and well to the bitter end, in a war that we would have had to fight alone if she had failed. Her losses have been proportionately far greater than our own. There are some little Americans who would ignore these facts and leave Britain alone to face the world as a bankrupt nation standing alone. . . .

**WOONSOCKET, R. I.,
CALL & EVE. REP.**

February 27, 1946

... The result should be bigger foreign markets for American goods and higher employment levels for American workers.

Above all else, however the loan will act as a catalytic agent that will improve Britain's trade relations with the rest of the world, including the United States. We, in this country, have a definite self-interest in obtaining that reaction, because the success of Britain's economy is inextricably bound up with the success of our American economy.

**STAMFORD, CONN.,
ADVOCATE**

January 1, 1946

... We have a vital stake in making the British our partner in the enterprise of reviving multilateral trade over as large an area of the trading world as possible. She will only be able to join us in this effort, if we give heed to her urgent and pressing financial requirements. A reviving British economy which does not have to be buttressed up by the artificial restrictions of the sterling bloc is, for our own well-being, a matter of prime importance. This is a practical consideration that it would be folly to ignore. . . .

JOURNAL OF COMMERCE

New York, March 28, 1946

... Political considerations apart, the economic case for the British loan as presented to the Senate Banking and Currency Committee has been a strong one. The commercial policy of the United States has sought, since the adoption of the reciprocal trade agreement program, to lower trade barriers and stimulate a revival of international commerce. The British loan would help achieve these same objectives by giving Britain the dollar exchange she needs during the reconstruction era. Without such aid, she would be compelled to maintain and increase her wartime trade and foreign exchange restrictions for an indefinite period to come.

South

DURHAM, N. C., SUN

March 6, 1946

... The truth is that the mass of Americans and the mass of Britons do regard their own destiny as inseparable from that of the other. The British loan is being predicated, and properly, on our need for British trade and for dollar business. . . .

BATON ROUGE, LA., TIMES

February 13, 1946

... From the long-range viewpoint, this is vastly important to ourselves as well as to the British. None should get the idea this is a large-sized "handout" to our former Allies. The British need this money very much, to rebuild their economy after the sacrifices and exhausting drain of the war years, and to aid expansion of world commerce in which America will share largely.

... the successful working out of the agreement with Britain should mean that more of the world's trade would be conducted in sterling and dollars, and this should have a wholesome and stabilizing effect.

... Certainly, it deserves to be approved, not merely because the president requests it, but because some of the best minds, and some of the best informed and most thoughtful observers, believe it is a sound and mutually helpful plan. This will be an investment, not to be measured only in the outlay of credit, but also in the larger returns it should bring in the future program of world commerce, on our domestic economy, and its influence in the direction of world stability and peace. . . .

ASHEVILLE, N. C., TIMES

February 18, 1946

... This newspaper's support of the proposed loan of a little less than four billion dollars to Great Britain is so unqualified that it ought to be possible to record here a regret concerning British comments on the loan, without having the criticism turned into an argument against

the American investment in British and world prosperity. . . .

**RICHMOND, VA.,
TIMES-DISPATCH**

March 8, 1946

... It takes only simple arithmetic and an ordinary understanding of economic causes and effects to see why the tobacco people are gravely concerned. If the British do not get this loan, their ability to buy in this country, in their present financial straits, will be seriously impaired. If they cannot make their usual purchases of tobacco, this country will have a ruinous surplus on its hands. This is bound to drive the price down sharply. Some tobacco spokesmen believe that the price might fall to 15 cents a pound, or about a third of what it is now. . . .

... The British are our best foreign customers in general, as well as with respect to tobacco. . . .

... It behooves growers and others in the Southeast to urge their Senators and Representatives to vote for the loan. Any member of Congress from Virginia to Florida who opposes this credit will be voting against the interests of the farmers he represents, and, for that matter, of his people as a whole. . . .

**ORANGEBURG, S. C.,
TIMES DEMOCRAT**

March 9, 1946

... The fact of the matter is that the British Empire, in its present economic weakness, will have to use artificial controls to keep going. What this country is anxious to establish in the world is a free economy that will promote international trade on a multi-nation basis. In return for the loan, which will strengthen the British financial position, our English-speaking cousins agree to play ball with us in regard to the development of world trade. . . .

**ANDERSON, S. C.,
INDEPENDENT**

March 8, 1946

... So, as a matter of business in regard to Southern exports, the British loan should

be particularly favored in this section of the nation. . . .

**CHARLOTTE, N. C.,
OBSERVER**

March 8, 1946

The proposed British loan would be more certain of adoption by Congress if all members of the Senate and House would CONSIDER ONLY WHAT IS BEST FOR THE UNITED STATES, its people and economic interests, instead of basing their action on their attitude toward Britain.

MACON, GA., TELEGRAPH

February 27, 1946

. . . The Telegraph believes that we should help our British neighbors. It is true that we must keep an eye on economy, but if we fail to assist a neighbor—and a friendly neighbor, at that—it is most assuredly true that we ourselves shall suffer in the end because of her poverty. . . .

ANNISTON, ALA., STAR

March 7, 1946

. . . Contrary to what Senator Taft of Ohio and other foes of the proposal think about it, the loan is a sound business transaction that must be made in the interest of free trade, world peace and prosperity.

It is vital not only to the South, which stands to profit immeasurably, but also to the nation as a whole. Definitely, it will open the way for free competitive enterprise that would not prevail otherwise. . . .

**BIRMINGHAM, ALA.,
AGE-HERALD**

March 5, 1946

. . . The Senate banking committee is to begin hearings on the loan today. It is earnestly to be hoped that during these hearings, the full, broad case will be presented, and that an attitude of cooperation with Britain will be comingled with an attitude of realism, with respect to what is good for America.

Britain needs money to help her regain a firm position as a producing nation. She

is—as the British have grown hoarse reminding us—America's best customer. She will not understand it if this loan fails. Neither will we. . . .

COLUMBUS, GA., ENQUIRER

March 15, 1946

. . . It is not likely that money will be given to England as a gift; neither is it probable that interest will be suspended, but there seems to be a growing sentiment in favor of the United States making a loan to the British—strictly on the basis of the benefit Americans would receive from such action. . . .

**LURAY, VA.,
NEWS & COURIER**

March 7, 1946

. . . Basically the U. S. is the dominant power emerging from this war. Potentially, it is the greatest nation of all time. To achieve the full fruits of that great position it must accept world leadership. That cannot be done by throttling world trade. We cannot compete with the entire world against us. The British loan is essential to escape such a catastrophe. . . .

**CLEVELAND, TENN.,
BANNER**

February 19, 1946

. . . If Congress were to refuse to extend this helping hand, then all the fine political carpentry done at Dumbarton Oaks and San Francisco and London would be so much waste material and effort. The House of Peace will be built on the bedrock of sound international economics—or it will be washed away by the first good-sized wave. . . .

**LOUISVILLE, KY.,
COURIER-JOURNAL**

March 8, 1946

. . . In the world of freer trade, which the loan contemplates and which the commitments Britain will give in accepting it will help to assure, our recent Ally is a sound credit risk. She has been a good customer of ours in the past and, when she

We quote " - - -

is put back on her feet economically, which is what the loan is intended to do, she will be a good customer again—in fact, using most of the proceeds of the loan to buy American food, raw materials and manufactured goods.

BRISTOL, VA., HLD.-COURIER

March 12, 1946

... It would cost us nothing to make this loan, while it would cost us heavily to refuse it. There could be no world economic recovery or prosperity in which Britain did not share, and we would lose the trade and other advantages which we would realize under the loan agreement...

... The point is that it is to our own interest to make the loan to Britain, and that point the American people should keep in mind as Congress debates the loan.

Mid-West

DETROIT FREE PRESS

December 8, 1945

In accepting the loan, Britain will make major trade concessions. This will work to our advantage. It will open new markets to American industry and agriculture. If it works out successfully, Great Britain and her dominions will once more be our best customers. This market may even be extensive enough to add in one year more billions to our national income than the face of the loan.

It means that the economic isolationism with which we shielded ourselves by means of the Smoot-Hawley tariff will no longer be a trade barrier. If we weigh the cost of world unrest and war, probably engendered to some extent by that tariff system, against the benefits of open markets and world understanding, the cost of the loan will indeed be small. The security we are asking is world good will. It is the soundest kind of collateral.

CLEVELAND, O., PLAIN DEALER

March 11, 1946

... As readers of this newspaper know we were, and are, of the opinion that the

MID-WEST

Bretton Woods Bank of Reconstruction and Development looked in the right direction and would be able to provide financial assistance to nations needing it for reconstruction before it would be forthcoming from other sources. . . . We favor the loan to Britain and urge members of the Ohio delegation to vote for its ratification.

CLEVELAND, O., NEWS

February 19, 1946

... The fundamental question on the loan is whether in the long run it will prove advantageous to the United States. If it helps create a peaceful and prosperous world, it will be worth anything it costs in money. From that standpoint, Uncle Sam would be playing Santa to himself.

If there's a reasonable chance of success in the aim of the loan, the U. S. can afford to risk a few billions.

CINCINNATI, O., ENQUIRER

March 3, 1946

... The loan to Britain, larger than the total contemplated for all other countries combined, is in a bracket by itself. The dollar and the pound sterling are the trading currencies of most of the world. Provided these two currencies are stabilized and are kept in a sound relationship to each other, there is a good chance for the restoration of a thriving international commerce. And if both Britain and the United States are working earnestly to reduce trade barriers, there is a good chance to avert the disintegrating influence of rampant economic nationalism.

YOUNGSTOWN, O., VINDICATOR TELEGRAM

February 23, 1946

... Even so rugged a people as the British probably will rebel in time at the seemingly endless "do without and make do." Their political leaders will have to take account of the dissatisfaction.

Because of this necessity, as well as because the long-suffering British should have relief on humane grounds, Congress should promptly grant the credit which will enable Prime Minister Attlee to increase the ex-

We quote " - - -

MID-WEST

port business by other means than taking it out of the people's homes, off their backs, and out of their mouths.

GARY, IND., POST-TRIBUNE

March 8, 1946

... The only sensible approach to this problem is to inquire whether it will help us build and maintain a democratic world in which individual freedom will be secure. We have no doubt this is the purpose of the loan and we do wonder how we are going to get security and freedom without it. . . . The opposition is living in the past and we simply must live in the present and try to see into the future if we expect to lead this new world. With strong, thoughtful, experienced leadership (if we can get it) we can do about anything we wish with this world—even to preventing it from disintegrating from the explosive effects of atomic fission. But we can hardly go anywhere but down if we accept the leadership from the isolationist and picayunish past.

FORT WAYNE, IND., JOURNAL-GAZETTE

March 9, 1946

... It is quite apparent England cannot become the good customer she once was unless her credit is re-established through the loan. Refusal of the loan by the United States would result in economic blight in Britain for a time with unnecessary misery to its people, but eventually Britain would be driven elsewhere for its imports. . . .

ELGIN, ILL., COURIER NEWS

January 31, 1946

... England has been bled white, economically. She needs help if she is not to succumb to the economic wounds she suffered. We are in a position to extend that help, just as we were in 1940 and thereafter, and it would be ingratitude on our part if we failed to do so. . . . It is important, for many reasons, that Great Britain become rehabilitated as quickly as possible. As the two nations, Britain and the United States, have worked together in war, so must they work together in peace. This

cannot be done if Britain's economy is permitted to falter, which it will do without our help, just as her defense would have collapsed without our aid six years ago.

CHICAGO NEWS

December 7, 1945

Our loan to the United Kingdom and the trade agreements it entails constitute perhaps the biggest and most far-reaching peacetime business transaction of all history. . . . But it is a good deal, nonetheless. . . . It represents concessions on our part. It represents concessions on the part of Britain's Labor government. . . . We can and must make this contribution toward world welfare. . . .

CHICAGO, ILL., SUN

February 25, 1946

... Whatever the reason for Britain's decision, the fact remains that the loan is a cardinal factor in our national policy and should be regarded as an investment in our kind of world trade.

Unless we are to lapse into the economic insanity of the '20s, when we traded goods for worthless bonds, or that of the '30s, when we traded goods for useless gold, we must build a new structure of world trade, and the British loan is one of its cornerstones.

BLOOMINGTON, ILL., PANTAGRAPH

February 23, 1946

... The Pantagraph thinks that the loan should be made. One reason we think so is our belief that the loan is an investment in the American way of life. Some opponents of the loan say it is a subsidy from a free enterprise nation to make Great Britain more socialistic. We hold the opposite view. . . .

CARTHAGE, ILL., JOURNAL

February 20, 1946

... the British loan may be the major determining factor whether we live in a world of tight-shut economies and trading blocs (into which a private American busi-

We quote " - - -

MID-WEST

nessman couldn't wedge himself sideways), or whether we live in a world three-fourths of which at least trades the American way, freely across frontiers, with tariffs lowering, and blocked accounts and State-barter methods disappearing. We'd feel a lot happier in this second kind of world. . . .

DECATUR, ILL., REVIEW

March 13, 1946

. . . Great Britain wants this credit in the United States to tide her over until she can rebuild her foreign trade and restore her ability to perform the services formerly provided. If she doesn't get the loan, Britain may have to resort to excessive tariffs and make trading agreements. The volume of trade will be restricted. In the meantime Great Britain is unable to buy what she needs from the United States.

SPRINGFIELD, ILL., STATE JOURNAL

February 23, 1946

Slowly, with growing realization of our new role in world affairs, the American public is accepting the \$3,750,000,000 loan to Great Britain as essential to restoration of a stable and profitable international economy. . . . The immediate need is swift ratification of the British loan agreement, and a courageous monetary statement of intent incorporated in a sound and fearless foreign policy.

KANSAS CITY, MO., STAR

February 25, 1946

Lord Halifax, the retiring British ambassador to the United States, has said that if Congress refuses to approve the proposed 3½-billion-dollar loan to his country, its action might well create economic difficulties for "the whole of Europe." That is a mild statement of the case. Because of the wide ramifications of Great Britain's trade and financial connections, the repercussions of such an event would unquestionably be felt throughout the whole world. . . . The conditions attached to the pending loan proposal are designed to stimulate such a growth by breaking down various kinds of trade barriers, in addition to furnishing

Britain with the capital necessary to rehabilitate her export industries and stabilize her home economy. No one can be sure that these measures will produce the desired effect. But there is at least reasonable ground in experience for believing that they will. . . . The idea, for example, that private loans can do the trick is infantile. . . .

ST. LOUIS, MO., GLOBE DEMOCRAT

February 21, 1946

. . . the United States and the entire world stand to profit materially by concessions hitched to the loan. That is the design of the whole plan. . . . Britain lost 70 per cent of her foreign trade during the war. She cannot remain a major customer of the United States, as she has been for generations, unless advanced credit. While offering that credit to rebuild mutual trade, the government by a shrewd bit of Yankee trading, has also gained pledges of freer world commerce, an end to tariff preferences, banishment of exchange barriers. This loan is a sound piece of economic statescraft.

ST. LOUIS, MO., POST DISPATCH

February 20, 1946

. . . The idea of the loan, as is also pointed out in the Mirror of Public Opinion, is to loosen up and stimulate world trade. If it succeeds, both parties to it will prosper. It is not a dead weight like a war loan, but a fund that will be used for constructive and productive purposes. If Britain had not been so weakened by the war, the loan would not be needed; as it is, the fund is a shot in the arm to permit Britain to become an active figure in world markets again. The Bretton Woods agreements, however useful to this same purpose they may be over a longer range of time, do not meet the needs of the immediate present.

In return for the hypodermic we offer, the British make many concessions to us. Some of these concessions they made with the greatest reluctance. In general, the British Empire is to be opened up to trade with the United States, whereas otherwise,

in self-protection, the British would have had to build almost impenetrable tariff walls around the Empire. If the British were compelled to function mostly within the Empire, and if the United States were forced to seek markets and trading areas elsewhere, the chances of prosperity and peace everywhere would be jeopardized.

This would mean a Balkanized world. It would mean lower standards of living, lower wages and inferior products. Not that the loan agreement will produce anything like complete free trade, for certain tariff restrictions will still exist. But they will exist on such a level that wholesome competition, with all its benefits, can function.

... One might quarrel and quibble forever over technical details of the loan agreement, but if it has the main effect expected of opening up world trade, the money we advance will be bread upon the waters. It should produce in benefits to all members of the dollar-sterling bloc—for it would permit participation of other countries besides Great Britain and America—manyfold the \$3,750,000,000 advanced.

For Congress to yield to ignorance and prejudice on this issue would be to cut off the national nose to spite the national face.

DES MOINES, IOWA, TRIBUNE

February 19, 1946

... if we decline to use our immense resources as the world's "banker" in such a way as to allow fairly active and unrestricted competition in world trade, then we give Britain no alternative. She must make tight little deals with those who are willing to take long risks on her recovery. ... That narrows it down pretty much to us. We, alone, have the resources to loosen trade and induce prosperity.

We didn't ask for this role, to be sure. But that doesn't alter the fact that accidents of history, or fate, or whatever we wish to call it, have cast us in the role.

WE ARE IT! And we'd better not disregard it capriciously.

INDIANOLA, IA., TRIBUNE

February 12, 1946

... the entire economic structure of America would be greatly benefited. ...

the American people will profit by billions through trade with Great Britain and her colonies, and through them with many other nations. It would pay us in dollars and cents to make the loan if never a cent of it was paid back. And if it prevented another World war, and that's what it almost certainly would do, who would care whether it ever was paid back.

REDWOOD FALLS, MINN., GAZETTE

March 5, 1946

WE CAN SEE WHERE ANYONE WITH an abiding love for, and faith in, Russia, which current events don't seem to justify, might oppose the loan to Britain. But without such faith, one must be short-sighted indeed to wish to refuse help to our one steadfast and potentially strong ally.

PARK RAPIDS, MINN., ENT.

February 21, 1946

... We are of the opinion that this country should make the loan to Britain as a matter of good business, just as any bank makes additional credits available for its clients who are sound but need financing over a critical period.

We do not look upon the loan as a gift, however, we may be indebted to Britain for making the war less costly to us in lives sacrificed. Britain is our best customer. If she is not accommodated at this time we will lose this valuable trade.

It seems to us just as simple as that when all prejudices and isolationism are omitted.

HIBBING, MINN., TRIBUNE

February 11, 1946

... Refusal of the loan would force Britain to raise her tariffs against us and enter into separate trade agreements with other countries. This would reduce our national income drastically. Moreover it would start a world-wide economic war, costing us many more billions than the amount of the loan. ...

The Tribune favors the proposed loan to Britain, provided it is conducted in a businesslike manner with a strong guarantee that the money will be paid back with interest.

We quote " - - -

WEST

MADISON, MINN., IND.-PRESS

March 1, 1946

... There is also the need for British machinery to get its wheels going. If we are to have British trade we must sell to them and buy from them. Also, we have more cotton and wool than we can use and if the textile mills of the British use wool and cotton from other countries we stand to lose an export customer we can hardly afford to be without. The American farmer needs this customer and even if some concession has to be made—we are better off in the long run if we make that concession and retain the business.

**TOPEKA, KANSAS
STATE JOURNAL**

March 12, 1946

... If we are going to sell our goods abroad, we must have customers with credit enough to buy them. The proposed loan is just such a credit. ...

We cannot afford to cut off our best customers from their best source of credit, which, as a matter of simple fact, is our own plethora of idle money. It would be like a banker refusing a secured loan to the town's biggest industry, caught for the moment with a low cash operating balance due to having made extraordinary repairs. ...

If the proposed loan to Britain can have the helpful effects for world tranquility and American exports that Vinson and his chief say it will—with consequent benefits to domestic labor and capital—it should be approved by Congress.

PARSONS, KANSAS, SUN

January 31, 1946

... the loan to Britain a highly-desirable move in the international scheme of things, if not a vital cog in the efforts to restore an active program of world trade.

... an export market for American products will be provided and the domestic economy is certain to benefit as a result.

... the United States needs a strong and prosperous Britain as a friend across the Atlantic. If it takes the loan to help ac-

complish that, and there is evidence that it does, then it is good business for this nation. ...

WINFIELD, KANSAS, COURIER

February 1, 1946

... There are very important reasons why it would be wise to make the credit advance to the British. ... Alf M. Landon, former Kansas governor, urged the loan. ... "I favor congress ratifying the agreement made by the national administration with Great Britain purely and simply as a political loan to be made because it has become vitally essential to America to keep the British Empire a going concern—strong in a world concord of nations," he explains. "Not to keep Great Britain strong would be to abandon the continent of Europe to Russia." ... it would be sound policy to make the loan to Britain at this time.

BISMARCK, N. D., TRIBUNE

February 19, 1946

... The first and greatest benefit which comes to us is the provision that Britain remove the trade restraints throughout her empire and break up the "sterling bloc"...

The removal of these trade restraints and the elimination of Britain's monetary advantage in these markets will put money into the pockets of American exporters. And in normal times the American farmer is an exporter.

That is why The Tribune could honestly say that approval of the loan is important to North Dakota farmers. ...

West

SAN FRANCISCO CHRONICLE

December 7, 1945

There is the consideration that it is important to the United States to have Great Britain continue strong. ... Any weakening of Britain would be a weakening of the United States. From the standpoint of credit no other country on earth could be a better risk. ... For one reason or another, we shall probably find ourselves making loans

to a number of other countries; we shall be fortunate if we find in all of them in like degree these elements of sound credit.

OAKLAND, CAL., TRIBUNE

February 18, 1946

. . . Secretary Byrnes has put the case clearly: The United Kingdom depends on imports to keep its economy in sound condition. It lacks the dollars it needs to purchase goods in the United States, and, unless this country helps it, may be unable to finance its transition from war to peace without placing further restrictions on world trade. Since this country and the United Kingdom are the principal trading Nations of the world, our commercial interests offer compelling reasons for lending to Britain before lending to any other Nation, especially on the terms outlined in the draft loan agreement, which bind Britain to lower its imperial trade preferences and loosen its hold on the sterling area.

Even opponents of the loan admit that expansion of multilateral trade is a prime American interest. The best way to promote economic stability is to cure the paralysis of international trade. This loan will help to do this.

**GLENDALE, CAL.,
NEWS-PRESS**

January 17, 1946

. . . From a business standpoint, and the term business means trade and jobs, the loan can be defended to the hilt. Without it, Great Britain would be forced to go into economic isolation as far as it could, for the English have used up their foreign resources in the course of the war. They could not buy the things they need from us without it. . . .

**ASTORIA, ORE.,
ASTORIAN-BUDGET**

March 13, 1946

The proposed loan of three and three quarter billions of dollars to Great Britain is being advocated before Congress as necessary to world peace.

If this loan is necessary to save the economy of Great Britain from disaster, as may well be the case, we should by all means make it. . . . We must guard against a British collapse, which would involve us in its troubles. We might have to spend more than the amount of the proposed loan in putting Britain back on its feet. . . .

We might do well to use this loan to help counter-act the pre-war British empire policy of keeping trade within the empire as much as possible. The old empire trade policy hurt some of our industries, shutting them from markets on which they had come to depend.

This loan might become a means of preventing the re-erection of trade barriers. If so, it will pay us to make it.

**EUGENE, ORE.,
REGISTER GUARD**

January 8, 1946

. . . It is inevitable that neither government will be completely satisfied. But it also seems certain that the mutual advantages will outweigh the dissatisfactions. Beyond the hopeful stimulus to trade and reconstruction this proposed loan offers, the means by which it was negotiated are a welcome example of human relationships on an international plane.

SEATTLE TIMES

January 16, 1946

Britain is in need of aid; and of all our Allies is entitled to first consideration. No present worthwhile purpose can be served by raking among the ashes of the past. The administration at Washington must know what outside obligations can safely be assumed; and if pains are taken to see that Congress is fully informed, the result should be in accord with the President's recommendation.

**MISSOULA, MONT.,
MISSOULIAN**

January 21, 1946

. . . In making the proposed loan the government would be making a justifiable gamble to get Britain to her feet as a trading nation. The amount involved is

We quote " - - -

SOUTHWEST

about what the war was costing us every fortnight. We are asked to invest this sum in peacetime prosperity. That is a good argument for the loan. . . .

PORTLAND OREGONIAN

February 1, 1946

. . . Under the agreement we not only lend, we invest. We invest in a program to make use of the world's capacity for greater production and its greater capacity to consume. We prepare our own house for the fact that scientific progress in industry and agriculture has ended the possibility of national self-sufficiency, and made freer world trade the path for better living, peace and prosperity everywhere.

Southwest

PHOENIX, ARIZ., GAZETTE

March 4, 1946

. . . the facts about the loan prove that it is a hardheaded American investment, which perhaps accounts for part of the seemingly unwarranted British indignation.

Before the war, Britain imported one fifth of all the world's exports. It was thus the best customer of several countries, including this one. Since the war, British imports have been cut to one third.

Britain paid for her pre-war imports by three means. One was manufactured goods, no longer available because of bombed-out factories. Another was income from overseas investments, many of which have now been sold or destroyed. The third was earnings of her merchant fleet, a great section of which was sunk during the war.

Our best customer must therefore reconstruct as well as face the usual gigantic problems of peacetime reconversion. Without the credit which the American loan offers, she has no way of becoming a good customer again. She will spend our loan on food and raw materials, not on consumer goods which would compete with the output of her own new factories. . . .

CUERO, TEX., RECORD

February 8, 1946

. . . Britain has stood with America loyally through the greatest of wars, and has given her best to restore the world to decency and cooperation. A rather mutual dislike for each other, in some ways, has pretty well worn itself out. Different as the two nations are, we are mostly of similar blood and institutions, and the loss or alienation of either would be a tragedy for the world. Between us stands Canada, as a friend and mediator of both. United we stand, and divided, we would have a lot more trouble than we have now. . . .

. . . Such a loan is one of the props to hold up this modern world until it gets going again.

FORT SMITH, ARK., TIMES-RECORD

February 8, 1946

. . . It would be much better for Anglo-American relations if that approval were forthcoming without loud expression of distrust in the good faith and honesty of the British. The fact that most congressmen objecting to the loan are isolationists should be a pretty good guide for citizens in reaching their own conclusions as to advisability of the loan.

Too much emphasis is being placed by foes of the loan on the Santa Claus role of Uncle Sam. If they may be believed, the loan is solely for the benefit of Britain and the United States has nothing to gain and a lot to lose. That, of course, is far from the truth. It should by now be evident that the United States cannot have continued prosperity when other major nations are not in sound economic health. Neither is it likely to have lasting peace in such a situation. The whole trend of our foreign policy has been set by recognition of these facts, and to deny the loan would be in direct contradiction of that policy. . . .

TYLER, TEX., TIMES

February 1, 1946

. . . what we must remember is that Britain used to be the best customer for our raw materials and some of our manu-

We quote " - - -

factured goods. In 1938, last year before World War II, she bought from us \$620,000,000 worth of cotton, wheat, oil, tobacco, machinery, motor vehicles and moving picture films. She again will be our best customer if she can secure the initial dollars with which to start the cycle of trade. Her needs are so urgent at the moment, it is expected her 1946 purchases would be \$1,100,000,000, a sizable part of the loan sought. . . .

TULSA, OKLA., TRIBUNE

March 4, 1946

The desperate plight of the United Kingdom is not widely appreciated in America. . . .

. . . Today the British plant is worn out. She is producing coal under antiquated methods at one-fourth the efficiency per worker attained in America. Her industrial plant is so depreciated that in spite of low

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wages her cost per unit of manufacture has risen steadily. Her population is falling. Her merchant marine has largely disappeared and her financial supremacy is long gone. She is indulging in desperate socialistic experiments in an effort to feed and clothe her people. . . .

. . . Americans—even those who hold no sentimental love for the king and his empire—should ponder on Britain's plight. For if the British Empire falls apart in the next generation we must radically re-orient our traditional thinking on foreign policy. In the past 150 years Britain has successively been our greatest menace, our greatest rival, and finally our warmest ally. The present generation in America has come to look upon her as our co-champion in maintaining the status quo, in fighting down threatening combines of powers both in Europe and in the Orient. As she loses power we lose a prop and we will not help ourselves by imagining the prop is still there. . . .

Schedule of Satch's Speeches

Union - May 1

Tesco
O'Connor
Carter