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A MESSAGE  
from the  
NATIONAL STUDY CONFERENCE  
on  
THE CHURCHES AND  
A JUST AND DURABLE PEACE

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- VIII. GENERAL RESOLUTIONS



*Convened at*  
OHIO WESLEYAN UNIVERSITY  
Delaware, Ohio  
March 3-5, 1942

## NOTE

Bishop G. Bromley Oxnam, as a member of the Executive Committee of the Federal Council, explained at the opening plenary session of the Conference that the discussion and findings would be restricted to a consideration of the issues relevant to the post-war situation. Bishop Oxnam stressed the fact that the entrance of the United States into the war had found the churches prepared to assume their special wartime responsibilities. He called attention to the work of special commissions representing the ministry of the churches in the emergency to men in the armed services, to communities in the proximity of military and naval establishments or defense industries, to prisoners of war and other special groups and to relief needs abroad. Among six such agencies, it was pointed out that the Commission sponsoring the Conference was the only one primarily responsible for studying the peace and war problem.

In view of the foregoing and because the Federal Council had already stated its position in regard to the war,\* the Conference concluded that its work would be that of studying the issues which require long-range planning, so that the churches might be better prepared to meet the huge task of reconstruction after the war, and to fulfil more intelligently and effectively their responsibility with regard to national and international policies after the war. Despite this self-imposed limitation of its function, the Conference did not close its eyes to the fact that the nation was at war. It was recognized that the nature of the peace would be conditioned, in large part, by the conduct and outcome of the war.

\*A copy of this statement entitled, "A Message to our Fellow Christians" may be had by writing to the Department of International Justice and Goodwill of the Federal Council of the Churches of Christ in America, 297 Fourth Avenue, New York, N. Y. (3 cents for postage)

*Copies of the Delaware Conference Message may be ordered from*

THE COMMISSION TO STUDY THE BASES OF A JUST AND DURABLE PEACE  
297 Fourth Avenue New York, N. Y.

Price: 10c. per single copy, including postage

5c. per copy in quantities of 50 or more, plus postage.

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## I. Introduction

THE Federal Council of Churches, at its Biennial Meeting in Atlantic City, December, 1940, created a Commission to Study the Bases of a Just and Durable Peace. One of the tasks assigned to the Commission was "to clarify the mind of our churches regarding the moral, political and economic foundations of an enduring peace." In keeping with this task, the Commission convened a National Study Conference on the Churches and a Just and Durable Peace at Ohio Wesleyan University, Delaware, Ohio, March 3-5, 1942.

The 377 delegates were named by the appropriate agencies of their respective communions and allied religious organizations, including city and state councils of churches. The Message adopted by the Conference is herewith printed in full. It should be pointed out that the Conference, in adopting its Message, spoke only for itself, and assumes full responsibility for the publication of its findings.

The Conference spoke in world terms and the delegates endeavored to think ecumenically. Leaders from other nations were among the lecturers. Among the delegates were missionaries and some who have had wide international experience. Documents setting forth the views of church groups in other lands had been carefully studied. However, it is recognized that the Conference delegates were Americans and that they would neither seek nor claim immunity from the influence of American tradition and thought. Therefore, as the report of their views is sent to other lands through the Study Department of the World Council of Churches, it is expected and hoped that other insights will be received in return.

The Conference was divided into four sections—

### 1. THE RELATION OF THE CHURCH TO A JUST AND DURABLE PEACE

*Chairman:* Professor Theodore M. Greene, Princeton University, Princeton, N. J.

*Rapporteur:* President John A. Mackay, Princeton Theological Seminary, Princeton, N. J.

### 2. THE POLITICAL ASPECTS OF A JUST AND DURABLE PEACE

*Chairman:* President Harold W. Dodds, Princeton University, Princeton, N. J.

*Rapporteur:* Professor Ben A. Arneson, Ohio Wesleyan University, Delaware, Ohio.

### 3. THE ECONOMIC ASPECTS OF A JUST AND DURABLE PEACE

*Chairman:* President Charles J. Turck, Macalester College, St. Paul, Minn.

*Rapporteur:* Dr. Ernest F. Tittle, Pastor, First Methodist Church, Evanston, Ill.

### 4. THE SOCIAL ASPECTS OF A JUST AND DURABLE PEACE

*Chairman:* Miss Sue Weddell, Secretary, Foreign Missions Conference.

*Rapporteur:* Dr. Leslie B. Moss, Executive Secretary, Committee on Foreign Relief Appeals in the Churches.

Mr. John Foster Dulles, the Chairman of the Federal Council's Commission to Study the Bases of a Just and Durable Peace, and Dr. Luther A. Weigle, President of the Federal Council of Churches shared the responsibility of presiding at the Conference.

The Message embraces the Statement of Guiding Principles previously approved by the Commission, together with the recommendations of the four sections received and approved as to substance by the Conference in plenary session.

By arrangement with Ohio Wesleyan University, the Merrick-McDowell Lectures annually heard at the University, were made an integral part of the Conference program and were heard by the student body and faculty of the University, as well as by the delegates. Appearing upon the platform of this lectureship were the following:

Bishop Francis J. McConnell, Bishop of the Methodist Church

Dr. Hu Shih, Chinese Ambassador to the United States

Dr. Leo Pasvolksky, Special Assistant to the Secretary of State

Dr. William Paton of London, a Secretary of the International Missionary Council and a General Secretary of the World Council of Churches

Mr. John Foster Dulles, Presbyterian layman and international lawyer; Chairman of the Commission to Study the Bases of a Just and Durable Peace

Dr. Carl J. Hambro, President of the Norwegian Storting (Parliament) and President of the Assembly of the League of Nations

These lectures will be published in book form.

The communions appointing delegates to the Conference were:

African Methodist Episcopal Zion	Methodist
American Lutheran	Moravian
American Unitarian Association	National Baptist Convention, U.S.A. Inc.
Board of Social Missions, United	Northern Baptist Convention
Lutheran Church in America	Presbyterian Church in the U.S.
Church of the Brethren	Presbyterian Church in the U.S.A.
Colored Methodist Episcopal	Protestant Episcopal
Congregational and Christian	Reformed Church in America
Disciples of Christ	Religious Society of Friends of Philadelphia and Vicinity
Evangelical	Salvation Army
Evangelical Lutheran Augustana	Seventh Day Baptist
Synod	United Brethren Church
Evangelical and Reformed	Universalist
Five Years Meeting of Friends	
Friends' General Conference	
Mennonite	

In addition to the foregoing communions, the following religious bodies and councils of churches were represented:

American Friends Service Committee  
American Joint Executive Committee  
for the World Council of  
Churches  
Association of Council Secretaries  
Christian Science  
Church Peace Union  
English Lutheran  
Foreign Missions Conference  
Home Missions Council  
International Council of Religious  
Education

Bristol Council of Churches  
Brooklyn Church and Mission Fed-  
eration  
Christian Council of Atlanta  
Chicago Church Federation  
Christian Council of Allegheny  
County  
Cincinnati Council of Churches  
Cleveland Church Federation  
Connecticut Council of Churches  
Council of Churches of Buffalo and  
Erie County  
Greater New York Federation of  
Churches  
Hartford Federation of Churches  
Kansas City Council of Churches  
Massachusetts Council of Churches

Interseminary Movement  
Laymen's Missionary Movement  
National Board Y.W.C.A.  
National Council Y.M.C.A.  
Southern Baptist Convention  
Student Volunteer Movement  
United Christian Youth Movement  
United Council of Church Women  
United Stewardship Council  
World Alliance for International  
Friendship Through the Churches

Memphis Council (now in process  
of formation)  
Metropolitan Church Federation of  
St. Louis  
Michigan Council of Churches and  
Christian Education  
Minnesota Council of Religious  
Education  
New Haven Council of Churches  
Ohio Council of Churches  
Rhode Island Council of Churches  
Rochester Council of Churches  
Toledo Council of Churches  
Tulsa Council of Churches  
West Virginia Council of Churches  
and Christian Education

#### THE EDITORIAL COMMITTEE

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All inquiries regarding the Conference should be directed to:  
Bradford S. Abernethy, Secretary of the Commission to  
Study the Bases of a Just and Durable Peace, 297 Fourth  
Avenue, New York, N. Y.

## II. Preamble

THE period through which we are passing is the most revolutionary in world history, when we take into account the vastness of the areas affected. A familiar order of life is hastening to a close and none can predict the shape of things to come. When the present conflict is over, and irrespective of which side wins in the struggle, the world that we know will be radically altered, for better or for worse. That being so, all discussion of a future peace settlement, if it is to be germane to the real human situation, must take full cognizance of the tremendous forces that are operating at the present time.

In consequence of the prophetic tradition of Biblical religion, and in loyalty to the words of Jesus Christ Himself, it is the function of the Church to "discern" the times and the seasons, to "decipher the meaning" of each succeeding era and to bear witness to the word and will of God in each concrete situation. In doing so the Church will issue a call to repentance in which both Church and nation shall acknowledge their separate and corporate guilt before God.

The churches in their purely temporal aspects, and apart from their spiritual functions, are powerful social institutions. As such they must concern themselves at all times in a vital and primary way with social confusion and chaos.

The Church will make plain that peace is much more than the cessation or absence of conflict, following upon the joyous commitment of life to a cause greater than individual or national self-interest. In this respect peace is like freedom, both have their origin not in a release from that which disturbs or curbs, but rather an abandonment to the self-transcending demands of a great devotion. The Church can most adequately meet man's perennial demand for peace and freedom by summoning men to commit themselves to Jesus Christ and to the cause of the Kingdom of God in Him.

(This Preamble, while not embodied in the formal findings of the Conference, originated in the Section on the Relation of the Church to a Just and Durable Peace and was referred to the Editorial Committee for inclusion in the Message of the Conference.)

## III. Guiding Principles

IN the Fall of 1941 the Commission to Study the Bases of a Just and Durable Peace formulated a tentative draft of a Statement of Guiding Principles. This draft was then revised and submitted to the entire membership of the Commission for final action. The Commission met in Delaware, Ohio, on the evening prior to the convening of the Ohio Wesleyan Conference at which time the Statement of Guiding Principles was put into final form.

As members of the Commission established by the Federal Council of Churches to Study the Bases of a Just and Durable Peace, we have prepared this statement.

The principles upon which world order must depend seem to us to be found among those which men of goodwill throughout the ages have accepted as part of the moral law. In this we rejoice. For peace will require the cooperation of men of all nations, races and creeds. We have therefore first set out (Points 1 to 9) those guiding principles which, it seems to us, Christians and non-Christians alike can accept.

We believe that a special responsibility rests upon the people of the United States. We accordingly (Point 10) express our thoughts in that regard.

Above all, we are impressed by the supreme responsibility which rests upon Christians. Moral law may point the way to peace, but Christ, we believe, showed that way with greatest clarity. We therefore, in conclusion (Points 10 to 13) address ourselves to Christians.

1.

WE BELIEVE that moral law, no less than physical law, undergirds our world. There is a moral order which is fundamental and eternal, and which is relevant to the corporate life of men and the ordering of human society. If mankind is to escape chaos and recurrent war, social and political institutions must be brought into conformity with this moral order.

2.

WE BELIEVE that the sickness and suffering which afflict our present society are proof of indifference to, as well as direct violation of, the moral law. All share in responsibility for the present evils. There is none who does not need forgiveness. A mood of genuine penitence is therefore demanded of us—individuals and nations alike.

3.

WE BELIEVE that it is contrary to the moral order that nations in their dealings with one another should be motivated by a spirit of revenge and retaliation. Such attitudes will lead, as they always have led, to renewed conflict.

4.

WE BELIEVE that the principle of cooperation and mutual concern, implicit in the moral order and essential to a just and durable peace, calls for a true community of nations. The interdependent life of nations must be ordered by

agencies having the duty and the power to promote and safeguard the general welfare of all peoples. Only thus can wrongs be righted and justice and security be achieved. A world of irresponsible, competing and unrestrained national sovereignties whether acting alone or in alliance or in coalition, is a world of international anarchy. It must make place for a higher and more inclusive authority.

5.

WE BELIEVE that economic security is no less essential than political security to a just and durable peace. Such security nationally and internationally involves among other things the use of material resources and the tools of production to raise the general standard of living. Nations are not economically self-sufficient, and the natural wealth of the world is not evenly distributed. Accordingly the possession of such natural resources should not be looked upon as an opportunity to promote national advantage or to enhance the prosperity of some at the expense of others. Rather such possession is a trust to be discharged in the general interest. This calls for more than an offer to sell to all on equal terms. Such an offer may be a futile gesture unless those in need can, through the selling of their own goods and services, acquire the means of buying. The solution of this problem, doubtless involving some international organization, must be accepted as a responsibility by those who possess natural resources needed by others.

6.

WE BELIEVE that international machinery is required to facilitate the easing of such economic and political tensions as are inevitably recurrent in a world which is living and therefore changing. Any attempt to freeze an order of society by inflexible treaty specifications is bound, in the long run, to jeopardize the peace of mankind. Nor must it be forgotten that refusal to assent to needed change may be as immoral as the attempt by violent means to force such change.

7.

WE BELIEVE that that government which derives its just powers from the consent of the governed is the truest

expression of the rights and dignity of man. This requires that we seek autonomy for all subject and colonial peoples. Until that shall be realized, the task of colonial government is no longer one of exclusive national concern. It must be recognized as a common responsibility of mankind, to be carried out in the interests of the colonial peoples by the most appropriate form of organization. This would, in many cases, make colonial government a task of international collaboration for the benefit of colonial peoples who would, themselves, have a voice in their government. As the agencies for the promotion of world-wide political and economic security become effective, the moral, social and material welfare of colonial populations can be more fully realized.

8.

WE BELIEVE that military establishments should be internationally controlled and be made subject to law under the community of nations. For one or more nations to be forcibly deprived of their arms while other nations retain the right of maintaining or expanding their military establishments can only produce an uneasy peace for a limited period. Any initial arrangement which falls short of this must therefore be looked upon as temporary and provisional.

9.

WE BELIEVE that the right of all men to pursue work of their own choosing and to enjoy security from want and oppression is not limited by race, color or creed. The rights and liberties of racial and religious minorities in all lands should be recognized and safeguarded. Freedom of religious worship, of speech and assembly, of the press, and of scientific inquiry and teaching are fundamental to human development and in keeping with the moral order.

10.

WE BELIEVE that, in bringing international relations into conformity with the moral law, a very heavy responsibility devolves upon the United States. For at least a generation we have held preponderant economic power in the world, and with it the capacity to influence decisively

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the shaping of world events. It should be a matter of shame and humiliation to us that actually the influences shaping the world have largely been irresponsible forces. Our own positive influence has been impaired because of concentration on self and on our short-range material gains. Many of the major preconditions of a just and durable peace require changes of national policy on the part of the United States. Among such may be mentioned: equal access to natural resources, economic collaboration, equitable treatment of racial minorities, international control of tariffs, limitation of armaments, participation in world government. We must be ready to subordinate immediate and particular national interests to the welfare of all. If the future is to be other than a repetition of the past, the United States must accept the responsibility for constructive action commensurate with its power and opportunity.

11.

WE BELIEVE that a supreme responsibility rests with the Church. The Church, being a creation of God in Jesus Christ, is called to proclaim to all men everywhere the way of life. Moreover, the Church which is now in reality a world community, may be used of God to develop His spirit of righteousness and love in every race and nation and thus to make possible a just and durable peace. For this service Christians must now dedicate themselves, seeking forgiveness for their sins and the constant guidance and help of God.

12.

WE BELIEVE that, as Christian citizens, we must seek to translate our beliefs into practical realities and to create a public opinion which will insure that the United States shall play its full and essential part in the creation of a moral way of international living. We must strive within the life of our own nation for change which will result in the more adequate application here of the principles above enumerated as the basis for a just and durable world order.

[ 13 ]

WE BELIEVE that the eternal God revealed in Christ is the Ruler of men and of nations and that His purpose in history will be realized. For us He is the source of moral law and the power to make it effective. Amid the darkness and tragedy of the world of today we are upheld by faith that the kingdoms of this world will become the kingdom of Christ and that He shall reign forever and ever.

The Conference received and gave its "general endorsement" to this Statement of Guiding Principles in the following action:

"This Conference, as a representative group of Christian Churches, gives its general endorsement to the Statement of Guiding Principles prepared by the Commission to Study the Bases of a Just and Durable Peace. It accepts the first nine Principles as a formulation of fundamentals of Christian Ethics, and it believes that acceptance of these fundamentals by all peoples and governments is essential to the eventual establishment of a just and durable peace. It recognizes the special responsibilities of the United States as formulated in Principle 10. It emphasizes the unique responsibilities and opportunities of the Christian Church in the present crisis as these are formulated in Principles 11-13.

"The Conference recommends that this Statement of Principles be used as effectively as possible by the Commission and the Federal Council of Churches.

"a.) To crystalize public opinion on these basic issues. (The preparation and very wide distribution of a brief summary of these Principles, so simple as to be within the grasp of every American citizen, would greatly promote such crystalization of public opinion.)

"b) To call the attention of specialists in the political, economic and social areas, in their formulation of more concrete proposals, to the preeminent importance of these central spiritual and Christian insights.

"c) To provide our government and other governments with a formulation of the spiritual bases for eventual armistice and peace proposals, and

"d) To provide Christians with criteria for appraising specific armistice and peace terms when these come to be formulated."

#### IV. The Relation of the Church to A Just and Durable Peace

(NOTE: In acting upon this and other section reports the Conference proceeded under the following resolution: "That the section reports submitted to this Conference be received and approved as to substance, with the understanding that after careful editing and coordination they be commended to our respective constituencies for their favorable consideration and action.")

1. We believe it is the purpose of God to create a world-wide community in Jesus Christ, transcending nation, race and class. The Christian Church, accordingly, is responsible not only to proclaim the divine message, but also to contribute by all the means in its power, to secure a world-order in which God shall have His rightful place, and the basic needs of mankind shall be satisfied. In the present crisis this responsibility of the Church is made more manifest than ever before. It therefore becomes its inescapable duty to speak both to its own members and to the leaders of our political, economic and cultural life concerning what seems to it to be the will of God for the peaceful ordering of human life.

In order that its witness may be effective in the fullest measure, it is important that the Church reflect in every phase of its own life, — congregational, denominational, interdenominational and ecumenical, — the reality of the peace, unity and cooperation which it recommends to secular society.

Conscious also of its helplessness apart from God, and of the infinite resources which it has in God for the supply of every need, the Church is called upon to a new ministry of prayer in order that God's saving power may become manifest amid the complexity and tragedy of our life.

2. We are penitently conscious of the many weaknesses and shortcomings of the Church itself in the face of the tremendous responsibilities with which it is confronted. We have not sufficiently borne witness to, nor even adequately recognized for the Church itself, that very unity of mankind, beyond race and nation, which again and again we have declared in principle.

We call upon our churches, therefore, to enter seriously and immediately upon the task of breaking down the barriers that so easily divide us into opposing groups. We would say to them: If you believe in peace for the world, if you are working for cooperation between nations, governments, races and peoples under the Fatherhood of God, you must set the example for such reconciliation and cooperation. The Christian churches must come to realize as they now do not, that joining the Church of Christ in any of its branches means entering a fellowship world-wide in extent, beyond denomination and race, and should involve responsible participation in the task of making

spiritually more real our mystical fellowship in community life and in the world.

We would also call upon our churches to enter upon a new era of inter-denominational cooperation in which the claims of cooperative effort should be placed, so far as possible, before denominational prestige, and that conjoint Christian efforts be not weakened or imperilled by our several denominational allegiances.

3. We declare as the major premise that the Church is a spiritual entity, one and indivisible, which as such is not and cannot be broken by human conflicts. Therefore the Church is in a unique position to heal the wounds of war and bind the world together in a just and durable peace. We recognize the particular rights and responsibilities of the State in connection with the secular order. But we reaffirm the Christian truth that the Church in its essential nature is an ecumenical, supranational body, separate from and independent of all states including our own national state. The spiritual responsibilities of the Church and the spiritual service which it may render derive not from the claims which the State may make but from the freedom and autonomy of the Church itself under the Lord Jesus Christ who is its Living Head.

4. We believe that each local church will do much to create the mood out of which a just and durable peace can grow, and make its own message of Christian brotherhood real to itself and its constituency, if it will give itself to specific acts of service and reconciliation within its own community.

The practice of acts of inter-racial goodwill, aid and friendship for new Americans, assistance to refugees and to bewildered but innocent aliens, a ministry to the victims of war at home and abroad—these and other such immediate acts of helpfulness will be the best educational experience for the church group itself and will build the community attitudes upon which the peace we seek may later come.

In order to prepare and administer an inclusive educational program designed to promote a just and durable peace, we recommend to the Commission:

- (a) That integrated and cumulative courses for use in Church schools and study groups be constructed in consultation with the International Council of Religious Education. (These shall include not only bases for discussion but also suggestions for activities and projects.)
- (b) That the cooperation of denominational boards of Christian education in adapting and using these courses be secured.
- (c) That particular attention be given to further participation and enlarged support by youth through special emphases on youth programs and through the cooperation of existing youth agencies.

(d) That means be sought effectively to counteract hate and vengeance as controlling motives in the present crisis.

(e) That the possibilities of including the study of peace issues in public and private day schools be explored and utilized.

(f) That a synthesis of common elements in the proposals of various peace agencies be made available.

(g) That Christian people be prepared to make sacrifices in the interest of peace.

(h) That the Church should take greater account of (I) the potential power of childhood as bearing on future international relationship; (II) the importance of Christian education in the home; (III) the possible motivations for Christian world attitudes encouraged by common response to human needs; and (IV) the results to be obtained by cooperation with service agencies other than the Church.

(i) That all vehicles for the transmission of ideals, including magazines, motion pictures, and radio, be employed.

Moreover, in order effectively to convey to governmental authorities the mind of the Church on principles pertaining to a just and durable peace, we recommend to the Commission on the Bases of a Just and Durable Peace

- (a) That studies be undertaken to ascertain:
  - opinions among Church members about social justice and peace; areas where information is lacking;
  - methods of meeting needs thus revealed;
  - best technique of peace education and action by local churches;
  - ways in which ideals of Christian citizens may be brought into relation with the attitudes of legislative authorities.
- (b) That the Church be kept informed about legislative proposals and actions, and be aided in rightly understanding their significance.
- (c) That full and understanding support be given the efforts of government officials who are promoting far-sighted peace proposals.
- (d) That churches be informed of the present work of the World Council of Churches, now in process of formation, in steps preliminary to a just peace and that their active cooperation be solicited.
- (e) That preparation for a session of the World Council be encouraged in order that through such a session the influence of Christian thought be brought to bear upon the formulation of plans for peace settlement, and that arrangements be made for an

adequate Christian representation to meet whenever and wherever any official peace conference or conferences may be held.

5. We believe that if the churches of America are to participate adequately in making peace just and durable, they must develop a more real and vital sense of mission to mankind in the name of Christ, recognizing responsibility for service to humanity in all areas of life, social as well as geographical.

The finest expression of that sense of mission is to be found, we believe, in the missionary enterprises of the Church world-wide. However, the aftermath of war on a world scale will necessitate widespread readjustment of program and service to meet the tremendous need of the world. We recommend, therefore:

(a) That the mission boards through cooperative agencies should, at the earliest possible moment, be prepared to interpret to the churches the new opportunities and the necessary adjustments of machinery and study, whatever drastic changes such adjustments may involve.

(b) That a call be issued, if possible through the World Council of Churches, for a more thorough-going participation in the world mission of the Church, urging at the same time close and warmer cooperation among Christians of *all* lands, in working together in Christ's name for our brother-men everywhere.

## V. Political Bases of A Just and Durable Peace

THE churches of America face clear responsibilities in seeking to establish a better world when the war has ended. First among post-war duties will be the achievement of a just peace settlement with due regard to the welfare of all nations, the vanquished, the over-run, and the victors alike.

In order that such a settlement may tend toward a better political order, we as citizens of the United States of America, advocate the following principles and measures:

1. That the United States pursue a responsible national policy with concern for the welfare of all peoples and that the United States cooperate fully with all nations and peoples in working towards a world order of justice and peace.

2. That during a transitional period after the fighting has ended, the efforts of the peoples of the world be devoted, in proportion to their ability, to the reestablishment of order, the provision of food, shelter and medical service, and the restoration of stable government and economic activity, especially in the devastated territories. These emergency measures must include policing by joint action for the pro-

tection of minorities and disarmed populations, and positive measures of economic and cultural cooperation. They should be carried out under international authorities, representative of all peoples concerned. There should be no punitive reparations, no humiliating decrees of war guilt, and no arbitrary dismemberment of nations. All of these emergency measures should tend toward a growing structure of international order.

3. That among the functions of government that must be performed are the preservation of public order, the maintenance of economic opportunity, the safeguarding of public health and welfare, and the direction of population movements. In large part, these functions must be performed by local and national governments, but in part they can now be effectively carried out only by international authority.

4. That certain powers now exercised by national governments must, therefore, be delegated to international government, organized and acting in accordance with a world system of law. Among the powers so delegated must be the power of final judgment in controversies between nations, the maintenance and use of armed forces except for preservation of domestic order, and the regulation of international trade and population movements among nations.

5. That international authorities competent to perform these functions may be of two sorts. (1) The ultimate requirement is a duly constituted world government of delegated powers: an international legislative body, an international court with adequate jurisdiction, international administrative bodies with necessary powers, and adequate international police forces and provision for worldwide economic sanctions. (2) As steps toward, and potential organs of, such world government, there is need for many sorts of international bodies charged with specific duties, such as the International Labor Organization, and various agencies such as those now acting for the United Nations to coordinate natural resources, shipping, and food distribution. Such bodies must be adapted to the service of world order and government, and must not become a substitute therefor. In the operation of these agencies, and in progressing toward full world government, every effort should be made to achieve agreement and voluntary co-operation of all concerned.

6. That, utilizing experience with the mandate principle, a system of administration of colonial territories under international authority be developed. In areas now under colonial administration, advance toward self-government should be carried forward in substantial progress. The affairs of peoples deemed not yet capable of self-government should be administered as a common trust, by international authority, in the interest of these peoples as members of a world society.

7. That the influence of the churches shall be employed to keep the foregoing principles before the attention of diplomats and statesmen.

## VI. The Economic Bases of A Just and Durable Peace

1.

OUR concern with world economics is an obvious consequence of our desire, as Christians, to realize an ever richer spiritual world fellowship. While the strengthening of the spiritual bond may help to prepare for a solution of the economic problems of the world, the spiritual union may itself be gravely impaired or disrupted by conflict arising in the economic realm. We are deeply disturbed by the economic distress of millions of our fellow men and by economic conditions that threaten the extension of the kingdom of God on earth.

2.

We view the economic tensions and distresses of our day as symptoms of a general world disorder. In our era production has been carried on primarily with a view to monetary gains. Profit has been the principal incentive relied upon to turn the wheels of industry and to bring forth the fruits of the soil.

This system has in recent years developed grave defects. There have occurred mass unemployment, widespread dispossession from homes and farms, destitution, lack of opportunity for youth and of security for old age. These calamities, which have often been accentuated by short range self-seeking trade policies of various nations, have made for war. There has been a sharp increase in economic nationalism with tariffs being raised, monetary systems adjusted for the benefit of national interests, and a race for colonies on the part of some countries. Out of this economic insecurity has come an atmosphere favorable to the rise of demagogues and dictators. Mass unrest has afforded violent and unscrupulous men the opportunity to seize leadership and has made any rational approach to international disputes impossible.

In this chaotic situation there has arisen in certain countries an alternative way of production which is based on complete management and control of all economic life by government. With this has come a system of compulsion which deprives the individual of freedoms, economic, intellectual and spiritual, necessary to human dignity.

We do not believe that we are limited to a choice between these two alternatives. If this seems the only choice it is largely because the churches have failed generally to inculcate Christian motivation. Willingness to strive and to produce and to render services should not be dependent either wholly upon profit motivation or wholly upon compulsion. We urge upon the churches that they have the great opportunity and responsibility to make possible a generally acceptable solution by bringing people to a different and more Christian motivation.

In a day when revolutionary upheavals have swept away the traditional economic organization in Russia, Italy, and Germany, and now

when, by reason of the necessities of war, that economic order is being radically re-organized everywhere, the church has a manifest duty in the economic field, both urban and rural. That duty is not to line up on the side of any economic system and certainly not to prescribe details or advocate panaceas. Its responsibility lies in a deeper moral realm. As Christians we must be vitally concerned for the preservation of human values in any and every system. The Christian doctrine of man as a child of God carries with it the demand that all men, without distinction of race, creed, or class, shall be afforded the economic means of life and growth.

Any economic program which allows the quest for private gain to disregard human welfare, which regiments human beings and denies them freedom of collective bargaining, thus reducing labor to a mere commodity; any program which results in mass unemployment or dire poverty in mine or factory or farm; any program which fails to conserve natural resources and results in soil deterioration and erosion and along with it human erosion and deterioration of rural life in home and school and church, is manifestly wrong. Against such evils the church should arouse the conscience of mankind in every nation. The church must demand economic arrangements measured by human welfare as revealed by secure employment, decent homes and living conditions, opportunity for youth, freedom of occupation and of cultural activities, recognition of the rights of labor, and security in illness and old-age. To secure these arrangements it must appeal to the Christian motive of human service as paramount to personal or governmental coercion.

3.

The building of a just and peaceful world involves the building of national and local communities on the basis of justice, freedom and cooperation for the common good.

We believe that a new ordering of economic life is both imminent and imperative, and that it will come either through voluntary cooperation within the framework of democracy or through explosive political revolution. We recognize the need of experimentation with various forms of ownership and control, private, cooperative and public. It is hardly to be supposed that any one system, whether of private, cooperative, or public enterprise is suited to all kinds of production, distribution and service. The production and distribution of goods on the basis of voluntary cooperation is an experiment which in many parts of the world is meeting with notable success.

4.

We believe that no nation nor group of nations can solve in a permanent way the economic problems interior to itself without the cooperation in goodwill of the other peoples of the world. The economic prosperity of one nation bears a direct and not an inverse ratio to that of others. It is necessary to abandon injurious forms of eco-



economic competition and to avoid entrance upon the disastrous chain of economic counter measures and reprisals which often mark the policy of competing nations. We endorse the principle that "national interdependence now replaces independence and that action by any nation, notably in the economic field, which materially and adversely affects other people, is not purely a matter of domestic policy but is coupled with an international responsibility."

\* \* \* \*

(In conjunction with the foregoing, the Conference approved the following recommendations and convictions. Insofar as they involve technical applications, they call for special study since, as above stated, the duty of the Church is not to prescribe details. With respect to the recommendations based on Paragraph 3, there was a vote on whether they should be approved by the Conference or referred for further study. Approval was voted by a substantial majority.—EDITORIAL COMMITTEE.)

*Recommendations Based on Paragraph 3:*

1. That every man should have the opportunity to share in the ownership of both personal and productive property, such as a home, a farm and economic enterprises.
2. That every member and family of the human race have a right to steady employment and to earn an income such as may provide the necessities of life and growth and is in accord with the wealth-producing capacity of their day and the requirements of responsible conservation of natural resources.
3. That in early years every individual has the right to full-time educational opportunities with reasonable consideration of his talents, interests, and probable vocation; that in later years every individual is entitled to economic security in retirement and the continuation of cultural opportunities; that in the whole span of life every individual is entitled to adequate health service and professional medical care; and that in the productive years there is the universal obligation to work in some socially necessary service.
4. That every man has the right to employment of a kind that is consistent with human dignity and self-respect, and to such leisure as is essential for cultural and spiritual development; that employers of all kinds should recognize and safeguard these rights.
5. That citizens, through their governments or other appropriate agencies, have not only the right but the duty
  - a. To prevent destructive cyclical trends in business by regulatory measures or, if these prove inadequate, by direct initiative;
  - b. To counteract the unemployment resulting from technological change through vocational re-education, through public employment agencies, and, if necessary, through a reorganization of industries and markets.
6. That industrial democracy is fundamental to successful political democracy, and we therefore recommend that labor be given an increasing responsibility for and participation in industrial management. The

principle of democracy in economic relations should be accorded wider expression by the development of stronger *voluntary* producers associations, farm organizations, labor organizations, professional groups, and consumers organizations, and their integration into some form of national economic council, for planning in cooperation with government for maximum production and consumption and the abolition of unemployment. In each industry also, industrial councils should be developed, representative of management, labor and consumers, for democratic direction of industries towards these same ends. The effect of maximum production and consumption in each country would be to decrease the pressure of competition for world markets and thus to mitigate one of the major economic causes of war.

7. That we cannot find the means of preventing social disorder until we have ended the paradox of poverty in the midst of plenty. We believe that a tax program should be formulated in such a way that the burden be placed in proportion to the ability to pay, to the end that our wealth may be more equitably distributed.

8. That agriculture has a dual importance, both as a way of making a living and as a basis of family and community life. Our economic system must become servant and not master in maintaining the socially significant services of agriculture, such as feeding the world and producing the organic raw materials essential to industry.

9. In view of the Christian principle that a house divided against itself cannot stand, we urge that the International Labor Organization or its successor organization after the war shall make a special study of all available plans for avoiding or reducing the animosities too often prevailing between Labor and Management and tending to national inefficiency and war.

*Recommendations Based on Paragraph 4:*

1. The progressive elimination of restrictions on world trade, such as tariffs and quotas, under the guidance of an international organization and by other appropriate methods.
2. "The fullest collaboration between all nations in the economic field with the object of securing *for all* improved labor standards, economic advancement and social security." This is the language of the Atlantic Charter, Article 5. We call attention however to the fact that in Article 4 of this Charter, the obligation "to further the enjoyment by all states, great or small, victor or vanquished, of access on equal terms to the trade and raw materials of the world which are needed for their economic prosperity," is limited by the phrase "with due respect for their existing obligations." We urge that such existing obligations be modified so as to permit the complete achievement of the goal set forth in this same Article. We hold that in all this matter the rights and needs of indigenous populations should be given just consideration.

3. The establishment of a universal system of money. The money system should be so planned as to prevent inflation and deflation, insofar as this is possible through monetary means.

4. The establishment of a democratically controlled international bank or banks to make development capital available in all parts of the world without the predatory or imperialistic aftermath so characteristic of large-scale private or governmental loans.

5. The creation of a world organization to study and make recommendations concerning problems arising from the pressure of population on the means of subsistence. We condemn any attempt upon the part of any nation to solve these problems by measures that discriminate against any people because of race or creed.

We believe that wealthy nations should not only refrain from action that is injurious to their neighbors, but should initiate action that is calculated to benefit their neighbors, as for example, the direction of foreign investments with a view to raising the standard of living of the underprivileged peoples of the earth. No attempt should be made, however, to impose an alien culture upon any people.

We recognize that at the close of the war vast populations will be in need of food, shelter, clothing and medical care, and that vast areas will call for physical and economic rehabilitation. We believe that the American people, acting through their government should assume a major share of the responsibility and task of meeting this need.

#### GENERAL RESOLUTION ON ECONOMIC COLLABORATION

We note such acts of our government as that reported by Under-Secretary of State Welles at Rio de Janeiro on January 15th, 1942, that "It is the policy of the United States to aid in maintaining the economic stability of the other American Republics by recognizing and providing for their essential civilian needs on the basis of equal and proportionate consideration with our own"; also the provisions of article 7 of the Anglo-American Pact of February 26th, 1942, calling for post-war "participation, by all countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment and the exchange and consumption of goods which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce and to the reduction of tariffs and other trade barriers." We instruct the officers of this Conference to communicate to our government our deep satisfaction with such acts. The spirit evidenced thereby is, in our judgment, that which must come to permeate the life of nations if they are to achieve a just and durable peace.

## VII. The Social Bases of A Just and Durable Peace

### PRINCIPLES

WE are convinced that:

The present struggle of the nations is not just another war in the history of mankind. It is the upheaval of the old order and the birth of a new. The relationships of men will never again be the same, nor should they be the same, for they have not been founded on the eternal truths of God.

Therefore we affirm that whatever peace settlements are presented to the peoples of the world should express the following principles:

(1) Man is a child of God and all men are brothers one of another. The church in its long-established missionary work recognizes its responsibility to bring all men into full relationship as children of God.

(2) Mankind is one in nature and in the sight of God. No group of men is inherently superior or inferior to any other, and none is above any other beloved of God.

(3) The whole earth is given by God and to all men for their common dwelling place, and the resources of the earth should be used as His gifts to the whole human family.

(4) All men should be free to move over the surface of the earth under international agreement, in search of the fullest opportunity for personal development.

(5) Freedom of religious worship; of speech and assembly, of conscience, of the press, of the arts, and of scientific inquiry and teaching should be available to all men everywhere.

#### *Relief and Rehabilitation*

The present mass suffering of the world requires action on the part of the Church in America far beyond anything yet undertaken. Six million young men in the prison camps of the world; scores of millions of refugees—homeless, helpless, starving; whole regions subjected to slow starvation as a result of the policies of states—these and kindred areas of desperate suffering inflicted upon masses of innocent victims challenge the Church to a demonstration of its basic doctrines of human solidarity and brotherhood in a potential family of God. They provide potent opportunities for creating even now, in the midst of war, responses of goodwill and solid grounds for enduring fellowship.

#### *Toward a World Community*

The nations of the world are passing through the crucible of fire and sword. National cultures which have enriched and given meaning to millions of people are in danger of extinction. No nation can escape

this crisis. Those nations which, amid the purifying days of suffering, rediscover or preserve their souls from disintegration under the heel of the invader, from the despair of defeat, or from the pride and boastfulness of victory, will be ready to reconstruct their own national life and that of the world upon the ruins of today.

The sovereign power of the nation-state is being modified by economic, political, and military forces which demand a new social order. It will be impossible to return to such extreme practices of national sovereignty as have prevailed during recent decades. We believe that the State is a form of political organization which can and should be modified to meet the needs of the peoples of the world in the emerging situation. At the same time, however, we believe that different peoples have their distinctive places in the divine economy and that any world order must look toward unity in diversity and not to general internationalism and cosmopolitanism. If we would avoid a superficial solution to the world's needs, we must come to recognize the distinction between those cultural values that center around the people, or folk, on the one hand, and the political state and government on the other.

We, the members of the American churches, and a part of the world-wide Christian community believe that the Christian churches in those countries where they are an inherent part of its nation's life, have a task to perform not only in helping to preserve and restore the national spiritual unity of their people but also in relating their people to the larger family of nations.

We believe that no matter what world scheme for political and economic organization may be devised to meet the demands of the modern world, at the heart of such a plan there must be developed an "international ethos" which not only springs from the loyalties of the people to their own nation, but includes their relationship to the welfare of mankind as a whole.

We believe that the Christian Church, because of its universal gospel, its positive world-view and its deep concern for both the individual and the nation stands on the threshold of its greatest opportunity to bear witness to the reality of the world Christian community and to manifest in sacrificial living a spirit through which a suffering broken humanity can be transformed into a world community.

#### *Race Relations and Cultures*

Among the primary factors in the maintenance of a just and durable peace will be equitable treatment of all racial groups that make up the world's population. Therefore the securing of justice now for racial groups is essential if America is to make its full contribution in securing a just and durable peace.

We acknowledge with profound contrition the sin of racial discrimination in American life and our own share, though we are Chris-

tians, in the common guilt. So long as our attitudes and policies deny peoples of other races in our own or other lands the essential position of brothers in the common family of mankind we cannot safely be trusted with the making of a just and durable peace.

In our own country millions of people especially American Negroes are subjected to discrimination and unequal treatment in educational opportunities, in employment, wages and conditions of work, in access to professional and business opportunities, in housing, in transportation, in the administration of justice and even in the right to vote. We condemn all such inequalities and call upon our fellow-Christians and fellow-citizens, to initiate and support measures to establish equality of status and treatment of members of minority racial and cultural groups.

Some local current outrages that have national significance and therefore international effects in the attitudes of other peoples are the recent Missouri lynching and the rioting in Detroit over the Sojourner Truth Housing Project.

The Conference adopted the following:

#### A. Under "Relief and Rehabilitation"

To rise adequately to a sense of its God-given mission, the Church must:

1. Make vivid in the consciousness of its entire membership the awful reality of this agony;—mass in extent, but personal in intensity.
2. Provide continual opportunity for material giving on the part of every member, to the point of genuine sacrifice, as a requisite of Christian living.

3. Recognize cooperating agencies approved by the Committee on Foreign Relief Appeals in the Churches as existing channels for a world-wide ministry of compassion.

- (1) War Prisoners' Aid of the World's Committee of the Y.M.C.A.
- (2) Central Bureau for Relief of the Evangelical Churches of Europe
- (3) Church Committee for China Relief
- (4) American Bible Society
- (5) American Friends Service Committee
- (6) Y.W.C.A. World Emergency Fund
- (7) American Committee for Christian Refugees
- (8) International Missionary Council

4. Recognize responsibilities for cooperation with government in areas of rehabilitation which concern the Church but transcend its normal functions. Such areas include the moving of populations, the restoration of the cultural life of peoples, the resettling of refugees, the return and rehabilitation of prisoners of war, and the reintegration into

civilian life of men in the armed forces and the civilian public service camps.

The malnutrition and slow starvation of millions of innocent victims of war in conquered countries is heavy upon our Christian consciences. Although we have not reached agreement as to immediate remedial measures to be urged upon governments, we request the Federal Council of Churches to continue its exploration with the governmental authorities with a view to finding practicable means for alleviating these situations.

5. Prepare now for the tasks of rehabilitation at the end of the war. Such preparation might well include the following:

(a) Relate present war relief giving to the continuing need which the end of the war will not terminate but only more clearly reveal.

(b) Develop courses and emphases in church schools and young people's programs regarding the problems of reconstruction which will prepare our youth for their responsibility. Specialized training should be provided for those people who may be called to serve in reconstruction abroad.

(c) Urge missionary societies to maintain intact, so far as is possible, their field organizations and personnel for large scale and effective reconstruction.

(d) Ask missionary agencies to emphasize a thorough grounding in the technique of relief and rehabilitation for all candidates in training for missionary service.

#### B. Under "Toward a World Community"

We urge among some of the problems for further study by church people the following statements:

1. The highest ethical principles which in their operation have hitherto been limited to community and national relationships should now be so extended as to apply in the field of international relations.

2. The problem confronting the world is how to substitute for the idea of self-preservation of the individual state a concept of world order which will recognize the primary importance of the society of nations, and the principle that the good of the whole takes precedence over the good of the part, since the highest and ultimate good of the part is itself so largely conditioned by the good of the whole.

3. Whatever may be the political, economic or military form of world organization, for the preservation of a just and durable peace, the rights and duties of peoples to maintain their full cultural freedom must be preserved.

Many of the Christian Churches in the lands of the conquerors and the conquered have during these tragic days remained faithful to the Master. With the central message of the Cross, they have succored the

souls of their peoples and have kept them from despair. They have pointed to the God-imposed duty of every people, no matter how small or how large, of whatever race or creed, to go the way of repentance, obedience and complete consecration to His will.

#### C. Under "Race Relations and Culture"

(1) We commend the President of the United States for his executive action directed toward the elimination of discrimination in industry and the public services against Negroes and persons of other racial and national origin. We urge that in further pursuit of this policy Negro Americans be given suitable recognition in the Administrative and Judicial Departments of the Government.

(2) We call our fellow-Christians to witness that it is in the nature of the Church that Negro men and women and those belonging to other racial and national minorities should be welcomed into the membership, administrative personnel, and fellowship of our churches, local and national. We urge individual Christians and the corporate body of the Church of Christ to take up the cross of courageous service in action which deals with the problems of race and color in our land.

(3) The modern confusion of culture and race has grown out of the belief that culture is a product of biological heredity and that Anglo-European culture is superior because it has sprung from superior human strains. We believe that all racial groups have contributed outstanding cultural gifts to civilization and that the exchange of such gifts has enriched all mankind. A just and durable peace should provide and insist upon a framework that allows more opportunity for creative expression of all groups and for greater exchange of such cultural creations in the field of music, art, medicine, and literature. Assimilation of culture does not mean amalgamation of racial stocks.

(4) We appeal to our fellow citizens to recognize now the crucial importance of justice in race relations in our own country as paving the way for the wider recognition of it which will be essential to world peace. Our attitudes toward other racial groups have all too frequently prevented the operation of justice in the past. We remind our fellow-Christians of the appeal of the Japanese for recognition of racial equality at the time of the Versailles Peace Conference. The refusal of that plea and the imposing of such restrictions on immigration as embodied in the Immigration Act of 1924 are recognized as factors contributing to the breakdown of peace. We would now commit ourselves to the task of protecting the rights of American born citizens of Oriental parentage, who are likely to suffer unnecessarily because of racial prejudice and discrimination of our attitudes towards Asiatics.

(5) We endorse the proposal that the Federal Council of the Churches of Christ in America set up a commission for the study of racial and cultural problems in American life as a necessary measure to support our effort for a just and durable peace among the nations. It

is imperative that we put our own house in order so that we can contribute effectively to a sound organization of international life. To that end we need continuous study, interpretation and a device to guard our churches in facing the opportunities and duties of racial and cultural adjustment in the present crisis, both at home and abroad.

(6) Also, when further statements of peace aims are made, we ask our government to clarify in more detail its peace aims toward recognizing racial equality, opportunity and aid for migration, and protection of religious, political, racial, and cultural minorities.

### VIII. General Resolutions

#### 1. *Presentation of Message to Government Officials*

WHEREAS the National Study Conference has noted with deep satisfaction the steps now being taken by the government of the United States to anticipate the needs and problems of the post-war period, AND WHEREAS this Conference within its competence has been engaged in an effort to make articulate the concern of our churches for a peace that shall be just and durable, BE IT RESOLVED that this Conference call upon the Commission to Study the Bases of a Just and Durable Peace to lay before the President of the United States and other government officials the findings of this Conference.

#### 2. *Follow-Up of the Conference*

WHEREAS the National Study Conference recognizes the need for a continuous study of the problems with which it has here been concerned, and that this Conference represents the beginning stage in an educational process which must continue through and following the war, BE IT RESOLVED that the findings of this Conference be transmitted to the several communions, to the city and state councils of churches, to the churches abroad, to the leadership of summer conferences, to secular organizations engaged in similar studies and to the agencies cooperating on the Federal Council's Commission, BE IT FURTHER RESOLVED that the Conference calls upon the several communions either on their own initiative or in cooperation with the Commission to plan for a series of study conferences in various parts of the country and that they make possible the widest distribution of the reports of this Conference to their own leaders, lay and clerical. BE IT FURTHER RESOLVED that in view of the imperative need for expanding the work of the Commission the respective communions be urged to give the fullest collaboration and support to the work of the Commission and that each communion be urged to assign for full time service in this work one or more of the ablest leaders who would maintain cooperative relations with the Commission.

(At the close of one of the section meetings, Dr. John A. Mackay was asked to lead in prayer. The prayer, taken down by one of the delegates, is here included as expressing the spirit of commitment to the purposes and will of God in which the Conference did its work, and in which its Message is now sent to the churches.)

Our Father, thou didst make us in thine image. Very early did we lose it, and have never found it save in thy Son. We pray thee that as the days and years go by, his imprint may be more fully upon us and that we may know his mind.

Thou knowest our confusion, not so much with regard to essential truth—not in our deathless loyalty to Him—but amid the perplexities of the human situation in a sinful world. We would do the best we can. We follow the light we have. We are moved by the promptings of thy Spirit in our hearts.

O God, do thou seal with thine approval all that has been fully consonant with thy will. And whatever has had its source in self-will or in self-glory, or only in the desire to have our viewpoint prevail—may that, O Lord, fall to the ground like everything sinful and mean.

We pray thee that what we have done here may prove to be helpful to thy Church, constructive in our upbuilding of a loving witness against all those who would exalt themselves above the authority of our Lord Jesus Christ.

Let thy Spirit be with us through the hours of the conference that still remain.

O Holy Spirit lead us into all truth—truth as it is in Jesus—for our time—for our lives—for this awful hour. And when we see the truth may we be loyal to it both now and forever.

In human weakness we implore thy forgiveness, and ask thy blessing and unfailing love in the name and for the sake of Jesus Christ our Lord, who taught us to pray together—

Our Father who art in heaven, Hallowed be thy name. Thy kingdom come. Thy will be done on earth, as it is in heaven. Give us this day our daily bread. And forgive us our trespasses, as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil: For thine is the kingdom, and the power, and the glory, for ever. Amen.



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JUDGING  
THE  
DUMBARTON OAKS  
PROPOSALS

A Preliminary Statement of the  
Post War World Committee



The Catholic Association for International Peace  
1312 Massachusetts Avenue, N. W.  
WASHINGTON 5, D. C.

## JUDGING THE DUMBARTON OAKS PROPOSALS

At present the discussion of the Dumbarton Oaks proposals is in a fluid state, but it will very soon crystallize. Contributing to that will be the meeting of Messrs. Churchill, Roosevelt and Stalin and the next United Nations conference with regard to the proposals themselves.

Two courses are presented to us, in regard to which we appear to stand at the parting of the ways.

The first course would be the acceptance of the Dumbarton Oaks plan substantially as it has been formulated as a plan for meeting the problem of the maintenance of peace against aggressors. In the plan the question of security is primary, and it provides the machinery for constant and effective consultation among those great powers whose paramount duty and ability it is to see that the peace is preserved.

However, a difficulty attends a position of unconditional acceptance. The peace and security which are to be guaranteed under this proposal risk nullification by the prospect of unilateral action on the part of at least one of the three principal powers. To accept the plan unconditionally would seem to mean the consecration of injustice; it would seem to utter a death sentence upon the cause of the smaller nations, and to imply an abandonment of principle.

Even without our agreeing to the idea of the unanimous voting requirement which the Russians apparently insist upon, the above objections can be raised; and if the unanimous vote is added to the existing form of the plan, this attitude leaves us still further open to the charge of a moral surrender.

On the other hand, a radical rejection of the plan meets again with exceedingly serious difficulties. It would apparently strike down the only hope, however weak that be, of prevailing against the speedy recurrence of war.

An unqualified rejection of the world security plan, as here presented, means that we abandon the first concrete application of the ideal of that international world organization for which the

moral conscience of the entire civilized world is clamoring. Although this example is defective and comes to us laden with objections and handicaps, it is all that is now practically available, and there is no conceivable likelihood of the recurrence of this opportunity. There is no prospect in sight of any other such concrete achievement at this critical instant. Months, and indeed years, of preparation have gone into the elaboration of the existing world-security plan. And with its rejection comes the abandonment of its many undoubted excellences.

To note certain outstanding elements in the plan which commend themselves to our approval:

First, we note its flexibility in the work of repressing wars and its continuity of existence. In this line it follows the insistence of Pope Pius XII in his recent Christmas broadcast on adopting a continuing and immediate action against possible aggressors, of "war against war" in the most immediate and concrete sense, by suppressing the aggressor even by the use of force.

Second, we note the sound general aims as expressed in Chapters I and II of the Proposals.

Third, vast possibilities are evident for the development of the economic council.

Fourth, to abandon the plan at the outset would be to lose the very hope of using persuasion through every form of contact, and the opportunities for influencing public opinion and building up motivations for mutual restraint among the major powers and with offending countries.

Such an abandonment is particularly perilous in view of the acute danger from the side of an (as yet) unconquered and militant Germany. It would mean a policy of despair as to Europe and as to any good influence that we could exert in European conditions. It would mean the turning over of Europe to fanaticism and Communism. In such a situation international morality would again be simply driven underground.

We need also to bear in mind that an expression of complete despair as to the possibilities of reconciling, even at the cost of great difficulty,



the principles of morality with the present world-security plan, runs a still further risk—namely, of becoming merely a cloak for a vicious and entirely impractical spirit of isolationism and international irresponsibility on our part.

Faced, then, with this dilemma, what is there that we still can do? As a fundamental point, we certainly need to recognize that the very acuteness of the present situation is due not to our readiness to participate in any form of international organization, but in part at least to our backwardness and hesitation with regard to such organization. If the United States and the other great powers had acted earlier, if already a year or two ago we had participated in the setting up of some sort of organized international framework similar to the present world-security proposals, then an atmosphere would have been created which might very well have served as a bulwark against the present outbreak of unilateralism and bilateralism in power politics. In other words, the actions of Russia, France and Great Britain, which are so distressing to us in the present situation, may be simply ill-advised attempts to fill a vacuum which has too long been left empty. The challenge, then, of the present situation is not a withdrawal from international organization, but it is a call immediately to enter upon a task which the nations have left too long undone.

A fourfold answer to the question we have raised may be framed.

A. The first part of the answer will be wholeheartedly to accept what may be good in the Dumbarton Oaks proposals, irrespective of the conditions under which they are proposed. Full credit can be given to them for what they are worth simply as proposals, as a possible machinery for justice and peace, as capable of the widest and most beneficent development if they are to be realized with even a minimum of good will.

B. Secondly, we frankly register our criticism of various defects which are found in these proposals. For instance: 1) The smaller nations readily note that the assembly has no legislative power. 2) There is an ambiguity about the pacific settlement of disputes as determined in Chapter VIII, Section A, Paragraph 7. There is

an uncertainty as to the meaning of the word "taken" or "authorized" in Chapter XII, Section 2. 3) The plan makes no provision for the revision of treaties and peaceful change, except as Chapter VIII appears to deal indirectly with this process. 4) There is no arbitration machinery set up for settlement of non-justiciable political disputes; the Council is apparently its own court of arbitration, yet in its representation it is the most partial body conceivable. 5) There is a lack of explicit consideration to be given to minorities. 6) There is no explicit commitment to the principle of reduction of armaments, which collective security is said to make possible.

C. Finally, having accepted what is good and criticized what appears to be defective, our third task, as intelligent and moral critics, is to determine those conditions which are necessary for any acceptance of the proposals. By this we do not mean such conditions as are frankly impossible: for instance, that a world-security organization cannot be set on foot until all questions of boundaries and other problems of the present have been solved. But rather we should insist that such conditions shall be provided as will be expected to afford opportunity for sufficient understanding to make such a union feasible. Such conditions will not exclude injustice completely, but at the same time they do not close the door to justice. To enumerate certain such conditions:

1. There should at once be removed one of the major weaknesses in our present position in the western world; namely, the absence of any codified statement of international law. A codification of fundamental principles of international law is something that should be undertaken at once. Even if such international law cannot be fitted into the Soviet scheme—which looks upon law as wholly instrumental to the Soviet state or party system—we in the West should make clearly known to Russia what we hold. We should, in other words, let Russia know what she joins with when she joins with us. We should make known that those are the agreed principles of the western nations. Such a codification would regis-

ter not only matters of custom and procedures that have grown out of customary international practices, but it should also contain a clear statement as to the innate rights of man. It is well to consult in this connection the relevant words of the American bishops in their peace declaration of November, 1944.

2. There should be a clear statement of the principles and implications of world economic citizenship, in view of the distressed and agonized condition of the world's populations. We note the words of the bishops with regard to the stewardship of the material goods in the international order:

"In fostering and promoting international cooperation it must seek to guarantee to the weak and poor nations economic opportunities which are necessary to give their peoples reasonable standards of living, and it must seek to prevent selfish monopolistic control of raw materials which are needed for the economic stability of other nations."

3. It should be made perfectly clear that in registering our protest against Power Politics as practiced by the other major powers, we do not condone them on our own behalf. While a clear-cut statement as to our policies with regard to international bases, both naval and air, may be premature, at least certain principles should be made clear in that regard.

4. There should be an unmistakable agreement as to the limitation of armaments. Here again the position of the Holy See calls for the indispensable complement of such limitation; namely, the "formation of an organ for the maintenance of peace, of an organ invested by common consent with supreme power, to whose office it would also pertain to smother in its germinal state any threat of isolated or collective aggression."

5. As necessary conditions for such a world-security organization, a wide plan of popular education and development of public opinion throughout the respective countries should be undertaken immediately.

D. In addition, there should be formed a United Nations Council of an advisory character, in

default of a complete international world organization. This Council should be convoked immediately as a means for bringing the problems of the smaller nations into the open, and for finding out what is workable in their plans and conducive to the general good, both national and worldwide.

Such a Council would not infringe on the peace-keeping function of the principal powers, but it would serve as a means for solving the acute difficulties which exist in the interim before a more permanent and universal solution can be obtained. It would act without prejudice toward any ultimate settlement by a completed world organization and would exemplify the need for the organization's insisting on the power to effect peaceful change for the promotion of justice. The principle therefore would be saved of a thoroughgoing juridical organization of all peace-loving nations as the only ultimate solution, but at the same time some escape would be offered from the present situation of incipient international anarchy.

#### QUESTIONS FOR DISCUSSION

1. Why is the question of international organization vital to world peace?
2. What are the Dumbarton Oaks Proposals?
3. What principles did the Bishops of the United States recently lay down with regard to organizing the peace?
4. What difficulties attend (a) accepting the Dumbarton Oaks Plan unconditionally; (b) rejecting it absolutely?
5. Discuss the following aspects of a positive policy towards Dumbarton Oaks: a) Acceptance of what is good; b) criticism of defects; c) determination of the conditions necessary for any acceptance of the proposals; d) the immediate formation of a United Nations Advisory Council.

#### SUGGESTED READINGS

*Proposals for the Establishment of a General International Organization as Submitted by the Dumbarton Oaks Conference.* The Woodrow Wilson Foundation, 8 West 40th St., New York 18, N. Y. Free.

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This is a preliminary statement of the Post War World  
Committee of the Catholic Association for International  
Peace. Prepared by Rev. John LaFarge, S.J., it was submitted  
to the members of the Post War World Committee, who  
cooperated in the final form of the statement. With the  
approval of the Ethics Committee the preliminary statement  
was ordered published by the Executive Council. As the  
process indicates, this is not a statement from the whole  
Association.

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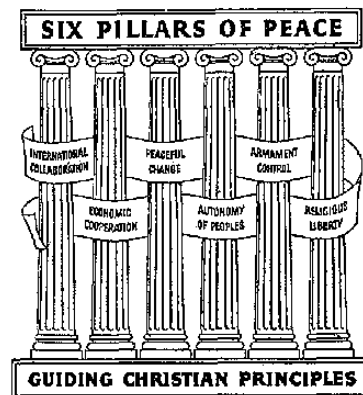
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# WORLD ORGANIZATION

"CURATIVE and CREATIVE"



THE COMMISSION ON A  
JUST AND DURABLE PEACE

297 Fourth Avenue

New York 10, N. Y.

## A STATEMENT TO PUBLIC LEADERS AND OUR PEOPLE

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**W**E HAVE ENTERED upon a new year during which many generalities about the peace will have to be translated into concrete decisions. These decisions will be of two kinds, particular and general. Particular decisions will relate to such matters as boundaries, the re-establishment of order in liberated areas and the conditions to be imposed upon enemy peoples. General decisions will relate to the nature of the post-war order which the United Nations will create.

With respect to particular settlements there are some proposals so clearly violative of the moral law that the Christian conscience could never acquiesce therein. The Christian people of this nation expect that their government will reject them and strive earnestly and competently for particular settlements which will be just and conducive to permanent concord. But we recognize that war creates a psychological environment that is abnormal and transitory; that there are conflicts of legitimate claims and that many millions in Europe who are deeply concerned cannot now effectively present their views. Therefore there will be particular settlements which will fail to meet the test of time. This accentuates the importance of the general decisions which will determine the nature of the post-war order.

There, a basic choice must be made between international organization designed merely to perpetuate by repression the particular structure of the world which will emerge from the war, and international organization which, in addition to such use of force under law as is a requisite of order discharges tasks that are curative and creative. On that issue our Commission has spoken. In our Statement of Political Propositions ("Six Pillars of Peace") we advocated not only a general world organization and regulation of armament,

much as subsequently proposed by the Moscow declaration, but also that international organization be designed:

To seek, from time to time, the change of treaty conditions which may prove unjust and provocative of war;

To seek to put economic and financial intercourse on a more dependable and fruitful basis;

To seek that autonomy be the genuine goal of colonial administration;

To seek for people everywhere a regime of spiritual and intellectual liberty.

We consider it essential that, as the functions of general international organization are elaborated during the coming days, they be made to include such tasks. We do not demand the impossible or the impracticable. We realize that only as there develops an increased awareness of common interest will national groups share with others decisive authority over their destiny. Therefore we are prepared to recognize that any international organization dealing with such matters may, at first, have to depend more upon moral than upon legal authority. But we do insist that international organization should be designed, not to maintain a faulty world status, but to seek inventively to eradicate the political and economic maladjustments, the spiritual and intellectual deficiencies, the inadequacies of international law, which basically cause war.

Therefore, as of instant importance in the year before us,

We urge our public leaders to take steps to endow the projected world organization with responsibilities that are curative and creative and not merely repressive. That is the only type of world organization which, in our judgment, the Christian forces of our nation will solidly support.

We urge our people to remain united and vigorous to achieve such international organization and American participation therein. If there are disappointments as to particular settlements, that is a reason, not for relapse toward political aloofness, but for

even stronger efforts to achieve world organization which has potentialities for correcting mistakes and developing a true fellowship of people.

In conclusion, we appeal to the people in our churches to stand strong in their faith in God. Our hope rests upon the knowledge that He rules in the affairs of men and nations. Plans arising from the despair born of fear or from the frenzy born of passion are destined to failure. Let us proclaim boldly and clearly, "The Lord thy God reigneth." As the power of our nation is used in conformity with His laws it will contribute to the establishing of a just and durable peace.

The Committee of Direction of the  
Commission on a Just and Durable Peace

By JOHN FOSTER DULLES,  
*Chairman.*

*Approved by the Executive Committee of the*  
FEDERAL COUNCIL OF THE CHURCHES OF CHRIST IN AMERICA  
January 1944

THE COMMISSION ON A JUST AND DURABLE PEACE

297 Fourth Avenue • New York 10, N. Y.

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## **GOALS FOR SAN FRANCISCO**



# GOALS FOR SAN FRANCISCO

## *A joint study of Catholic, Jewish and Protestant pronouncements on world organization*

Catholic, Jewish and Protestant pronouncements have made clear the moral principles of a just world order. Our joint study of these authoritative statements convinces us that the agencies which issued them are agreed on ten constructive recommendations for the United Nations Charter to be drafted at the San Francisco Conference. These agreements offer practical guidance to all men of good will. The pronouncements upon which they are based include the "Pattern for Peace," issued by leaders of the three religious bodies in October, 1943; the statement of the Catholic Bishops in November, 1944; the statement of the Federal Council of Churches in December, 1944; the statement of the Synagogue Council in January, 1945; and the statement of the Cleveland Church Conference in January, 1945. Our formulation of these recommendations to support and improve the Dumbarton Oaks Proposals for a world organization is as follows:

**1. Need for Organization.** The sacrifices and hardships of this war and the need of mankind for an organized peace make it imperative that the San Francisco Conference succeed and the general security organization be established.

**2. Preamble.** The Charter of the United Nations Organization should acknowledge in its preamble that the actions of States are subject to the same moral principles as govern the conduct of individuals.

**3. Membership.** The Charter should specify that membership will be open to all States willing and able to fulfill the obligations of the Charter, so that membership may become universal.

**4. International Law.** The Charter should provide for the codification and development of international law and for its impartial enforcement.

**5. Peaceful Change.** The Charter should provide more explicitly for the revision of treaties and other agreements when such action is required by justice and the good of the world community.

**6. Small Nations.** The Charter should safeguard the economic and political rights of small nations and assure them an adequate share in shaping the policies of the organization.

**7. Disarmament.** The Charter should provide a clear purpose and procedure for the limitation and control of national armaments, as collective security is established.

**8. Voting Power.** The Charter should provide that no one nation be allowed to veto judgment in any dispute covered by international law.

**9. Human Rights.** The Charter should include an international bill of rights, and provide for a commission or commissions to protect and further the rights and liberties of the individual and of racial, religious and cultural groups, especially those uprooted by war or oppression.

**10. Dependent Peoples.** The Charter should provide for a commission to supervise the administration of mandated territories and to promote the advancement of non-self-governing peoples toward economic well-being, cultural development and political responsibility.

REV. RICHARD M. FACLEY  
*Secretary, Commission on a Just  
and Durable Peace, Federal Council  
of the Churches of Christ in  
America.*

RABBI AHRON OPHER  
*Secretary, Committee on Peace,  
Synagogue Council of America.*

REV. EDWARD A. CONWAY, S.J.  
*Social Action Department,  
National Catholic Welfare  
Conference.*

*April 5, 1945.*

# GOALS FOR SAN FRANCISCO

## Catholic, Jewish and Protestant Pronouncements

### Recommendations to Support and Improve the Dumbarton Oaks Proposals for a World Organization:

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Federal Council of the Churches of  
Christ in America.

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Synagogue Council of America.

REV. EDWARD A. CONWAY, S.J.  
National Catholic Welfare Conference.  
April 5, 1945

## AMERICAN BISHOPS ON LASTING PEACE

On Sunday, April 15th, our local papers printed extracts from the pronouncement of the American Hierarchy on the moral groundwork for a just peace. A previous statement on the Dumbarton Oaks Agreements vigorously sponsored co-operation on the basis of that document. Since then the Yalta Conference of the Big Three and the subsequent unilateral action of Russia give rise to suspicion just to what extent the previous foundation of Dumbarton Oaks will form the basis of a new world order.

The Catholic Bishops hope for an organization that is genuinely "democratic," not merely in name but in reality. Fictitious appearance of ballots which lets one or a powerful clique of potentates have all decision and lord it over a family of puppet nations, to them would be no more than a despotic paternalism. The fact that to us our motives are paternal does not the less change the forbidding character of overlordship, which the rest of the world has come to fear in the person of Hitler and Mussolini and even in the totalitarian regime of Russia. We do not need to agree to swallow communistic patterns of so-called democracy, nor will the many war-devastated countries feel any sense of liberation if such a yoke is imposed upon them in the name of democracy. You have here more extended quotations than appeared in the local papers:

"We fail to see that the voting procedure of the Security Council agreed upon at Yalta is consistent with the sovereign equality of peace-loving nations.

"It is hoped, then, that the Security Council will be made more responsible to the General Assembly and, at least in time will become merely its executive committee.

"It is imperative, too, that there be lodged in the international organization, and ultimately in the World Court, the authority to make changes in peace settlements and other treaties.

"If in the name of realism an attempt is made to substitute for a juridical world institution what is in effect only an alliance of the great powers, many nations will take refuge in isolationism.

"The nations should adopt an international Bill of Rights, in which men and groups everywhere would be guaranteed the full enjoyment of human rights.

**"Active participation in the international organization ought to be conditioned on the acceptance of this Bill of Rights.** Will a nation which does not make its own citizens secure in the enjoyment of their human rights work honestly and sincerely for the maintenance of world peace and mutual cooperation in the international community?"

There is dynamite in this statement. Here we have a test of true sincerity. In this is contained a true yardstick of meaning of the elastic word "peace-loving." Not those who give lip-service to democracy truly are peace-loving, but those who will to observe human inalienable rights.

"Sovereign equality among the nations demands that each nation be free in its internal government, and that its juridical personality be recognized in its international relations. . . . Even in internal government, sovereignty does not include authority to violate the inalienable rights of subjects.

"We have to reckon with the active, cleverly organized and directed opposition of Marxian totalitarianism to genuine democracy. . . . Against it, genuine democracy must constantly be on guard, quick to detect and penetrate its camouflage.

"We entered this war to defend our democracy. It is our solemn responsibility, in the reconstruction, to use our full influence in safeguarding the freedoms of peoples. This, we are convinced, is the only way to an enduring peace."

Previous to these forceful statements of the American Bishops, the Pope's own encyclicals on Peace have outlined the fundamental principles with the lucidity of a skilled teacher. These statements are true to the patterns contained in the encyclicals. Three words "methodical," "progressive" and "juridical" are oft repeated as directives for a permanent, dynamic, secure reconstruction of the social order nationally and internationally. These norms for a rational solution of world problems have intelligently been applied to the problems confronting the council of the United Nations at San Francisco.

—Joseph P. McMahon, S.J.

UP-3-D

# A JUST AND DURABLE PEACE

## *Statement of Guiding Principles*

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Adopted by the Federal Council of Churches,  
December 11, 1942

*Prepared by*  
The Commission to Study the Bases of a Just  
and Durable Peace  
297 Fourth Avenue  
New York, N. Y.

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### *Preamble*

As members of the Christian Church, we seek to view all problems of world order in the light of the truth concerning God, man and God's purpose for the world made known in Jesus Christ. We believe that the eternal God revealed in Christ is the Ruler of men and of nations and that His purpose in history will be realized. For us He is the source of moral law and the power to make it effective.

From this faith Christians derive the ethical principles upon which world order must be based. These principles, however, seem to us to be among those which men of goodwill everywhere may be expected to recognize as part of the moral law. In this we rejoice. For peace will require the cooperation of men of all nations, races and creeds. We have therefore first set out (Points 1 to 9) those guiding principles which, it seems to us, Christians and non-Christians alike can accept.

We believe that a special responsibility rests upon the people of the United States. We accordingly (Point 10) express our thoughts in that regard.

Above all, we are impressed by the supreme responsibility which rests upon Christians. Moral law may point the way to peace, but Christ, we believe, showed that way with greatest clarity. We therefore, in conclusion (Points 11 and 12) address ourselves to Christians.

## *Guiding Principles*

1.

WE BELIEVE that moral law, no less than physical law, undergirds our world. There is a moral order which is fundamental and eternal, and which is relevant to the corporate life of men and the ordering of human society. If mankind is to escape chaos and recurrent war, social and political institutions must be brought into conformity with this moral order.

2.

WE BELIEVE that the sickness and suffering which afflict our present society are proof of indifference to, as well as direct violation of, the moral law. All share in responsibility for the present evils. There is none who does not need forgiveness. A mood of genuine penitence is therefore demanded of us—individuals and nations alike.

3.

WE BELIEVE that it is contrary to the moral order that nations in their dealings with one another should be motivated by a spirit of revenge and retaliation. Such attitudes will lead, as they always have led, to renewed conflict.

4.

WE BELIEVE that the principle of cooperation and mutual concern, implicit in the moral order and essential to a just and durable peace, calls for a true community of nations. The interdependent life of nations must be ordered by agencies having the duty and the power to promote and safeguard the general welfare of all peoples. Only thus can wrongs be righted and justice and security be achieved. A world of irresponsible, competing and unrestrained national sovereignties whether acting alone or in alliance or in coalition, is a world of international anarchy. It must make place for a higher and more inclusive authority.

5.

WE BELIEVE that economic security is no less essential than political security to a just and durable peace.

Such security nationally and internationally involves among other things the use of material resources and the tools of production to raise the general standard of living. Nations are not economically self-sufficient, and the natural wealth of the world is not evenly distributed. Accordingly the possession of such natural resources should not be looked upon as an opportunity to promote national advantage or to enhance the prosperity of some at the expense of others. Rather such possession is a trust to be discharged in the general interest. This calls for more than an offer to sell to all on equal terms. Such an offer may be a futile gesture unless those in need can, through the selling of their own goods and services, acquire the means of buying. The solution of this problem, doubtless involving some international organization, must be accepted as a responsibility by those who possess natural resources needed by others.

6.

WE BELIEVE that international machinery is required to facilitate the easing of such economic and political tensions as are inevitably recurrent in a world which is living and therefore changing. Any attempt to freeze an order of society by inflexible treaty specifications is bound, in the long run, to jeopardize the peace of mankind. Nor must it be forgotten that refusal to assent to needed change may be as immoral as the attempt by violent means to force such change.

7.

WE BELIEVE that that government which derives its just powers from the consent of the governed is the truest expression of the rights and dignity of man. This requires that we seek autonomy for all subject and colonial peoples. Until that shall be realized, the task of colonial government is no longer one of exclusive national concern. It must be recognized as a common responsibility of mankind, to be carried out in the interests of the colonial peoples by the most appropriate form of organization. This would, in many



cases, make colonial government a task of international collaboration for the benefit of colonial peoples who would, themselves, have a voice in their government. As the agencies for the promotion of world-wide political and economic security become effective, the moral, social and material welfare of colonial populations can be more fully realized.

8.

WE BELIEVE that military establishments should be internationally controlled and be made subject to law under the community of nations. For one or more nations to be forcibly deprived of their arms while other nations retain the right of maintaining or expanding their military establishments can only produce an uneasy peace for a limited period. Any initial arrangement which falls short of this must therefore be looked upon as temporary and provisional.

9.

WE BELIEVE that the right of all men to pursue work of their own choosing and to enjoy security from want and oppression is not limited by race, color or creed. The rights and liberties of racial and religious minorities in all lands should be recognized and safeguarded. Freedom of religious worship, of speech and assembly, of the press, and of scientific inquiry and teaching are fundamental to human development and in keeping with the moral order.

10.

WE BELIEVE that, in bringing international relations into conformity with the moral law, a very heavy responsibility devolves upon the United States. For at least a generation we have held preponderant economic power in the world, and with it the capacity to influence decisively the shaping of world events. It should be a matter of shame and humiliation to us that actually the influences shaping the world have largely been irresponsible forces. Our own positive influence has been impaired because of concentration

on self and on our short-range material gains. Many of the major preconditions of a just and durable peace require changes of national policy on the part of the United States. Among such may be mentioned: equal access to natural resources, economic collaboration, equitable treatment of racial minorities, international control of tariffs, limitation of armaments, participation in world government. We must be ready to subordinate immediate and particular national interests to the welfare of all. If the future is to be other than a repetition of the past, the United States must accept the responsibility for constructive action commensurate with its power and opportunity.

11.

WE BELIEVE that, as Christian citizens, we must seek to translate our beliefs into practical realities and to create a public opinion which will insure that the United States shall play its full and essential part in the creation of a moral way of international living. We must strive within the life of our own nation for change which will result in the more adequate application here of the principles above enumerated as the basis for a just and durable world order.

12.

WE BELIEVE that a supreme responsibility rests with the Church. The Church, being a creation of God in Jesus Christ, is called to proclaim to all men everywhere the way of life. Moreover, the Church which is now in reality a world community, may be used of God to develop His spirit of righteousness and love in every race and nation and thus to make possible a just and durable peace. For this service Christians must now dedicate themselves, seeking forgiveness for their sins and the constant guidance and help of God, upheld by faith that the kingdoms of this world shall become the kingdom of Christ and that He shall reign forever and ever.

**"A JUST AND DURABLE PEACE"**

**DISCUSSION**  
**of**  
**POLITICAL PROPOSITIONS**  
**(SIX PILLARS OF PEACE)**

*by*

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COMMISSION TO STUDY THE BASES OF A JUST AND DURABLE PEACE

297 Fourth Avenue

• New York

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## Introductory Statement

*By the Commission*

*It seems to have been reserved to the people of this country, by their conduct and example to decide whether societies of men are really capable or not of establishing good government from reflection and choice, or whether they are forever destined to depend for their political constitutions on accident and force. The crisis at which we are arrived may be regarded as the era in which that decision is to be made, and a wrong election of the part we shall act may deserve to be considered as the general misfortune of mankind.*

— THE FEDERALIST, 1787.

The American people again find themselves in an era of critical decision. It must now be determined, this time in worldwide terms, whether men are capable of establishing good government from reflection and choice, or whether they will continue to be buffeted about by force and by accident. Now, as before, it is reserved to the people of this country to play a decisive role. Now, more than ever, a wrong choice of the part we shall act will involve us in the general misfortune of mankind.

In anticipation of this critical period, the Federal Council of Churches, over two years ago, set up this Commission to Study the Bases of a Just and Durable Peace. We have diligently pursued that study. We have seen and said that the ills which afflict our society are fundamentally due to non-conformity with a moral order, the laws of which are as imperative and as inexorable as are those that order our physical world. Indifference to and violation of these moral laws always bring such sickness and suffering as today afflict mankind. We have, in a Statement of Guiding Principles, set down certain principles of that moral order as being particularly relevant to our times and to our national responsibility and opportunity. That statement has

COMMISSION TO STUDY THE BASES OF A JUST AND DURABLE PEACE  
Instituted by  
THE FEDERAL COUNCIL OF THE CHURCHES OF CHRIST IN AMERICA  
297 Fourth Avenue, New York

been officially endorsed by the Federal Council of Churches, and the widespread response which it has evoked from Christian people makes it clear that they predominantly hold the beliefs therein set forth.

Many now ask: What shall we do?

The first and paramount task of the Christian churches remains that of bringing more persons to subject their lives to the will of God as revealed in Jesus Christ. For us He is the source of the moral law of which we speak. He is the source of moral judgments on the issues of this war upon which the Federal Council of Churches has also spoken. Only if the Christian churches of this land build a spiritual foundation that is broad and deep will this nation pursue righteous policies. Only if spiritual revelation strike from our eyes the scales of hatred, hypocrisy, intolerance and greed, will we be competent to cope with the immensely difficult problems that confront us.

But there is a secondary task to which our Commission can now properly address itself. That is to point out that the Guiding Principles we have proclaimed compel certain broad political conclusions. We do that now because the course of events is such that a time for action is at hand.

Military peril has dramatized, for all to see, the need for international cooperation. But as military victory becomes more certain and draws more near, that need will be less obvious. As we come to grips with the appalling moral, social and material aftermaths of Axis rule, transitory issues will arise to perplex and divide the United Nations. These may loom large and obscure the fundamentals and incline us to relapse into reliance only upon our own strength. Thus, if our nation does not make the right choice soon, it may never be made in our time.

We have, accordingly, now formulated and we present herewith a Statement of Political Propositions that flow from the moral principles we have heretofore enunciated. We also append a brief commentary upon these Propositions.

We have stated our Propositions in simple and minimum terms. We recognize that as so stated there is much latitude as to their form and detailed content and as to the timing of their full realization. These matters are important and their deter-

mination will involve much honest differences of opinion which, ultimately, must be reconciled. But the Propositions, as stated by us, serve to force the initial and vital decision on the direction in which this nation will move. They force that decision in relation to six major areas within which the factual interdependence of the world has become such as to require political mechanism for cooperative action. If the six Propositions we enunciate become an official program of this nation, we will be committed to move, by definitive steps, to bring ourselves into an ordered relationship with others. Only if the nations join to do this can we escape chaos and recurrent war. Only if the United States assumes a leadership can it be done now. For we, more than any other nation, have the capacity to influence decisively the shaping of world events. If the future is to be other than a repetition of the past, the United States must accept a responsibility for constructive action commensurate with its power and opportunity.

And so we present our Statement of Political Propositions and we ask the people of this nation

- to study, to understand and to accept these Propositions and their implications:
- to seek that such Propositions shall be adopted by our Congress and Executive as official policy of our Government:
- to seek, through proper channels, the acceptance by other nations of these Propositions, to the end that an immediate start be made to realize them.

The many who believe the things we believe and who desire, as citizens, to do something about it, have here a field for action.

THE COMMISSION TO STUDY THE  
BASES OF A JUST AND DURABLE PEACE,  
by JOHN FOSTER DULLES,  
*Chairman.*

MARCH, 1943.

## Statement of Political Propositions

### I.

The peace must provide the political framework for a continuing collaboration of the United Nations, and in due course, of neutral and enemy nations.

#### COMMENT

The interdependence of the world is strikingly proved by the events that led up to this war. That interdependence calls for permanent political collaboration. Such collaboration should as quickly as possible, be universal. But practically, the initial nucleus is the United Nations who have already been forced, by events, to collaborate.

The degree of collaboration can properly be related to the degree of interdependence and thus any universal scheme may contain within its framework provision for regional collaboration. Europe particularly illustrates the need for regional collaboration. To continue there the uncoordinated independence of some twenty-five sovereign states will assure for the future that, as in the past, war will be a frequently recurrent event.

### II.

The peace must make provision for bringing within the scope of international agreement those economic and financial acts of national governments which have widespread international repercussions.

#### COMMENT

Science has made it possible for the world to sustain a far greater population than was formerly the case and to attain for that population a higher standard of living. But this involves a large degree of transportation and interchange between one nation and another. Thus all people are subject to grave risk, so long as any single government may, by unilateral action, disrupt the flow of world trade. This is a form of anarchy that creates widespread insecurity and breeds disorder. It prompts nations to seek self-sufficiency for themselves at the expense of others.

We do not here envisage, as presently practical, a condition of "free trade". But the world does require that the areas of economic interdependence be dealt with in the interest of all concerned and that there be international organization to promote this end.

### III.

The peace must make provision for an organization to adapt the treaty structure of the world to changing underlying conditions.

#### COMMENT

The world is a living and, therefore, a changing organism. Change is the one thing that is inevitable. As the world is now organized, a fixed status is prescribed by treaties and, unless all the parties agree, that status cannot be changed except by force or the threat of force. Change effected under the threat of force seldom is productive of peace, because change under such circumstances seems to reward, and thus encourages, violent and lawless elements. On the other hand, nations, like individuals, seldom freely abandon their acquired legal rights. We must, therefore, have an organization to promote such changes in the treaty structure of the world as may be needed to keep that structure responsive to future changes in the underlying conditions. Without this, no conditions of peace, however just and fair initially, will permanently assure peace.

### IV.

The peace must proclaim the goal of autonomy for subject peoples, and it must establish international organization to assure and to supervise the realization of that end.

#### COMMENT

There is a ferment among many peoples who are now subject to alien rule. That will make durable peace unattainable unless such peoples are satisfied that they can achieve self-rule without passive or active resistance to the now constituted authorities. We realize that autonomy, in certain cases, is not now desired, and in other cases is presently impractical. But judgments as to this tend to be warped, and certainly are suspect, when made by the governing power itself. There must be international agencies, which embrace persons, free from the self-interest which comes from identification with the particular governing power, and which are charged with the duty to see that pledges of ultimate autonomy are honored, and that, in the meanwhile, there is no exploitation for alien ends. Self-rule, when achieved, would, of course, be subject to the limitations which follow from the other Propositions here stated.

### V.

The peace must establish procedures for controlling military establishments everywhere.

## COMMENT

It is assumed that those nations with which we are at war will be effectively disarmed. But that alone will not suffice. Military establishments everywhere should be brought under some form of international control. This has two aspects: One, negative, and the other positive.

The negative purpose is to bring to an end the present system which permits nations generally to create unlimited armament for use for purely national ends. Continuation of that system would ultimately undermine the international organs we contemplate. It would either paralyze their action or lead to action preferential to nations possessed of great military power. There should nowhere be vast military establishments which have no valid reason for existence except to enable their possessors to be a law unto themselves.

A positive purpose of control is to bring such military establishments as remain into the affirmative service of international order. International agencies, such as those we contemplate, will primarily need to depend upon the moral support of the great body of mankind. That is their only reliable source of permanent power and unless they can command such moral backing they are not entitled to other forms of power. But any society will produce minority elements who are not subject to moral suasion and who, if they feel able, may defy the general interest to advance their own. Therefore, the economic and military power of the world community should be subject to mobilization to support international agencies which are designed to, and do in fact, serve the general welfare.

## VI.

The peace must establish in principle, and seek to achieve in practice, the right of individuals everywhere to religious and intellectual liberty.

## COMMENT

Wars are not due only to economic causes. They have their origin also in false ideologies and in ignorance. Peace, furthermore, cannot be preserved merely by documentary acts that create political bodies and define their powers and duties. Such bodies can function effectively only as they can count upon a public opinion to understand and support them.

It is, therefore, indispensable that there exist the opportunity to bring the people of all the world to a fuller knowledge of the facts and a greater acceptance of common moral standards. Spiritual and intellectual regimentation that prevents this is a basic underlying cause of war. As such it is not a matter of purely domestic concern, and governments and parties must recognize this if the world is to achieve a durable peace.

## INTRODUCTORY ARTICLE

By JOHN FOSTER DULLES

*Chairman, Commission to Study the Bases of a Just and Durable Peace*

As this war turns from a defensive to an offensive operation, as territory is regained and as peoples are liberated, the United Nations are brought face to face with grave problems that will imperil their unity. Already we see that threat. Russia and Poland have broken relations and opposing factions of French and of Yugoslavs compete for support from among the Allies. Developments such as these will compel the United Nations to make soon the basic decision of whether the future is to be one of international collaboration. If that is not to be, as in the past each nation must depend upon itself alone, then the United Nations will surely begin to play power politics against each other. While the form of unity may temporarily be preserved, its soul will be extinct. The seeds of new war will be sown and, indeed, a decisive ending of this war may long elude us.

Of course no one nation can determine that the future shall be one of collaboration. That requires joint action. But peculiar responsibility rests upon the American people for it was they who, after the last war, unexpectedly elected to "go it alone". The shock of that was unforgettable. We cannot expect others now to take it for granted that this time it will be different. That is a great uncertainty which bedevils the present and beclouds the future. It is an uncertainty which only the American people can resolve.

Christian citizens should, in this matter, feel a great responsibility and see a great opportunity. They know that strength and safety do not come primarily from material things, but from things of the spirit. They know that true greatness is incompatible with narrow selfishness and that power, such as that our nation possesses, cannot be divorced from broad responsibility. They know that if we follow what may seem the easy path of self-sufficiency, the result will be internal decay, a mounting hostility of the rest of the world and a certain renewal of conflict.

Those who believe these things, face now the time for action. Unless their beliefs are soon translated into realities, the opportunity to do so may not recur in our time. The pattern of the future is already in the making and before long it will have been irrevocably set.

In order to promote thinking and action along realistic lines, our Commission has formulated a Statement outlining six areas within which national interdependence is demonstrated, and where, accordingly international collaboration needs to be organized. We call these the "Six Pillars of Peace".

A group of eminent Americans will discuss them in a series of articles to appear in this paper during succeeding weeks. We hope that this will stimulate many others to follow their example. Only widespread discussions can produce a clear and dependable mandate to our Government from its citizens. Only if that mandate be to seek international collaboration can we expect a Just and Durable Peace.

## PILLAR I

The peace must provide the political framework for a continuing collaboration of the United Nations, and in due course, of neutral and enemy nations.

By HAROLD W. DODDS  
*President of Princeton University*

Unless we organize for peace we shall not have peace. This is the simple truth underlying PILLAR I which reads:

"The peace must provide the political framework for a continuing collaboration of the United Nations and, in due course, of neutral and enemy nations."

It is through social and political institutions that ideas are made to march. Unless the idea of international collaboration is embodied in political institutions it will remain a polite platitude.

It is true that institutions root in the past and that we cannot suddenly change the political habits and attitudes of peoples. This limits what we can usefully now attempt. But the peoples of the United Nations are already becoming accustomed to collaboration through meetings of their leaders. Out of this, if we will it enough, can be built an institution which will serve our most pressing needs today and provide a basis for peaceful growth in years to come.

We should be able to generate the will power to do this, for it provides the only realistic possibility of durable peace. No nation can hope to be strong enough in the post-war world to guarantee its own peace. Nor is the "balance of power" method any longer reliable. A delicate balance of power may have discouraged some wars in the past, but it has always broken down in the end. Today, the developments of science and technology are such that any balance that might be achieved after this war would be too unstable to deserve the name.

PILLAR I does not contemplate the impossible. It would begin modestly. It recognizes the existence of national loyalties. It does not propose an order so new and unfamiliar that men would be emotionally unprepared to participate in it. Obviously, if a more-than-national organization is to work, men's emotions, as well as their intellects, must be favor-



able to it. Therefore, as other parts of the Commission's statement make clear, they would now seek organized international collaboration primarily at the points at which world interdependence is strongest. Thus, much of this collaboration might be regional, e.g., European or Pan-American, and much of it might be topical, e.g., commercial and financial. But there would be an overall framework of political organization sufficiently broad and sufficiently flexible to develop to meet whatever the needs of the future might prove to be. The Commission's proposals are less sweeping than many being put forward. Their success will be due, in part, to the fact that they do not attempt too much.

In planning the framework of a world political organization, we must not exalt the legislative and judicial elements of government at the expense of the administrative. National legislatures and courts deal with the controversial. They are devices for settling arguments, not agencies for carrying into daily life results upon which all are agreed. The greater part of government has to do with day-by-day administration of necessary matters. There is a useful hint in this. I believe that the cause of peace will be best served by more attention to the acknowledged services that international administration can render, rather than by concentration in advance upon the structure and scope of legislative and judicial powers. The latter will evolve naturally as administrative functions are established.

## PILLAR II

The peace must make provision for bringing within the scope of international agreement those economic and financial acts of national governments which have widespread international repercussions.

By SUMNER WELLES  
*Under Secretary of State*

The second point in the commission's statement reads as follows:

"The Peace must make provision for bringing within the scope of international agreement those economic and financial acts of national governments which have widespread international repercussions."

This seems to me the plainest common sense. Friendship between peoples, and political collaboration between governments, cannot be achieved or successfully maintained if collaboration in economic matters fails. For the economic acts of governments affect the personal prosperity

of individuals. The price of crops, the chance to get or hold a job, the supply and price of goods on merchants' shelves, the money to pay off the mortgage, these are the realities that lie behind and are affected by the wise or unwise acts and policies of governments. And when those acts of government, as has often been the case, reach out in their effects across the boundaries of States, and deprive human beings in near or distant lands abroad of work, or of a market, or of the materials they need for their livelihood, then it should not be surprising that their resentment shows itself in action. Real and lasting friendships between large groups of people depend in the long run on their being willing to cooperate in the fundamental business of earning a living.

The United Nations stand committed to a cooperative program. The Fourth point of the Atlantic Charter, which they have all subscribed, expresses their common desire "to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity" and the Fifth point bespeaks their common wish "to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic advancement and social security." That collaboration started in practice with their alliance in the war, with combined efforts to utilize their pooled resources in the most effective ways to hasten complete victory over the Axis powers, and with mutual-aid agreements for this same purpose. In these agreements with a growing number of our Allies mutual pledges have been exchanged to seek, through agreed action, the attainment of all the economic objectives of the Atlantic Charter, and specifically, "the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; . . . the elimination of all forms of discriminatory treatment in international commerce, and . . . the reduction of tariffs and other trade barriers." This war-time collaboration has moved forward to the problems of the peace with the conference on food and agriculture, the preparations for relief and reconstruction in the devastated areas, the discussions about stabilizing currencies, and the reciprocal trade-agreements program.

At this very moment, the Congress is considering legislation to extend the trade-agreements authority. As I recently stated: "The decision about the trade-agreements authority is not the only choice, or the most difficult, that the people of the United States will have to make about the foundations of the peace. But it is fundamental, and it happens to come first in time. Our action on it will be an acid test of our intentions."

The general direction of the international collaboration has been charted, and the work is underway. What remains, and it is a task for many men for many years in many lands, is so to remake our relations with each other, in loyal and cooperative effort, that the great productive forces which technology has brought within our sight may function freely for the prosperity and benefit of all. The active help of all men and women of good will is needed to make that effort a success. Only as it moves forward with gathering momentum can we begin to be assured that the great hopes of the future, freedom from want and fear, are more than empty words.

### PILLAR III

The peace must make provision for an organization to adapt the treaty structure of the world to changing underlying conditions.

By ARTHUR HAYS SULZBERGER

*President and Publisher, The New York Times*

Change is an invariable law of nature. Nothing that lives is static. If we are to achieve the functioning, effective peace called for by the Federal Council of Churches then — in the language of the Council — we must provide the means periodically to adapt the treaty structure of the world to changing conditions.

Such provision is advisable as an act of common sense and self-protection. No one can foresee the future. Nor can we as a nation claim any great genius for anticipating events. We have never gone into war prepared. We have not even been able always to distinguish between our friends and our enemies. Often, in the past one hundred and fifty years, events beyond our control have impelled us to alter both our national and our international policy. Our independence was won in conflict with Great Britain; yet since then Great Britain has proved our most reliable ally. In the past three decades, Italy and Japan have been first our associates and are now our enemies; and Soviet Russia, with whom for years after the last war we did not have even diplomatic relations, has become a valiant companion in arms. The impossibility of determining the acts of other nations should of itself commend to us the desirability of reconsidering from time to time the structure of all treaties.

The advisability of such a course is suggested also by our Constitution. Our Founding Fathers not only provided the means of changing the Constitution, but themselves made use of that machinery to add the

Bill of Rights to our basic law. The elasticity of the document they shaped accounts for its success and permanence.

The fate of the League of Nations indicates that it might be wise not only to provide machinery for changing the peace structure, but also to make it *mandatory* that all nations reconsider the treaties at definite intervals. This was the intention of Lord Robert Cecil who, on behalf of the British delegation to the last Peace Conference, proposed that Article 19 of the Covenant of the League should state that "the Body of Delegates *shall make provision* for the periodic revision of treaties which have become obsolete and of international conditions the continuance of which may endanger the peace of the world."

Under this clause the members of the League would have been obligated at specific periods to survey legal, economic and social factors — such factors as helped produce this war. They would have been obligated to consider in orderly manner and in reasonable atmosphere such questions as those of the mandates and colonies, of the Sudetenland, of Austria and Danzig. But the wording of Article 19 was changed so that instead of providing that the Assembly "*must consider grievances*," it read "*may consider grievances*." Then, when Bolivia and Chile sought to have the League settle their boundary dispute at the Second Assembly, it was eventually ruled that the League could not "of itself modify any treaty."

This time it should be recognized that the primary business of a peace system is to modify treaties when the necessity arises. More should be done than has ever been attempted heretofore to watch the development of disputes, grievances, conditions of any kind that are likely to cause trouble if not dealt with in time. To this end a permanent commission, charged to study and report on the early symptoms of war might well be as organic a part of a peace structure as the international health section of the League. The Chile-Bolivia boundary case suggests that regional councils, if set up within an over-all world organization, might form a first court of appeal for disputes within the region.

The main difficulty will be making governments accept revisions and modifications of the status quo in the interest of world peace. Therefore I suggest that the United States (which played an important part in changing the wording of Article 19 from *must* to *may*) should accept its full responsibility and join with other nations in helping to solve these international problems, and that this time we support Lord Robert Cecil's vital proposal.

Most wars are made in violation of treaties. Even benign governments have abrogated contracts with their citizenry when changing events have

suggested that the public interest lay in other directions. If we are seeking a lasting peace, let us be prepared to adapt our agreements to realities.

Peace is no less dynamic than war. To win it and to preserve it require a degree of sacrifice as great almost as that of battle.

#### PILLAR IV

The peace must proclaim the goal of autonomy for subject peoples, and it must establish international organization to assure and to supervise the realization of that end.

By FRANCIS B. SAYRE

*Special Assistant to the Secretary of State,  
Former High Commissioner to the Philippines*

For the building of the coming peace one of the fundamental issues will be the problem of foreign rule over alien peoples. Shall the postwar world in Asia and in Africa be based upon Nineteenth Century patterns or must we look for something different?

The answer is clear. We are coming to see that the only possible foundation upon which a peace that will last can be built is that of Christian brotherhood; and this is as applicable to alien peoples as to home folks. Brotherhood allows no room for the exploitation of one people by another for the sake of selfish gain; it is incompatible with racial or national intolerance.

Ultimate autonomy for every subject race is the goal. "It has been our purpose in the past -- and will remain our purpose in the future," declared Secretary Hull, "to use the full measure of our influence to support attainment of freedom by all peoples who, by their acts, show themselves worthy of it and ready for it."

Clearly the problem of alien rule allows of no easy and quick solution. The way of peace does not lie through the grant of immediate independence to every subject people. When the United States assumed the responsibility of sovereignty over the Filipino people in 1898 an overnight grant of freedom to them would not have advanced the cause of peace. Our undertaking instead required the slow and arduous and baffling task of preparing the Filipino people for ultimate autonomy. For over forty years Americans have labored at that task. Insofar as we have succeeded, American ideals of liberty and democracy have gained a foothold in Asia

and, we may hope, solid groundwork has been laid there for stability and peace in the years to come.

What are the concrete directions in which we must move in the coming peace treaty in dealing with the problem of alien rule?

In the first place, the Twentieth Century method of approach must be fundamentally different from that of the past. The goal must be not exploitation for another country's profit, but the preparation of an underprivileged people for self-development and self-rule. This means a task infinitely more adventurous and more difficult than Nineteenth Century methods of imperialism. It means not how to extract natural wealth and trading profits from a backward people but how to build shoulder to shoulder with them schools and hospitals and roads and water systems, how to improve their public sanitation and to reduce their death rate, how to raise their general standard of living, and, above all, how to stimulate and inspire in them the ability and the desire to build for themselves.

In the second place, those undertaking the responsibility for alien rule in areas not yet ripe for self-government must work out with leaders of the subject race a forward-looking program, marking by definite steps the advance toward autonomy, and this program must be publicly declared. This involves progressively handing over to the subject people the responsibilities of government in one field after another; for the difficult art of self-government can be learned in no other way except by trial and error, costly as that may be. The acid test of sincerity will be the implementation of such declarations by concrete action, which cannot be too long delayed. The peace of the world depends upon this implementation.

In the third place, this progress toward autonomy must be subjected to international control, since the problem of alien rule is part of the problem of peace.

No single formula for international control can be worked out applicable to every area. Each presents a problem of its own. What we must achieve is an effective international control, exercised in such form as individual needs and conditions require.

In the fourth place, provision must be made at the coming peace conference for absolute equality of commercial opportunity in all areas subject to alien rule. Non-discrimination with respect to tariffs and all trade barriers would mean in the subject areas of the world the removal of fundamental causes of conflict and warfare. It would be an immense step forward. Accompanying these provisions looking toward economic freedom steps should be taken to prevent economic strangleholds. Tariffs

in subject areas must not be manipulated for the benefit of the ruling race. Neither must the winning of autonomy be frustrated by a growing economic dependence upon the ruling people.

In conclusion, we must not expect the problem of alien rule, which has torn the world for more than three centuries, to be mastered overnight. Neither will it be solved by mere machinery or organization. Doubtless the solution will come only gradually and almost imperceptibly as part of the incoming tide of new world brotherhood. "The world is growing ready again for adventure."

## PILLAR V

The peace must establish procedures for controlling military establishments everywhere.

By JOSEPH H. BALL

*United States Senator from Minnesota*

The Fifth Pillar in the Commission's statement is:

"The peace must establish procedures for controlling military establishments everywhere."

There are several basic and deep-rooted causes of war. But the immediate cause of all of the great wars of modern times has been either aggression or fear of aggression. The majority of Christian nations wanting peace have been forced into armament races by a few nations whose power-hungry leaders were arming for conquest. The result has been a powder keg of heavily armed nations waiting only for the match of a border incident or a shift in alliances to explode into war. Procedures and machinery to free all nations, great and small from the constant fear of aggression are essential to a lasting peace.

A system of collective security as implied in the Fifth Pillar, functioning under the United Nations political organization of the First Pillar, is the keystone of the world peace structure. We must implement every one of the six pillars, but it would be futile to attempt the lengthy task of solving world economic problems, raising subject peoples to self-governing status and fostering education, intellectual and spiritual freedom throughout the world if it must be done in an international atmosphere of insecurity and fear, magnified by the terrifying and ever-increasing destructive force of modern war.

A workable system of international security is the first step toward permanent peace and is, furthermore, the only condition under which individual nations will even consider giving up the right to create unlimited armaments for national defense. Realistically, it is doubtful whether nations will give up that right until such a collective security system has proven that it can protect individual nations against aggression.

The overwhelming majority of individual citizens obey our laws without any coercion. Yet we recognize the need of policemen to control that minority who recognize no moral obligation to the community. Similarly, on the international level there must be some force to control those outlaw nations whose leaders recognize no moral obligation to the world community. No nation, however aggressive, will start a war against overwhelming odds. Therefore, a necessary corollary to real disarmament by nations must be the creation of an international military force sufficiently strong to stop aggression by such outlaw nations.

The United Nations should begin now organizing the peace. Disunity is already developing and as the day of victory nears and the pressure of immediate and common danger relaxes, that disunity is likely to increase rather than decrease.

With these facts in mind, two Democratic and two Republican Senators have introduced Senate Resolution 114, which urges our country to take the lead in forming now a United Nations organization to establish machinery for peaceful settlement of international disputes and to provide for the assembly of a United Nations military force to be used for the sole purpose of stopping future attempts at military aggression.

## PILLAR VI

The peace must establish in principle, and seek to achieve in practice, the right of individuals everywhere to religious and intellectual liberty.

By THOMAS E. DEWEY

*Governor of New York*

All experience has shown that the best of laws can be rendered useless by poor administration but even poor laws can be made to work under good leadership and administration. The same will be true of the machinery to achieve a just and durable peace.

Thus, the most skillfully devised political machinery for peace will

be no better than the purposes and capacities of the human beings who direct it. Police forces will serve to keep peace only so long as they are controlled by the forces of good will.

To achieve the basic objective we must recognize that, in the long run, peace rests on the implemented will of mankind. Essential to this will to peace are two fundamentals: first, spiritual faith which rests upon the dignity of the individual and equality among all human beings; and, second, sufficient knowledge among peoples to provide continuous support for an organized society which respects the right to individual freedom.

We have found the spiritual basis for peace within our own citizenry. Here, Protestants, Catholics and Jews, while holding vital and distinctive faiths, feel no urge to master and oppress others. Internationally, we see peace promoted by the sharing of great faiths by many in different lands. On the other hand, war comes whenever, as in Germany and Japan, a nation and race are deified and mastery of others is taught as a divine duty.

As Americans, we must be prepared to insist that any organization for peace shall fully, frankly and boldly require of all participants a declaration establishing "in principle the right of individuals everywhere to religious and intellectual liberty". Our whole experience and the history of this war have taught us that this is a basic necessity. It is right. It is in accordance with the most fundamental of human impulses to seek God freely.

But, as the sixth Pillar also says, it is not enough to establish these rights "in principle"; we must seek to achieve them in practice. I am convinced that the peace will be only as durable as our success in achieving generally, religious freedom in practice. This will require strong leadership and stout resistance to compromise. But only thus shall this war end in a result worthy of the name of victory.

Having learned from this war the truly interdependent relationship between peoples, we must also learn that sound relationships must be built upon respect and independence. The interdependence of peoples does not require a system of international charity. We cannot buy peace in that way. What is required is a code of conduct which promotes the interests of all because it leads people to act with a decent and intelligent regard for each other.

Both religious and intellectual liberty, being fundamental to the freedom on which peace must be based, it is clear that individual economic freedom must also be achieved. As we seek the ultimate we must not forget the only means by which the ultimate can be made a reality.

Just as surely as man does not have the free opportunity to work and to earn food shelter and clothing for himself and his family, he is not free. Inevitably those who control man's livelihood will use their power to control also his knowledge and beliefs. That is true whether the economic dictatorship be in Germany or in the United States and whether it be exercised by organizations of capital or labor or by those who bear the title of public office. Against all such absolutism everywhere, we must be constantly alert.

These freedoms, interdependent as they are, belong, of course, to all men regardless of race, creed or color. The struggle for freedom and equality will go on ceaselessly in a world in which they are not fully achieved. Whether that struggle is to be violent or evolutionary depends on the sincerity with which the peace to come is built. If we insist upon recognition of the principles of religious and intellectual freedom and seek to achieve them we may hope for a just and durable peace.

## CONCLUDING ARTICLE

By HARRY EMERSON FOSDICK

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The "Six Pillars of Peace" are clear enough so far as major aims are concerned. Forward-looking people want continuing political and economic cooperation between the United Nations and, as soon as possible, between all nations, with an international organization of some sort, flexible to change and strong enough to control armaments, to provide security against war, to gain increasing autonomy for subject peoples, and progressively to win for all men religious and intellectual liberty.

Two major facts, however, confront such hopes: first, the impossibility at this present time of blue-printing in detail their political implementation; and second, the need of a sustained, constant, and urgent pressure of public opinion, tirelessly insisting, through thick and thin, that the implementation must be found.

Let us not fool ourselves! The closer the military victory of the United Nations comes, the more complicated and difficult loom post-war problems. Certainly, if a just and durable peace is to be won, only a vigilant, insistent public opinion that never gets tired and that refuses to quit can win it.

Nowhere is this fact more important than in the United States. Despite the obvious insanity of isolationism, we are likely to face after victory a war-weary popular reaction, with certain politicians ready to take advantage of it, threatening us with a repetition of our folly after the last war. Indeed, nothing can prevent that tragedy except a ground swell of public sentiment, too strong to be resisted and too determined to be tired out.

To be sure, we may have in Washington an administration and a Congress sincerely committed to international collaboration, but, even so, dissensions within the nation and discouragements without, are certain to be immense, furnishing to weak knees an excuse for giving way to shortsighted self-interest an argument for another try at the idiotic policy of intervention in war and isolation in peace. Even an internationally minded President and Congress will get nowhere without the prodding, sustaining pressure of public demand and support.

The Christian churches ought to play a major part in supplying this indispensable popular backing for constructive internationalism. Until victory is won war is bound to be thought of chiefly as the means by which we overthrow our enemies. When the victory is gained, Christians, at least, ought to see that if any decent, humane, and Christian possibilities are to be open to our children, war itself is the major enemy that must be overthrown. And *that* can be achieved only by patient, long-sustained, sacrificial devotion to the great adventure for whose basic principles the "Six Pillars of Peace" stand.

Society's major gains have commonly come from the confluence of two factors: first, ideals that blaze the trail out toward a better day; and second, realistic facts that make the *status quo* obviously ruinous to man's happiness and prosperity. The abolition of human slavery was at first an ideal; afterwards it became clear that as a matter of realistic self-interest slave labor was economically bad business for all concerned. Only when those two factors pulled and pushed in the same direction did the system of human slavery break down.

We have reached that stage with reference to isolated nationalism, balance-of-power politics, and war. That whole system is not only ethically wrong but practically suicidal. Our best ideals of humanity as one family and the realistic facts of war's hideous self-destructiveness are now massed on the same side of the issue. Sooner or later that combined pull and push are going to force us to an internationally organized world. If we will have it so, that can at least begin to happen in our generation.

# ARBITRATION IN INTERNATIONAL CONTROVERSY

By

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In continuance  
of the  
Service to International Peace

rendered by

LUCIUS R. EASTMAN  
a Founder and Late President and Chairman of the Board

of the  
American Arbitration Association  
1926 - 1943

and

Late Member of the Commission to Study  
the Organization of Peace

## FOREWORD

At a time when all the institutions of international dealings are being scrutinized for their possible use in the plans for ordered peace in the post-war world, it is surely important to review the experience and appraise the capacity of arbitration in the settlement of disputes. Nowhere else is this method more frequently referred to than in the United States, but the references made to arbitration in the course of American history are frequently confusing, if not misleading. Over against the fact that we have been champions of this device for the pacific settlement of disputes must be balanced the apparently contradictory fact that under the Constitution, the Senate has always blocked the path to anything resembling an international obligation for arbitration of questions which it claimed the right to pass upon. Yet in spite of technicalities, the procedure of arbitration has persisted and developed, which is a sure sign of its validity and an indication of the place which it should occupy in the settlement of international disputes.

These problems are discussed or touched upon in the following pages both as a reminder from history and as a suggestion for the future. The study is mainly the work of one who can well claim to have a primacy in this country as a technical expert on arbitration; for Miss Kellor has devoted much of her life to the furtherance of arbitration, not only in the education of the public, but also in the practice of arbitration itself in connection with the remarkable history of the American Arbitration Association. In this work, Dr. Domke has also been associated with her.

The monograph is published under the joint sponsorship of the American Arbitration Association and the Commission to Study the Organization of Peace. As Chairman of the latter organization, I am glad to welcome this cooperation in so important a field and by such experienced and competent authors. It should be unnecessary to add that in this, as in all similar documents, the opinions expressed are those of the authors.

JAMES T. SHOTWELL.



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## PART I—INTERNATIONAL CONTROVERSY

### I. THE PROBLEM OF INTERNATIONAL CONTROVERSY

#### 1. THE COMING STRUGGLE FOR BETTER UNDERSTANDING

One of the many grim casualties of this global war is the destruction of so many sources of goodwill, confidence and good faith and the consequent increase of hatred, distrust and antagonism throughout the world so as seriously to menace the foundations of permanent peace.

This menace is the fruit of a technique to divide nations from within and then to conquer them from without. It is the effect of a strategy to set race against race and to mutilate, render useless, or destroy everything not of use to the invaders.

This deliberate fostering of ill-will, hatred and distrust penetrates deeply into every land; it reaches their nationals everywhere. Wherever men and women have gone forth to battle, wherever populations have suffered privation, and wherever the sense of right and justice has been outraged by the atrocities of the war and by its brutal consequences, the reserves of international goodwill have been drained away and in their place distrust and hatred have arisen.

As post-war revelations bring more detailed or authentic descriptions of the war, it may be expected that this feeling of hatred will rise and influence the thinking and attitude of millions of people for many years to come.

So deep and strong does this feeling of personal injury and the national sense of outrage and injustice run throughout the world that the restoration of goodwill and the rebuilding of confidence, upon which any enduring cooperation must rest, become a stupendous task.

It is not enough to leave the primary responsibility for building goodwill to those whose immediate tasks are the feeding, clothing and housing of destitute, starved and despoiled people, or to those engaged in the arduous work of settling the terms of peace, or to those struggling with economic reconstruction. It requires

especial attention as a problem of first importance to any undertaking to establish permanent peace.

In the rebuilding of goodwill and confidence as firm foundations for the maintenance of permanent international peace, the settlement of disputes and the adjustment of grievances, differences and misunderstandings will have an important place. There will be many accumulated grievances to be heard and adjusted; and many injustices to be rectified. There will be conflicts and clashes of interest to be avoided, lest the accumulated volume of ill-will be increased. Some of these issues will arise out of the war itself; others will result from efforts to relieve distress, reconstitute governments and make a just peace. Still others will lie quiescent, later to thrust their long prongs of discord far into future international relations.

There will also be planned opposition to specific processes of rebuilding confidence and goodwill, for those who have so strenuously and cunningly created discord will undoubtedly strive to perpetuate it as a pathway to future wars.

The process of building goodwill and confidence as a way to better understanding through the reduction of discord and the adjustment of grievances and differences, whether existing between states or between the nationals of those states, is a special task in itself. It constitutes a problem to which concerted planning should be directed and in the solution of which all nations and all peoples have a stake. To leave this problem to chance, or incidental cure, to treat it lightly, or to rely upon time as a solution, as was done with similar problems following the first World War, is to invite similar disaster.

Neither will it suffice to deal only with the accumulated grievances and differences. In the making of the peace, governments and their nationals must avoid creating new sources of discord, and thereby raising new grievances. And if such discord be inevitable in certain respects, then provision should be made for the prompt disposal of future differences arising out of it.

But, however, whenever and wherever misunderstandings, grievances and conflict arise to hamper the making of permanent peace and to cooperative living under its terms, it is important to recognize their seriousness, even when they seem trivial and inconsequential. It is necessary to realize that they constitute a menace to the rebuilding of goodwill and confidence. It is vital to the future welfare of nations that specific means be taken con-

sciously and systematically to rebuild goodwill and cooperation, through the reduction of the sources that threaten to continue their destruction.

## 2. THE MENACE OF ECONOMIC CONTROVERSY

In addition to the accumulation of controversies during the war that are awaiting adjudication, there will be others incident to post-war economic relations.

Economic controversy is a most dangerous enemy to the establishment and maintenance of permanent international peace and cooperation. It looms even before the war is ended and threatens united action. Such controversy often gives little warning of its approach nor can its striking power readily be gauged. To create such controversy among friendly nations has been one of the objectives of the psychological warfare of the Axis Powers.

Future economic controversy offers a challenge to the ability of men and nations to live and work together equitably and amiably under an international organization for peace. Such controversy may actually arise out of good intentions to redistribute populations, relieve suffering and want, restore property rights, house the homeless, rebuild devastated regions, reset boundaries, expand trade, or establish stable forms of government.

While ingenuity, invention, science and management provide a technique for carrying forward such vast undertakings, there appears to be no corresponding technique for the control or settlement of the controversies to which these undertakings may give birth.

That some such technique will be necessary appears from the fact that the springs of controversy will run deep after this war is over. In this vast area of economic turmoil, many differences and grievances will clamor for redress. Many will be of a kind which judicial decisions cannot determine and for which international law cannot prescribe. Only machinery for the restoration of goodwill, friendship and cooperation can heal conditions so the nightmare of war will begin to recede and people can begin to throw off the despair and bitterness into which the war has plunged them.

In time, many of these immediate problems will be met and the spirit of bitterness assuaged; but the more fundamental causes of economic controversy will remain. They will arise out of nationalist differences and aims; out of international trade rela-

tions; out of efforts of Americans and others to help in shaping reconstituted governments and who may wish to have a hand in developing freedom in the lands where so many men of the United Nations have fought. There will be different views as to how that freedom is to be achieved and what part Americans and others will have in bringing it about.

As between nations, these economic controversies will concern such vitally important matters as the allocation and control of raw materials, competition for markets, and the regulation of air transportation. New trade agreements, liquidation of lend-lease claims, disposal of surplus goods, cancellation of contracts, and the settlement of private property claims, offer fertile fields for controversy. In the United States alone, there are many government corporations whose international commitments it may take years to liquidate and wherein probable controversy is indicated. For nationals of different countries it will be necessary to create new means of production, to exchange commodities and to expand industries—all possible fields for economic controversy.

Attempts to minimize the danger of economic controversy or to evade responsibility for its control may well prove fatal to plans for permanent peace. Failure to recognize the importance of such controversy to international peace and its far-flung effects among states and within states must inevitably delay orderly processes of reconstruction. Hardly a treaty, agreement, contract or other arrangement can be made that will not be subject to some misunderstanding or misconstruction as to terms and application. Few international agencies can be set up and administered that will not create in their wake new controversies. International regulations can be put into effect only within the shadow of threatened controversy.

There is little possibility of *eliminating* such controversy. It is questionable whether such an objective would be desirable, for controversy is a safety valve for the emotions and a revealer of conditions that call for examination and correction. Controversy is not only a normal human expression of dissatisfaction, discontent, rapacity or selfishness of men and nations; it is also the expression of the best in humanity, and is a consequence of the striving of men and nations for the better and nobler things of life and of their restless search for perfection.

But there is every possibility for the control of future controversy and for the settlement of existing controversy, through its

early discovery whenever and wherever it emerges, if nations and their nationals will put controversy in its proper perspective in relation to the maintenance of international peace.

### 3. THE CONTROL OF FUTURE CONTROVERSY

The war has brought home one great lesson. It is that the mere settlement of *existing* controversies will not be sufficient to avert future wars.

Centuries ago international traders discovered this fact and set about obtaining understandings and laws that would enable them to control future controversies within their trade areas. They had the conviction 1) that if in times of peace and harmony, they admitted the possibility of emerging disputes and provided a method for their future control that these methods would stand the strain of ill-will and bad faith which a threatened controversy so often engenders; 2) that the existence of this evidence of goodwill and intention not to let a controversy get out of hand would provide a platform for a negotiated settlement; 3) that controls established at the source, namely, at the time of making of a contract, would operate automatically to check the *flow of the controversy*. They isolated controversy and prevented the spread of its contagion by making strict provisions for speed, economy, privacy and justice in such controls. Under this concept, foreign traders went even further: through their trade associations they withdrew whole areas of commercial conflict from the application of force and put controversy under automatic control through standard or uniform contracts which contained arbitration provisions.

States have not profited by this practice in the automatic control of future controversy. There has been no universal acceptance of this doctrine and little unity of action toward such an end. Where states have included provisions in their treaties and other agreements, the subject matter has generally been limited and the machinery for the execution of the safeguards indefinite. Diplomatic negotiations to settle an existing controversy, with their attending indirection and delay, have been the accepted procedure. When, finally, states established a Permanent Court of Arbitration, the record of its use, in ratio to the prevalence of international controversy, has not been reassuring.<sup>1</sup>

<sup>1</sup>One group of states has escaped from these narrow confines. See p. 59.

The lesson of this war is emphatically to the effect that the outlook must change in the direction of an organized systematic undertaking to control and isolate future controversy as well as to settle existing controversy. The outlook must change to one that views economic controversy over a broad field as a menace to permanent international peace, to be attacked generally as well as specifically as being inimical to the welfare of nations. The outlook must swing away from the viewpoint of nations that their particular controversy is their own affair. The outlook must focus upon the control of future controversy at its source; and it must be toward *united action* for the control of *all* controversy and not emergency action that achieves control in one sector and leaves others wide open to the machinations of an enemy that might be bent upon using controversies to foment basic international discord.

The lesson of this war is also emphatically to the effect that states in their official capacities and nationals in their private economic capacities must combine their efforts and dovetail their plans so as to present no loopholes to the enemy. An example is afforded by American-Chinese relations. A new trade treaty may be negotiated in which these two nations will reach agreement upon principle and policy, and it should provide for the control of controversy in that area of official relations. But the nationals of these two countries will presumably engage in trade upon their own initiative and according to their own contractual relations. The new treaty may well lay down fundamental trade practices and recommend provisions for the control of controversy arising out of these individual contractual relations or in violation of these trade practices. Under such correlated action, neither China nor the United States, nor Americans nor Chinese, would ever find economic controversy plunging them into war.

It is evident, however, that the device of united action to defeat controversy as a saboteur of permanent peace has not yet been learned. Two recent international proposals offer illustrations.

The proposed Anglo-American Agreement on Petroleum, under which petroleum supplies are to be allocated, contains the usual provision that the British and American governments will adhere to its terms.<sup>2</sup> It authorizes the appointment of a commission armed with technical powers to consider problems of mutual interest

<sup>2</sup> 11 *Bulletin of Dept. of State* (1944) p. 153.

and perform certain technical duties and to make recommendations to both governments. Both governments, for centuries, have been committed to the principle of amicable settlement of controversy, and have the best procedures in the world, but this agreement is bare of any provision by which discord seems to be anticipated or controversy prevented.

On the other hand, the proposed International Agreements formulated at Bretton Woods, July 22, 1944, recommending an International Monetary Fund and an International Bank of Reconstruction and Development, provide for the settlement of differences by arbitration or by the executive directors.<sup>1</sup>

Such separate agreements, concluded by different groups of representatives, and without uniform directives from their governments as to the necessity for incorporating measures that will control any controversy that may arise out of or in relation to such agreements, do not afford the unified control that a permanent peace structure requires.

If it is desirable to include provisions for arbitration in the proposed International Agreement to create an International Monetary Fund, it is equally important that similar provisions be included in the proposed Anglo-American Agreement on Petroleum and that resort be had to *identical pacific settlement machinery* in these as well as in all future agreements. In fact, no future international agreement should come into effect without adequate provisions for the control and settlement of future controversies that may arise out of or in connection with such agreements.

#### 4. ROLE OF GOVERNMENTS AND NATIONALS IN THE SETTLEMENT OF CONTROVERSY

The makers of a durable international peace are faced with a rising tide of economic controversy and with the necessity for dealing with it in a systematic way. Foreign bureaus of governments are piled high with multitudinous claims of their nationals and civilian committees of one kind or another are assembling claims. Commissions have been set up to study special fields of claims. It would seem that the clamor for adjustments and settlements will follow close upon victory day.

<sup>1</sup> See p. 29 for text of these provisions.

In the early interim period, governments will be expected to obtain just settlements for their nationals. Moving separately, nations will come into conflict with each other in the endeavor to settle claims which might better be settled under some joint arrangement.

But the time and thought which governments will give to the international claims of their nationals will be conditioned somewhat by the very considerable volume of controversy that may well arise out of their own national reconstruction and peace-making responsibilities. They will be liquidating billions of dollars worth of war contracts or finding ways to dispose of surplus goods which compete with private industry. They will be setting up jointly and separately innumerable temporary agencies to carry on through the reconstruction period. These agencies may well bring new troubles. States will be entering into new agreements and pacts or will be revising or liquidating some of the earlier ones. These, also, may create new or different types of controversy. The paths ahead of the peacemakers are wide open to the prevalence of controversy.

It would seem, while states are thus engaged, that the private claims of individual nationals would have to wait; but to wait too long might seriously hamper re-employment, reconstruction and international trade. The alternative may be for nationals to by-pass their governments through protective committees or other personal devices. Such procedure would, however, also carry the seeds of controversy. For example, should claims be pressed upon the Axis Powers from all such sources, unrelated to each other, there would be a scramble for priority and much bitterness among those who came last.

As will be seen later, there are certain types of controversy in which many nations have a mutual interest. A pooling of methods of adjustment or settlement might afford parties in interest equality and justice and thereby cooperation and permanent peace would be advanced.

It is certain, however, that for a considerable period of time, reliance must be placed upon governments to take the initiative in the settlement of controversy and to establish the necessary international agencies for the settlement of the many differences that will arise out of the war and post-war efforts, whether they concern states or their nationals, or organizations of their nationals.

## II. GRIEVANCES AS SOURCES OF INTERNATIONAL DISCORD

### 1. INDIVIDUAL GRIEVANCES AS A PATHWAY TO CONTROVERSY

In the past, it has been the practice to make some provision for the settlement of disputes, but generally to ignore grievances. When World War II broke upon a startled world, the pigeonholes of international agencies were stuffed with reported grievances. This cannot and should not happen again, for the grievances that will cry out for redress will be staggering in their magnitude and complexity, and cannot be left to drift on an uncharted course.

The injustices and injuries and the persecutions that people have been called upon to endure, the loss in lives and property that they have suffered, the slavery in which people have been held, the devastation of homes and homeland which they have experienced, the imposition of alien ideas and customs, and above all their loss of freedom and dignity as human beings, have instilled within those remaining not only causes for grief but an enduring sense of a wrong done them. As so many of these wrongs can never be wholly righted, nor the sense of injury eradicated by the restoration of freedom and rights, nor losses be replaced by measures for rehabilitation, these mental states of depression and despair and emotion that call for retribution and revenge will sharpen and accelerate the volume of grievances that will demand understanding and relief. The fact that many of them can be afforded understanding, but not actual relief, will not prevent the clamor for some kind of adjustment. The further fact that some of them are real and others are imaginary will not change their consequences.

To ignore these grievances, whatever their source, is to pave a way to controversy. Because of their highly emotional character, it is easy for the persons affected to magnify them to gain adherents and to create disturbances that imperil peace within nations and international peace itself. For, inevitably, many of these grievances are taken to governments to adjust, in the doing of which they may not only meet obstacles but incur involvement in larger issues not foreseen by those seeking the simple adjustment of an individual grievance. It is, then, that grievances so readily merge into misunderstandings and differences that constitute the groundwork of actual controversy.

That grievances are the multitudinous small streams that feed the rivers of discord is nowhere better illustrated than in labor relations. In these relations, discord may arise first in the form of the grievance of one employee; that grievance immediately becomes the concern of all of the group of which he is a member; the difference then may come to involve not only the company and its employee but several other companies. If not settled, sympathizers, having no immediate concern with the grievance, are drawn into the circle of discord. And if not permanently adjusted, the controversy may arise in such acute terms that force will be used. An international grievance develops in much the same way, starting with the individual and gaining adherents from his compatriots or racial or economic group until it reaches a climax where, unless amicable adjustment is made, the use of force becomes inevitable.

That individual grievances constitute a pathway to controversy and can be organized to promote war is amply demonstrated by the present war. Grievances were capitalized in building up a sentiment for war; each injury or wrong suffered by a German national or member of a German minority was deftly woven into an excuse for war; grievances were used to create sympathy and promote discord in other countries. This effective technique should warn the makers of peace that ample provision should be made in their plans for the adjustment of grievances before they have the opportunity to develop into controversies that breed wars.

## 2. PRIVATE CONTRACTS AS A SOURCE OF GRIEVANCES

The activities of the nationals of different countries engaged in international trade will constitute sources of controversy. As they engage in trade as individuals, firms, corporations or trading groups in all parts of the world, they will enter into innumerable international trade contracts that may give rise to a considerable volume of controversy. They have done so in the past and cannot be expected to achieve immunity from such controversy under the complex post-war conditions that will prevail when private enterprise resumes its normal trade activities.

Many of these controversies start as mere grievances over the performance or non-performance of a contract. If these contracts carried provisions for the immediate, amicable consideration of these grievances, they need not develop into acute and bitter

disputes which disrupt existing friendly relations and imperil future relations.

As the international organizations of labor expand, international collective bargaining agreements of the future may become potent sources of both grievances and controversy. Such organization by leading American labor organizations is well under way in Canada and to some extent in the Latin-American Republics. The inclusion of labor standards provisions in international purchasing contracts offers an example of the problems which may create future controversy. Just what machinery for the settlement of grievances and controversies these international bodies will create has not yet been disclosed, nor has provision for the settlement of such grievances and controversies been integrated in an international scheme for permanent peace.

## 3. GRIEVANCES AMONG STATES AS A MENACE TO PEACE

Many grave controversies between states begin as grievances to which little importance is attached. They are, therefore, ignored, or left to time to correct. In the Western Hemisphere, grievances among American Republics have been taken more seriously and their capacity for creating discord has been fully recognized.

The organization and procedures of the Pan American system offer an illustration of the importance of early discovery and of the practical use of procedures to prevent grievances from undermining the solidarity of the American Republics.<sup>1</sup> The Pan American Union takes a serious view of grievances between states. The participation of all ministers or ambassadors accredited to Washington brings immediately to its attention situations that are still in the grievance stage. Its periodic and special conferences serve the purpose of safety valves, as well as offer the opportunity for applying salutary remedies. Its network of anti-war and conciliation treaties, some between two or more states and others more general, offer various procedures for preventing grievances from developing into controversy.

It would seem practical, in the establishment of an international peace organization, to make similar provision for a clearing house where such grievances would be promptly reported and discussed and steps taken toward their amelioration. In some instances,

<sup>1</sup> See p. 59 for a brief description of this System.

merely taking cognizance of the grievance will suggest ways for its voluntary adjustment by the parties; under other circumstances, some one of the processes of arbitration might serve to adjust it; while in still others, such legal rights might be involved as to call for a judicial determination of the issue.

### III. SOME SPECIAL SOURCES OF ECONOMIC CONTROVERSY

In the preceding Sections, some of the more general aspects of controversy have been described and attention has been drawn to the necessity for dealing with them promptly in their early stages as grievances and for providing ways for controlling the future growth of controversy. There are, however, some special sources of economic controversy which require immediate practical consideration.

#### 1. INTERNATIONAL CONSEQUENCES OF THE CANCELLATION OF WAR CONTRACTS

Today, practically the whole industrial fabric of the world is held together by government spending. Present prosperity in the United States, in most of the neutral countries and in other of the United Nations, stems directly from the volume of war spending. "Cutbacks" already ordered and the abrupt stoppage of much of this spending when the war ends will cause enormous shock not only in the United States, where steps are being taken to absorb as much of the shock as possible, but in many other countries, some of which have been only indirectly involved in the war and which may not be able to make the transition from their war-born economy to a peace-time basis without great strain.

Millions of men whose standards of living have been raised from the level of abject poverty to that of relative prosperity will not willingly return to their earlier status. The explanation that the United States (or some other of the United Nations) no longer needs the product of their labor, now that the war had been won with the help of that labor, will do little to reconcile them to the readjustments necessitated by peace. In this atmosphere it is easy to foresee that the spirit of rebellion and revolution, now stirring in some of the Republics, may result in breaches of the peace that might lead to war.

One bright spot in the situation is that most of the United Nations, which have been large purchasers of American-made war materials, have authorized their purchasing commissions to provide for arbitration in the United States of disputes that might arise in the performance, breach or cancellation of such contracts. To some extent, this is true of the foreign purchase contracts of the United States. But in the Master Lend-Lease Agreement and in the vast operations that have occurred thereunder, there is no provision for the settlement of disputes that almost certainly will arise between the Nations which Lend-Lease has served to bind together in the prosecution of the war. Now, before the day of accounting has arrived, is the time to provide the machinery for the settlement of such future disputes.

While there are many questions of policy and technical problems involved in the cancellation of war contracts, with which this study may not concern itself, it is evident that the process will inevitably be a potent source of international controversy at several levels.

There will, for example, be the immediate concern of foreign contractors whose orders are cancelled before completion. The speed and equity with which termination settlements are made will determine to a large degree the volume and character of disputes, but that there will be substantial disagreements is almost inevitable. Congress has already provided, in the Contract Settlement Act of 1944, what seem to be reasonably adequate means for the settlement of such disputes in the United States, including a provision under which United States Government procurement agencies may arbitrate termination disputes with contractors. But effective means for the settlement of disputes with foreign suppliers at the point of origin are by no means available, and provision therefor should be made so that the coming of peace does not in fact create disputes that might become the seeds of future misunderstandings.

It is, therefore, not only appropriate and timely, but also of the greatest urgency, to consider the future sources of economic controversy created by war production orders and their cancellation in adjustments to peace, and to design and install the machinery for settlement of such disputes at every level of activity, in full recognition of the fact that from them grow the issues that involve "national honor" and the consequent threat to peace.



## 2. DISPOSAL OF GOVERNMENT SURPLUS PROPERTY

If there exists any project more beset by economic difficulties than the disposal of the huge stores of surplus government property after the war, it will be hard to find. Even as this is being written, differences of opinion have arisen as to whether some of this surplus should not be gradually released for civilian consumption, scrapped, given away to nationals of foreign countries, sold through regular commercial channels or marketed to whosoever will buy, whether for speculative resale or direct use.

Warehouses throughout the world are bulging with such materials. Billions of dollars worth of other materials will be on their way to completion when the war ends. All along the line, from a finished product somewhere overseas, down to the plant in America that has a contract for a million items just like it, such surpluses are accumulating and will amount to a prodigious total at the end of the war, exceeding \$100 billion for the United States alone. Of this, perhaps \$60 billion will be in civilian type merchandise, planes, vehicles, raw materials, goods in process and communication materials. \$16 billion will be in plant machinery and equipment of the most modern and efficient type. \$10 billion in ships will provide a striking source of potential international controversy, while the marketing or the withholding of all or some of these materials will have marked repercussions in economic and political fields throughout the world.

Joint international action concerning the property of individual nations, which includes perhaps a million or more separate items, is a chimerical hope or, if possible at all, would probably result in fantastic chaos. Individual action in large areas of the problem will, however, inevitably create strain and discord among the nations which produced and own these "surpluses" which are stored in thousands of localities in their and other nations.

A belated start has been made in the solution of this problem. Congress has recently passed the Surplus Property Act of 1944. Canada has created a special government corporation to deal with it. England has made some progress in defining its problem.

The one fact that stands out—stark and threatening to the economic basis for world peace—is that whatever Americans do—whatever the others do—singly, or jointly with Americans—there is certain to be controversy at every level of economic activity which may all too easily carry over into the realm of political controversy. Therefore, the establishment of an instrumentality

for the hearing and equitable adjudication of such controversy, in which all the participants will have faith as to its impartiality and competence, is a dominant requirement. If nations are to be prevented from using force, then an alternative vent for the emotional turmoil of conflicting interests and pacific means for the settlement of those conflicts must be provided simultaneously with the prohibition of force. It is none too early to provide this instrumentality for the settlement of international controversy arising out of the huge and complicated question of surplus products and facilities.

## 3. PATENTS AS A SOURCE OF INTERNATIONAL CONTROVERSY

Invention has played an enormous part in this war. It will play an even greater role in reconstruction or possible future wars. Hence all patents, their ownership, assignment and use are of immediate concern to states. The ownership and protection of the patent rights of nationals have already merged into the larger question of national and international security. This field of controversy is, therefore, not only concerned with the problems created by the present war, but with their relation to possible future wars.

If these disputes were to be exclusively with the Axis Nations, whose patents have been seized, the international problem might be relatively simple. But they will not be so limited. Rather will the rights of nationals of co-belligerent and neutral countries be interwoven with those of American citizens. There is considerable variation among the patent laws of the different nations. Grave questions of national security which involve patent exchange and cross-licensing have already arisen. There is evident a wide divergence of viewpoint between important units of American enterprise and their own government which involve important international questions. This field can be fruitful of very acute disputes. Suggestions have already been made to reform American patent law, including a recommendation for the establishment of a special patent court system.

From different angles, it is evident that the question of patents is and will become more of an international problem fraught with the possibility of dispute, especially in the field of international cartelization. Therefore, the formulation of a national policy will inevitably call for the creation of machinery to settle these disputes. What part arbitration will or should play is problematical. But it is certain that the requirement for pacific settlement of this

type of international economic controversy should actuate a much deeper study into the possibilities of arbitration than has been given to it by any segment of the interests involved.

#### 4. ADJUSTMENTS OF ENEMY ALIEN PROPERTY CLAIMS

Among the questions arising at the end of the war will be the legal and economic complications resulting from the taking over and administering of enemy alien properties in the allied belligerent countries. Under such administration, many of these properties will have been liquidated or suffered deterioration or been impaired by war use. Specific action taken during the war to supervise all financial and commercial intercourse that might prove inimical to the security of the Western Hemisphere and other measures will greatly affect any simple adjustments.<sup>1</sup> For example, will the property rights of Italians, now fighting with the Allies, require different adjustment from that accorded the Germans and Japanese? Will rights in which governments have an interest differ materially from those owned by individuals? What will be the status of the interest of Americans who have acquired such properties?

These are among the simpler questions. There will be creditors and investors in many lands who have an interest in these alien properties. Their interests will run far down the line to executors, trustees, heirs and devisees who will be vitally concerned with the final disposition of such properties.

A systematic technique for thawing frozen alien funds (in the United States alone amounting to over seven billion dollars)<sup>2</sup> especially with regard to nationals of countries now occupied by Axis Powers and to be liberated by the United Nations, will become urgent even before the end of the war. These funds may become one of the first available means of exchange for the initiating of an international post-war economy.

A special situation, unknown at the end of the last war, will arise out of the activities of the various governments-in-exile. Vesting decrees of some of the governments-in-exile, as of the Netherlands and Norway, took care of the property abroad of

<sup>1</sup> See *Proceedings of Inter-American Conference on Systems of Financial and Economic Control* held in Washington, D. C., July 10, 1942, published in the *Congress and Conference Series* No. 40, 1943, of the Pan American Union.

<sup>2</sup> *Annual Report*, Office of Alien Property Custodian (1944), p. 93.

their nationals residing in the occupied motherland. Bank accounts, securities and business participations were blocked in allied countries in the interest of the successful prosecution of the war. The return to, or compensation of, the former owners will have to take into consideration claims of creditors, individuals and corporations, and finally the rights of foreign governments which exercise a wartime control of foreign assets of their nationals. Controversies will be suspended only so long as wartime conditions, difficulties of communications and of producing evidence, prevent the prosecution of the different claims connected with these assets.

Controversies arising over proposed adjustments of alien property rights are not matters solely for litigation between the contesting parties. They are of such high importance to the maintenance of international peace as to require consideration from an international viewpoint.

Moreover, the penetration of German capital into Europe and its control of banking, industry and business will require workable measures for the invalidation of these diverse and often intricate acts of economic warfare. It will be necessary to offset this illegal practice of the enemy, the manifold confiscation of property without compensation, the acquisition of foreign property and holdings with the aid of funds which were drawn from occupied countries through occupation costs and granting of credits by local foreign banks to German firms, the compulsory joining of German business enterprises, the exploitation by devaluation of local currencies in occupied territories and the creation of mixed companies and other means of "friendly agreements".<sup>1</sup> Claims arising out of these entanglements of property rights over the whole of Europe will be numerous.

Whether these claims are promptly and justly settled or whether they are allowed to drag slowly for years through court procedure under heavy expense will either help to stabilize or undermine future international cooperation. Whether united governmental action can be taken to bring relief to individual creditors and parties is worthy of consideration.

The same might be true of claims connected with the American Proclaimed Lists and the British Statutory Lists, known as black-

<sup>1</sup> See *Occupied Europe, German Exploitation and Its Post-War Consequences*, (Royal Institute of International Affairs, London, 1944).

lists. A continuance of this weapon of economic warfare may result in many international controversies.

#### 5. ADJUSTMENT OF PRIVATE AND PUBLIC PROPERTY RIGHTS

At the close of World War I, people and nations throughout the world really believed that permanent peace had been established and that it was safe to make investments anywhere in the world. So they went about vigorously building plants in other countries, investing money in these countries, buying their bonds and securities and in every way acting as though these investments were as good as those at home.

What effect the war has had upon these investments in Axis countries, in invaded countries, in neutral countries and in the countries of the United Nations, no one knows or may know for a long time to come. Fixed properties such as plants, factories, offices, homes, may have been totally destroyed or damaged. Movable properties may have been used or sold or sent to the ends of the earth. In the United States, at least, committees of such property owners are being proposed in a united effort to find out what has happened and what is recoverable.

It is known, even under conditions where such losses cannot be accurately described, that factories, plants and property of nationals have been almost completely destroyed in countries occupied by the Axis and in others which they have attempted to subjugate. It is known that securities, investments, stocks, bonds and shares of the industries and institutions of these countries have been scattered to the ends of the earth through sale or deposits so that their very tracing will be a stupendous task; and that assets (and other valuables) of banks, insurance and other financial institutions, wherever the Axis Powers could reach them, have been distributed among Axis-owned institutions so their restoration presents a herculean task. It is known that homes, galleries and public buildings have been looted or destroyed and that claims will be made for restoration or reparation, for they are being filed even now in some of the foreign offices of the United Nations.

Many American industries and private individuals before the war owned property in the now war-torn Europe and Asia. The magnitude of the problem of settling claims to these assets can be appraised in part from a census of American property abroad, as disclosed by the United States Treasury Department, on the basis of returns submitted by some 170,000 individuals, 32,000 estates

and trusts and 16,000 business enterprises. American holdings in the enemy countries aggregate \$1775 millions; in Germany alone, they were \$1290 millions. The total in Italy was \$265 millions and in Japan \$90 millions.<sup>1</sup> In areas now occupied by the enemy, there are more than two thousand million dollars of investments. These properties range from undeveloped real estate to corporation securities; from patents to manufacturing plants; and from mines and oil wells to plantations.

Among the disputes which will arise in the settlement of war claims, the Axis' pre-war foreign indebtedness may cause unforeseen difficulties. The amount which Germany alone still owes on account of pre-war foreign loans was estimated in 1939 at approximately ten billion reichsmarks (about four thousand million dollars), which amount is considerably higher than Germany's legitimate assets abroad.<sup>2</sup> The priority of private claims of pre-war creditors, over later claims arising out of wartime measures, may become one of the sources of further misunderstandings.

Should foreign offices in the different countries undertake to obtain satisfaction for these many claimants, they will be swamped for years to come; should diplomatic negotiations be relied upon to effect settlements, the manner of their assessment and collection is likely to prove slow and involved. Should litigation be resorted to, the cost and delay of settlement may prove prohibitive, for many of the claimants may be without resources to defray such costs. Nevertheless, their non-settlement will tend to prolong the hatred and antagonism that threaten the final organization of international peace.

There will also be claims against the United Nations. The United States has but recently reimbursed Switzerland for destruction of property within its boundaries by American fliers. And even though the British and Americans enter a country only to liberate its people, it is not inconceivable that claims for property damages inflicted in so doing may be filed against these countries.<sup>3</sup>

The methods by which such war losses must be ascertained

<sup>1</sup> *Release of Treasury Dept., New York Times*, April 20, 1944.

<sup>2</sup> *The Economist* (London), February 11, 1939. More than 530 millions worth of bonds alone are listed on the N. Y. Stock Exchange, comprising government, state, municipal and corporate issues, *New York Herald Tribune*, September 12, 1944.

<sup>3</sup> See *New York Times*, August 29, 1944, on the activities of U. S. Army claims office.

present great difficulties. They will have to be dealt with by military governments of allied and associated powers, by enemy governments, by recognized governments, by governments-in-exile and by new governments created temporarily in liberated countries and later reorganized in a manner not now to be foreseen. Whether succeeding governments will assume the obligations of preceding governments is one of the hazards. But the outstanding fact is that not only will different countries and their nationals be involved, but the great powers charged with the responsibility of keeping the peace will of necessity be deeply concerned with the manner of their settlement.

A source of controversy that existed in a lesser degree after World War I has assumed enormous proportions in the present war. It involves not only economic values but highly volatile sentiments and emotions. It concerns the looting by the Axis Powers of things of value, particularly objects of art, and the desecration of monuments and shrines. Claims for their recovery or compensation for their demolition or injury will come from the people within the devastated lands and from their governments.

The first task, in many instances, will be to locate the missing properties and then to ascertain the rightful title to them. This inquiry may well extend over many countries in which these objects of art have been either sold or cached for future profit. Another task will be to ascertain what has been destroyed and whether reparations will be exacted for such loss. A third will be the salvaging of such properties and their restoration and upon whom the cost of their restoration shall be assessed; determining what and if any objects of art shall be taken from the beaten Axis Powers in replacement of those destroyed by them in other countries, and how shall these be allocated?

There appears to be no agreed upon program for adjusting these claims. That some of them will be the subject of litigation there can be no doubt; that organizations of claimants to obtain satisfactory adjustments will arise immediately after war restrictions are released is already apparent; that government offices will be flooded with claims and be constantly importuned to make haste is likewise inevitable. That new and now unforeseen activities will be devised by those anxious to salvage something out of the war is to be expected. That many millions of nationals in all countries will await with complacency these slow processes is not likely. That delayed action will hamper new investments, new enterprises, new trade contracts, in some manner, is certain. For

confidence will be lacking in any permanent post-war plan that ignores claims of this nature. In some instances they may be determined by judicial decision, but in most instances the more patient and friendly and less formal processes of inquiry and arbitration may be found more expeditious and practical.

These public and private property claims are of such magnitude and so provocative of future controversy as to invite the serious consideration of an international conference. Some progress has already been made in the way of organization and recognition of the magnitude of one particular type of controversy. The United States Government has established an American Commission for the Protection and Salvage of Artistic and Historic Monuments in Europe and the British Government has established a similar Commission. But this type of controversy, whether in the countries where the looting and destruction took place, or in those where these treasures have been disposed of, is the concern of many nations that will desire to participate in its settlement.

#### 6. INTERNATIONAL SHIPPING PROBLEMS

Prior to the present war, the development and organization of shipping was a highly competitive business. Insofar as its activities were coordinated, it was generally, through voluntary conferences set up by the transportation lines, operating regularly in particular services. They undertook to prevent rate wars and met periodically to settle problems arising among themselves.

The end of the war will find American international shipping interests facing diversified economic problems and adjustments. The Government will be the owner of a huge fleet of ships, primarily cargo carriers but also combination cargo-passenger ships, and their disposition or use and operating control will directly affect the business policies to be followed in the commercial operation of privately owned ships. The vast destruction of physical property in Europe and the slow resumption of both manufacturing and agricultural productivity and other economic necessities will create, immediately after the war at least, a tremendous upsurge in American export business. To what extent the Government will direct the allocation of export goods and control the shipping facilities necessary to transport them is an unknown factor. It seems clear, however, that governmental shipping poli-

cies will be influenced somewhat by the economic agreements to be negotiated by the maritime countries among the victorious United Nations.

Under normal peacetime conditions, transportation rates and charges and the competitive relations between steamship companies of various nationalities, operating ships in particular services between the United States and foreign ports, were controlled by so-called steamship conferences under governmentally-approved written agreements entered into by the operators. The hundred or more conference or similar agreements on file with the United States Maritime Commission at the commencement of the European war covered, as the case may be, freight or passenger transportation between Atlantic, Pacific or Gulf ports and various foreign ports throughout the world. Disputes or controversies arising between such operators were generally settled within the conference in accordance with varying forms of self-regulatory arbitration facilities customarily provided for in the agreement. The large majority of these conference agreements have been continued by the steamship companies of the United Nations throughout the period of the war. It is not known to what extent the Government will participate in or further regulate the activities of such conferences after the war and how, if at all, existing facilities for the adjustment of controversies will be affected.

The development of overseas aviation during the war projects a largely new and greatly-increased competitive factor in post-war ocean transportation. It is not yet clear what, if any, co-operative relationships will be established between private operators of steamship services and private operators of competitive airline services. Although the initial competition will, no doubt, be in the field of passenger transportation, plans for overseas transportation of express cargo by air are also being developed. This presents a new field of possible controversy which may also lend itself to adjustment by arbitration.

To avoid bitter controversy which may result in disastrous competitive practices in this vast industry—an industry in which the Governments of all maritime countries are either directly or indirectly involved—self-regulatory methods of adjustment must be provided, either through the extension of arbitration facilities under conference or similar agreements or through the establishment of other adjustment facilities.

## 7. INTERNATIONAL REGULATION OF AIR TRANSPORT

The vast expansion of air bases, their international use by courtesy of or arrangement with the Allied Governments of the lands on which they are located, the joint expenditures in constructing and maintaining them, and their ultimate ownership or use after the war, together with the allocation of planes, frequency of landings, rates for usage and other transient rights, present acute questions of national policy and international economics and will increasingly do so, for air transportation of the future will be a most important factor in the development of international trade. Many of the controversies in this international field will grow out of the general question of what constitutes unfair competition as between countries and as between nationals operating air transport facilities. The principal areas of controversies may be the nature and amount of services between domestic air companies and of international services, schedules of operation, and what factor should be included in determining the amount of subsidy given by a government to a privately owned airline. Controversies may further arise out of the different governments' determination of the number of trans-oceanic services, the international safety requirements, terminal facilities, mail contracts and many other problems connected with the operation of international airlines.

But however perfectly worked out the technical arrangements may be, however comprehensive and precise the language of the agreements, differences concerning their interpretation and application will arise and unforeseen contingencies will cause disagreements, for the settlement of which some provision should be made within the final agreement itself at the time of its adoption. The British Government evidently had this possibility in mind when in a recent recommendation for the establishment of an International Air Transport Authority, it proposed the setting up of arbitration machinery to decide appeals on air transport disputes among the nations.<sup>1</sup>

## 8. GOVERNMENT INTEREST IN INTERNATIONAL CONCESSIONS

Prior to the war, a national of one country could quite freely enter into negotiations with the government of another country

<sup>1</sup> See p. 30 for statement on the proposed Conference and Convention on Air Transport.

for the privilege of carrying on business therein or for developing its resources. It was often a highly competitive undertaking and sometimes led to disturbances between states whose enterprising nationals claimed prior rights.

By reason of the devastation of wide areas and the need for cooperation in rebuilding these areas and in supplying the needs of economically exhausted states and peoples, their governments may be inclined to grant new concessions to foreign interests and to encourage foreign enterprise to carry on until such time as the nationals of that country can take on their individual responsibilities.

That differences will arise over such arrangements, if consummated without international consultation or agreement, is already apparent. For in the instance where the United States Government undertook to arrange with the Arabian Government for the construction of a pipeline for oil, other nations whose interests were affected raised questions that precipitated an international discussion. It is quite conceivable that, in the future, concessions that one government is willing to make to another government or to its nationals may require not only the approval and participation of the government of those nationals, but if it involves a commodity of international importance, the assent or cooperation of other states may become necessary.

Should any concessions arranged by one government with another, or privately by nationals of one country with another government, threaten the interests or plans of other governments or of their nationals, such arrangements may quite readily lead to international controversy. The incentive to make such arrangements will be very considerable, especially by governments of countries that are in urgent need of reconstruction, rebuilding and refinancing. The closest kind of understanding and cooperation among the victorious nations will be needed to avoid conflict. But even under such cooperation these arrangements will give rise to controversies that cannot be foreseen, and they should provide in themselves an amicable method of controlling or settling these probable differences.

#### 9. COMMERCIAL CONTRACTS AS SOURCES OF CONTROVERSY

In the foregoing sections, dealing with war contracts, surplus war property, private rights in patents, alien property rights, private and public property post-war claims, international ship-

ping, air transport and government concessions, governments have a primary interest and may be presumed to exercise a very considerable control over any measures for the settlement of controversies that may arise out of them. Consequently, any suggestion for such control or settlement is of international concern to be addressed to governments individually or collectively.

There is, however, another source of controversy that lies more within the control of private enterprise, since it will arise out of the commercial contracts under which parties to them will carry on and expand international trade. That the control or settlement of such controversies will be left as largely within the organizations of private enterprise as existed before the war is problematical, especially since Russia has a state enterprise government and the nature of the newly created governments within its sphere of influence is as yet uncertain. But however the final forms of control are established, it is not likely that differences arising out of private commercial controversies will be allowed to become causes of wars. Thus, it is conceivable that new forms of treaties will set up international trade practices and provide for the settlement of disputes between nationals on the private level, recognizing that otherwise such disputes are a threat to international trade and eventually to world peace.

As thousands of these international commercial contracts are executed daily throughout the world in times of normal trade, and as they involve billions of dollars, they can in reality be made the carriers of goodwill and the builders of international confidence and cooperation, or they can become sources of discord. In proportion as these contracts fail to carry arbitration provisions or systematically plan their use, the commercial and trade interests will become sources of discord or strong bulwarks of future international peace.

#### 10. LABOR AGREEMENTS AS SOURCES OF CONTROVERSY

A somewhat different source of controversy will have to be reckoned with under international labor agreements and possibly under commercial contracts that carry provisions for regulating labor conditions.

As the trades union organizations of one country expand their activities into other countries, controversies involving the nationals of the different countries are bound to arise. As these nationals combine under different international organizations, the demand

for more nearly uniform working conditions will be taken to governments.

The conditions under which labor may find itself in different countries, due to cancellation of war contracts, repatriation of men from forced labor in Axis controlled countries, importation of labor from one country to another, suggest new kinds of controversies.

Of a different character will be the controversies that will arise under commercial contracts that may carry provisions for labor standards. Thus far, such provisions have appeared in government war contracts for the purpose of promoting war production, but it is not inconceivable that they may, in the future, appear in private international commercial contracts in which governments are interested.

Where these contracts have relation to the purchase of the output of mines and factories and plantations in one country and where the purchasing party resides in another country, the question of settling any disputes that may arise over the fulfillment of the labor provisions in the contract in the country wherein labor resides, may present many difficulties. In the Western Hemisphere, the Inter-American Commercial Arbitration Commission has been held competent to arbitrate such controversies where they arise under commercial contracts involving the American Republics, provided the parties voluntarily agree to refer such controversies to arbitration. As to Canadian-American controversies involving American owners of plants in Canada and Canadian employees, permission has been granted by the Ministry of Labour to the American Arbitration Association to administer its Labor Rules in Canada, should the collective bargaining agreement provide for arbitration under these Rules.

#### IV. INTERNATIONAL GOVERNMENTAL POST-WAR AGENCIES AS SOURCES OF CONTROVERSY

In a preceding section, it was pointed out that governments will, necessarily, establish international institutions and agencies; and that the activities of such agencies will unavoidably become potential sources of discord and controversy. Particular attention should be paid, therefore, to the creation within these agencies of means of settling controversies which may arise within themselves or which they may create. A few examples of such agencies

or institutions, particularly those of an administrative character, will illustrate in what way some of them may become sources of controversy.

#### 1. UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

Of all the delicate tasks to be performed by any international agency, that of providing relief comes first. It is not only that starved and destitute people are proud and through no fault of their own have become dependent upon public charity, but as soon as possible they will wish to become independent and self-reliant. Gratitude is probably the most ephemeral of the virtues and turns most readily to resentment.

As the UNRRA has at its disposal a large appropriation and a huge purchasing power and the allocation of the necessities for life and rehabilitation, its activities, however wisely and fairly they are administered, will inevitably arouse grievances and resentment among those they help, among those not satisfied with the help given, and those to whom relief must be refused.

Later there may also be nationalistic, racial or other relief organizations that will wish to carry on their own work independently. The setting up of overlapping agencies will, of necessity, arouse discord among the agencies themselves and among the people they wish to help.

There will be inevitable conflict of jurisdiction within the United Relief organization itself, composed as it is of representatives of many nationalities, all of which have a vital stake in the distribution or receipt of relief. It has been suggested that international agencies of this type should set up their own arbitration machinery so these differences need not accumulate and create discord.

#### 2. THE ALLIED MILITARY GOVERNMENT

The activity of the Allied Military Government in liberated areas and the territories yet to be freed of Axis control, covers a widespread administration of civil affairs. Controversies will arise out of the manifold activities of AMG in sanitation and public health service, the food supply of civilian populations, the supervision of public works and utilities, labor conditions during the occupation, and the payment for supplies intended for civilian purposes. The disposition of allied and neutral securities in the "legal" possession

of inhabitants of liberated territories who might have been collaborationists of Axis Powers, the use of abandoned enemy war material for the civil administration of the territory, the immediate needs for equitable distribution of commodities, rationing and price control, the variety of currencies circulating in the occupied territories and their redemption, all carry within them germs of controversy. Investigation of accidents and incidents which may give rise to claims, the amount of loss suffered by and damage to the property of inhabitants, and compensation for personal injuries require just settlements. The recent *U. S. Army and Naval Manual of Military Government and Civil Affairs*, of December 22, 1943, in Article 48 dealing with claims commissions to investigate and settle damages, announces that "prompt awards will greatly improve the attitude of the people toward the occupying forces".

### 3. PROPOSED INTERNATIONAL PETROLEUM COMMISSION

The recently concluded tentative agreement on petroleum, entered into between the British and American governments, contemplates the establishment of an international petroleum commission, consisting of four members from each government.

The contracting parties agree to endeavor to obtain the collaboration of the governments of other producing and consuming countries in adopting the principles of producing and distributing petroleum in an orderly way, and to keep themselves informed of the current and prospective activities of their nationals with respect to the development, processing, transportation and distribution of petroleum; and that each government will make available to the other such information as to the activity of its nationals as is necessary to give effect to the agreement.

It is possible that British-American understanding has reached a plane where controversy need not be anticipated or that the Commission, although evenly divided numerically, has implied power to dispose of future controversy.

The fact that the proposed agreement is entered into by two countries whose nationals hold to a substantial extent joint rights to explore and develop petroleum resources in other countries and that the collaboration of other governments is later to be sought, suggests the prospect of future differences arising under this proposed agreement.

### 4. INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL MONETARY FUND

The two agreements reached at the Bretton Woods Conference, the one proposing the establishment of an International Bank for Reconstruction and Development, and the other an International Monetary Fund, will, if adopted, be implemented by intergovernmental agencies. Each proposed agreement contains an arbitration provision. The arbitration clause in the Monetary Fund Agreement provides as follows:

"Whenever a disagreement arises between the Fund and a member which has withdrawn, or between the Fund and any member during liquidation of the Fund, such disagreement shall be submitted to arbitration by a tribunal of three arbitrators, one appointed by the Fund, another by the member or withdrawing member and an umpire who, unless the parties otherwise agree, shall be appointed by the President of the Permanent Court of International Justice or such other authority as may have been prescribed by regulation adopted by the Fund. The umpire shall have full power to settle all questions of procedure in any case where the parties are in disagreement with respect thereto."<sup>1</sup>

The arbitration clause in the International Bank Agreement contains similar provisions, applicable between the bank and a country which has ceased to be a member, or between the bank and any member during the permanent suspension of the bank (Article IX).

The proposed agreements, however, provide that questions concerning the interpretation of the two agreements are to be determined by the Executive Directors; with further reference, at request of a member, to the Board of Governors, whose decision is final. No provision for impartial arbitration of such questions is made.

Arbitration is provided for only when disagreements arise in the course of withdrawal of a member of the fund, cessation of the membership of a country, liquidation of the fund, or permanent suspension of the bank. In these cases a Tribunal of three arbitrators is provided for, one to be appointed by each party and an umpire who, unless the parties otherwise agree, is appointed

<sup>1</sup>Article XVIII (c).



by the President of the Permanent Court of International Justice or such other authority as may be prescribed by regulation of the Fund or the Bank.

These agreements are largely self-executory by the inter-governmental organization and in this respect do not provide for an impartial determination of questions of interpretation, not even by a court of justice. On the other hand, when certain specified disagreements arise, provision is made for arbitral tribunals—arbitrators to be appointed by the parties and of an umpire named by the parties or the Permanent Court as they may agree. Presumably, the Bank or Fund will prescribe rules of procedure.

It is extremely doubtful if this plan for the settlement of differences or disputes meets the demands of the post-war world, or should be adopted as a model.

#### 5. INTERNATIONAL CONVENTION ON AIR TRANSPORT

The United States Government has invited the representatives of more than fifty other governments to meet in this country to consider the formulation of a Convention for the regulation of international air transport. One of the main objectives set forth in the call for the conference is, following an agreement upon principles, to establish an Interim Council to act as a clearing house and advisory agency, with working committees to make studies and recommendations for the final Convention.

If the British view of the problems that confront this Conference is accepted, it affords a bird's-eye view of the area in which controversy may arise and gives a very clear picture of the complexity of the problems.<sup>1</sup> According to this view, such a Convention should:

"Take the place of the Paris Convention and the Havana Convention and make provision for the regulation of international air transport. The convention would, firstly, reaffirm the principle of national sovereignty of the air and define what should for this purpose constitute the territory of a state, and secondly, define the degree of freedom of the air to be enjoyed by the ratifying states conditional on full acceptance of the rest of the convention. Subject to the right of each state to reserve its posi-

tion in time of war or national emergency, its proposed freedom of the air should extend to (a) the right of innocent passage through the states' air space; (b) the right to land for non-traffic purposes (e.g., refueling, emergency, etcetera); (c) the right to embark passengers, mails and freight destined for the country of origin of aircraft; (d) the right to disembark passengers, mails and freight coming from the country of origin of aircraft (the right to pick up and set down traffic to and from destinations not in the country of origin of aircraft and the right to engage in cabotage of another country would be a matter for negotiation). Thirdly, define international air routes which should be subject to international regulation; fourthly, provide for the elimination of uneconomic competition by the determination of frequencies (the total services of all countries operating on any international route), the distribution of those frequencies between the countries concerned and the fixing of carriage rates in relation to standards of speed and accommodation; fifthly, provide for the licensing of international air operators who undertook to observe the convention and abide by the rulings of an appropriate authority and for license withdrawal in the event of a breach of obligations; sixthly, provide for the denial of facilities to any unlicensed operator; seventhly, provide for the collection and review of information about the services, costs, subsidies, rates of carriage, landing fees, etcetera; eighthly, provide for the arbitration of disputes; ninthly, secure the acceptance by ratifying states of the obligation to provide in their respective territories the ground facilities needed for international services or allow such facilities to be provided; tenthly, prescribe safety regulations such as rules of the air, licensing of personnel and aircraft, ground signals, meteorological procedure (domestic airlines operating within territories of member states would not be governed by the convention but it is hoped they would voluntarily apply agreed standards); eleventhly, provide for standards on radio equipment, meteorological and ground facilities."

It is, however, of interest further to follow the British view. It suggests that an international air authority should be estab-

<sup>1</sup> *International Air Transport, Text of White Paper issued in London, Tuesday, October 17, 1944.*

lished, with operational executives, subsidiary regional panels and sub-committees to deal with technical matters; and it outlines briefly how the provisions of the convention should be given effect. Although it provides in principle for the arbitration of disputes, no corresponding thought seems to have been given either to procedures or machinery for disposing of the contemplated disputes.

This Conference affords an unusual opportunity for the consideration of the systematic application of arbitration throughout all of the international relations of the air transport industry. It warrants that among the technical committees to be established, one be charged especially with the duty of studying all aspects of possible levels of disputes and of submitting for consideration a draft system of arbitration for this industry.<sup>1</sup>

#### 6. INTERGOVERNMENTAL COMMODITY CONTROL AGREEMENTS

Prior to the war, a number of schemes had been devised for controlling the flow of commodities from one country to another or to all countries. These schemes were usually in the form of agreements between two or more governments. Among these may be mentioned the Regulation of the Production and Marketing of Sugar to which the principal producing countries, the United Kingdom and the United States were parties; the Inter-American Coffee Agreement of 1940 and 1944; the Tin Control Agreement of 1931 and 1942; the Regulation for Production and Export of Rubber of 1934, and many others. As these were mostly individual product control schemes that affected others, as well as parties to them, they not infrequently have raised grave questions of policy and equity. The constitution of a general international commodity control organization has not yet been approved as a means of meeting this situation.

As further illustrations of such arrangements for the coordination of the war effort, there may also be mentioned the creation of the Combined Raw Materials Board (1942), the Combined Production and Resources Board, and the Combined Food Board, the United States and Canada Joint Economic Committees and the United States agreements with various Latin-American governments for the development of mineral and foodstuffs production in these Republics. These combined organizations, in their liquidation of war activities, cannot but leave problems for ad-

<sup>1</sup> Although not international, it is suggested that the system of arbitration set up in the Motion Picture Industry in the United States might be studied, with profit.

justment, if not adjudication. A report by the League of Nations Committee for the Study of the Problem of Raw Materials indicates that such agreements may readily become the source of controversy.<sup>1</sup>

Although some of these agreements seem to indicate that a contracting party may sometimes fail to comply with the terms of the agreement or may infringe upon its terms, wherever any remedy is indicated, executive rather than judicial determination of the issue is provided. There are, however, exceptions. The International Tea Agreement of 1933-38, provided for arbitration of differences over the fixing of the "figure of regulation".

There are indications that very considerable use will be made by governments, in the early post-war period, of resort to such agreements and that their execution will present very considerable difficulties in the way of disposing of inherent controversy.<sup>2</sup>

For example a *New York Times* report of a press conference with President Roosevelt, dated September 9, 1944, contains the following observation:

"The Administration has been having more difficulty drafting its post-war policy on commodity agreements than on cartels, because of special interests of some of the departments like Agriculture, and because there is a strong sentiment in the Government for handling a number of commodities other than agricultural surplus commodities through international agreements."

These pre-agreement differences would indicate a continuance

<sup>1</sup> *League of Nations Documents, 1937*. II B. 1, 4, 7, and *Commercial Policy in the Interwar Period* (League of Nations, 1942), p. 77.

<sup>2</sup> For instance: The procurement of foreign hides by the United States and Great Britain has been coordinated by the establishment of a Joint Hide Control Office in Washington, D. C., composed of an equal number of representatives of both countries. The plan for the importation of hides provided that importers may offer to the Foreign Economic Administration, through the Control Office, to sell hides to the United States Commercial Company. Any dispute arising out of the contracts is to be settled by arbitration, the Foreign Economic Administration appointing a third arbitrator in case the two arbitrators selected by the parties fail to agree upon such appointment. (*Revised Plan for Importation of Hides*, Foreign Economic Administration, December 6, 1943). See also *Outline of Principles of Proposed Agreement between Petroleum Reserves Corporation and Arabian American Oil Co. and Gulf Exploration Co. of January 24, 1944*, reprinted in *Senate Report No. 10, Part 16, on Senate Resolution 71, 78th Congress, 2nd Session* (Truman Committee, *Third Annual Report*), p. 579.

of discord after such agreements are consummated and the necessity for including in all of them provisions for the amicable settlement of controversies that must inevitably arise among the parties to them, and among states affected by them but having no voice in their making or execution.

Lend-lease operations and reciprocal measures have put into effect a vast program for the delivery and exchange of raw materials, food, equipment, and services for the armed forces. The Mutual Aid Agreements between the United States and 30 other countries set up new methods of distribution that are bound to affect post-war economic reconstruction upon a wide front. The final determination of payments of benefits may cause controversies for a long time to come, as will also disagreement on valuation, appraisal, and counterclaims, machinery for the settlement of which has not as yet been provided.

Nor does it appear that reciprocal trade agreements to which the United States Government is a party have generally made provision for the adjustment of any differences or misunderstandings that may arise out of the application of their terms or out of their relation to other trade pacts.

In the more recent reciprocal trade agreements, to which the United States is a party, there are, however, indications that the parties are aware that future differences or misunderstandings may arise. For example, the agreement with Mexico contains the provision that if either Government should consider that any measure adopted by the other Government, even though it does not conflict with the terms of the agreement, has the effect of nullifying or impairing any object of the agreement, such other Government shall give sympathetic consideration to such written representations or proposals as may be made with a view to effecting a satisfactory adjustment of the matter.<sup>1</sup>

The agreement with Argentina is a little more specific, in that it provides machinery. This agreement states that the two Governments agree to consult together to the fullest possible extent in regard to all matters affecting the operation of the present agreement; and in order to facilitate such consultation a commission consisting of representatives of each Government shall be established to study the operation of the agreement, to make recommendations regarding the fulfillment of the provisions of

<sup>1</sup> *Executive Agreement Series* No. 311, Agreement of December 23, 1942; Article XIV.

the agreement, and to consider such other matters as may be submitted to it by the two Governments.<sup>1</sup>

## 7. GOVERNMENTAL ADMINISTRATIVE AGENCIES IN FOREIGN COUNTRIES

At the present time, in furtherance of the prosecution of the war, many governmental agencies with administrative powers are domiciled in or are operating in countries other than their own. Great Britain, Australia and other countries have purchasing agencies in the United States.<sup>2</sup> The United States Government has active administrative agencies operating in friendly American Republics. United States Government corporations buy and sell and ship commodities to whatever localities their representatives can reach or wherein they are domiciled. Governments have, by agreement with other governments, sent their own administrative agencies into such other countries to speed war production. This economic penetration, while unifying nations for war, requires strategic withdrawal and intelligent readjustment for peace. For example, some governmental commercial contracts for the purchase of materials needed for war now contain provisions for improving the welfare and working conditions of laborers in the industries from which these war supplies are drawn.

As it is probable that government administrative agencies domiciled in countries other than their own may increase rather than decrease in the immediate post-war period, it would seem highly desirable that provisions be made in every agreement creating the establishment of such agency, for the settlement of any controversies that may arise out of its activities within that country or over the terms of its withdrawal from that country.

<sup>1</sup> *Executive Agreement Series*, No. 277, Agreement of October 14, 1941, Article XII.

<sup>2</sup> Some of these agencies have had the forethought to include in purchasing contracts a provision for the arbitration of any differences arising out of them, in the United States under the Rules of the American Arbitration Association.

## PART II—INTERNATIONAL ARBITRATION

### V. PUBLIC AND PRIVATE ARBITRATION

If such is the outlook for international controversy and if the sources indicated are really potential threats to permanent international peace, what place should be accorded to arbitration in the control of controversy?

But first, what processes of pacific settlement of controversies were set up to help avert World Wars? What arbitral machinery was provided and in what condition will it survive the present war?

#### 1. BARGAINING PROCESSES

The processes of pacific settlement are voluntary and are set up primarily under international treaties, conventions, contracts, protocols or other instruments. These may be agreements between two or more states to settle by amicable procedures controversies that may arise between them, either out of primary agreements which regulate their relations to one another, or out of circumstances not yet subjected to such agreements.

These processes are basically five: 1) Diplomatic negotiation; 2) conciliation; 3) mediation; 4) inquiry, and 5) arbitration. In all of these processes but the first, there is intervention by a person or agency that is not a party to the controversy.

Setting aside diplomatic negotiation, which is an inside process, what are the generally recognized differentiations between these processes of pacific settlement?

Conciliation is generally understood to be the intervention of an outside person or agency, either at the invitation of the parties or through their acceptance of voluntary offers, for the purpose of reconciling their viewpoints through a process of persuasion or disinterested analysis of the circumstances, by which the parties are left free to reach their own settlement. When this process occurs, the dispute is taken out of diplomatic channels and placed in the hands of a single conciliator or a conciliation commission. Should such a conciliator or commission make recommendations,

the parties still remain free to consent to or reject the solution offered.

Mediation is the process of reconciling opposing claims and appeasing feelings of resentment. The good offices of a mediator are undertaken at the request of the parties or through the initiative of other states, not parties to the controversy. His usefulness is at an end when the means of reconciliation proposed by him are not acceptable to the parties. A mediator may sit with other representatives of the parties who are endeavoring to effect a reconciliation. Mediation is so nearly identical with conciliation that most treaties provide for conciliation.

Inquiry is the process of dealing with disputes of an international nature, involving neither the honor nor vital interests of states, but arising out of differences of opinion on points of fact which can be ascertained by an impartial and conscientious investigation. International commissions of inquiry may be constituted by agreement of the parties. They may appoint assessors, or the parties may be represented by special agents. The Hague Conventions established a procedure for the setting up of such commissions and certain standards for the conduct of their investigations. As in the previously described forms of pacific settlement, parties remain free to accept or reject the findings or recommendations of such commissions.

These three processes of pacific settlement, whether used separately or in combination, are of a persuasive character and the findings or recommendations made under them are not binding upon the parties. They are in the nature of bargaining processes in which compromise holds a leading place. They constitute by far the most frequently used methods of pacific settlement of disputes among states.

#### 2. PROCESS OF ARBITRATION

Arbitration is also a process of pacific settlement but it differs from the processes of conciliation, mediation and inquiry in certain essential particulars. The outstanding difference is that arbitration is a judicial process, while the others are primarily bargaining processes. Arbitration is the reference of a controversy to impartial persons or agencies for a decision which the parties agree to accept as final and binding. These impartial persons or agencies are in reality judges of the merits of the

controversy. They arrive at their decisions through the submission of evidence by the parties at hearings.

This process of final determination may be applicable to an existing controversy that is already causing international trouble, or it may be applied to a future non-existent controversy which the parties may foresee as possibly arising out of an agreement, or out of circumstances in which they may find themselves. Arbitration may be specified as the final step in pacific processes of settlement or it may be used alternately with other procedures.

Notwithstanding that the assumption of the obligation to arbitrate is sometimes called compulsory arbitration, such is not the fact, for the process of international arbitration cannot be instituted without the prior voluntary mutual consent of the parties, and then only by one of the parties requesting compliance with the arbitration agreement. No state or person can be summoned to arbitration without its or his previous consent to do so. The fact that states, through a general treaty of arbitration, may have agreed to submit controversies to arbitration, or to accept decisions as final, does not constitute compulsory arbitration, but rather *enforceable* voluntary arbitration. All that is compulsory is that the parties, having agreed to perform the terms of a convention, are required to do so in the same manner as they honor any other agreement.<sup>1</sup>

### 3. MODES OF REFERENCE TO ARBITRATION

The reference of international disputes to arbitration may take place by the submission of an existing dispute, in which case the parties choose their own tribunal, arbitrators and procedure. This reference may be to the tribunals of an existing agency previously established to hear international controversies or the parties may set up their own tribunal in their own way for that particular dispute. The latter is a hazardous method, for the agreement to arbitrate can usually be had only when the prevailing mutual goodwill and confidence are at a level high enough to make such reference to arbitration feasible. Generally this level will have been lowered by an actual dispute suffi-

<sup>1</sup> The so-called compulsory jurisdiction of the Permanent Court of International Justice and that conferred by the optional clause hereinafter noted on p. 45, do not constitute compulsory arbitration, for the voluntary consent of states thereto is necessary before such jurisdiction can be assumed.

ciently to delay, if not entirely block, the possibility of such reference.

The better method is to provide for amicable settlement of future disputes in an international agreement or convention at the time it is entered into, to indicate the existing machinery that is to have jurisdiction over any dispute that may subsequently arise, and to provide at that time for the type of tribunal that is to be used when and if a controversy emerges.

If the agreement to settle future controversies by pacific settlement contemplates mediation, conciliation or inquiry, the process should be clearly indicated and provision made for it. If it contemplates the exhaustion of these procedures before final resort to arbitration, that should be made clear. If the treaty contemplates resort solely to arbitration, that provision should be specific. Furthermore, as in other forms of contract, reference of disputes to pacific settlement should be through some standard form of reference as to subject matter, machinery and procedures; otherwise omissions may occur, or the reference be so vague as to make the application of the arbitration provisions impractical.

In his volume on post-war treaties, Habicht refers to no less than 254 treaties for the pacific settlement of international disputes. As indicating the different types, he classifies them roughly as follows: 1) arbitration of legal disputes; 2) compulsory adjudication of legal disputes; 3) arbitration of all disputes; 4) arbitration of legal disputes and investigation of all other disputes; 5) arbitration of legal disputes and conciliation of all other disputes; 6) compulsory adjudication of claims of right and conciliation of all other disputes; 7) compulsory adjudication of legal disputes and conciliation followed by arbitration in all other disputes; 8) conciliation followed by arbitration in all disputes; 9) conciliation in all disputes followed by compulsory adjudication of legal disputes; 10) conciliation of all disputes followed by compulsory adjudication of legal disputes and arbitration of non-legal disputes; 11) conciliation followed by compulsory adjudication in all disputes.<sup>1</sup>

Under such treaties, numerous international claims commissions and mixed arbitral tribunals have been created to deal with particular claims or with particular categories of claims. In some

<sup>1</sup> See Max Habicht, *Post-War Treaties for the Pacific Settlement of International Disputes*, (1931) p. 977 for illustrations of these different treaties.

instances, a government acted on its own behalf against another government but in other cases claims were originally advanced by individuals against governments of foreign countries, and only when such claim had been espoused by a government on behalf of its national, did it become a question for international settlement. Commissions permanently or temporarily charged with the arbitral settlement of disputes between two countries were created to dispose of claims arising out of damages or other financial obligations. Out of the conditions of the first World War more than 50,000 claims were registered. These were dealt with by various arbitral tribunals and claims commissions, especially Mixed Arbitral Tribunals constituted under the peace treaties to adjudicate claims between belligerent countries of the first World War.

With so many treaties providing for some form of pacific settlement and with arbitration as a final binding process in many of them, why then did they fail to preserve peace? While the reasons appear more clearly in the summary of the machinery set up to give them effect, even a cursory examination of these treaties indicates that defects of the first order were the limitations set upon the subject matter through such reservations as those exempting vital interests, independence, honor, territorial integrity, constitutional principles, interests of a third power, matters solely within domestic jurisdiction or procedure before national courts. While these reservations pertained primarily to so-called justiciable disputes, they were also made with respect to matters relating to other subjects suitable for amicable settlement.

Another type of reservation is that made by the Senate of the United States. In his recent volume, Dr. Shotwell comments on this situation as follows: "The Senate has always insisted upon recognition in every arbitration treaty of its right to decide whether the matters defined in the *compromis* were of the kind that we would arbitrate".<sup>1</sup>

Another reason for the failure of these agreements to prevent war was the hiatus left between the intention to resort to pacific means of settlement and any obligation to do so at any particular time or place or according to any established or improvised procedure. Under such a general undertaking there was no real obligation to settle a dispute. In the discretion of the parties it

<sup>1</sup> *The Great Decision*, by James T. Shotwell (1944), p. 115.

might run as long as they chose or forever, piling up discord and antagonism. This is exactly what did happen. The excellent machinery set up at The Hague in both the Permanent Court of International Justice and Permanent Court of Arbitration was ignored or by-passed in favor of some temporary tribunal or commission or other agency that was wholly under the administration or control of the parties. Frequently so much time was consumed in setting up these temporary agencies that the dispute got out of hand or its settlement was delayed while procedural questions were being settled. There was no concerted effort on the part of states to use the permanent machinery they had set up and there was no power to require them to observe their agreements to refer matters to pacific settlement.

But of even deeper significance has been the absence of the spirit of arbitration behind these international agreements. The letter of agreement may have been there, involving various degrees of commitment to the idea of pacific settlement, but when arbitration was called to the scene of actual controversy, advocates of special interests or of nationalist rights and advantages sought escape from the commitment, and the will to arbitrate was impaired while diplomatic negotiations were carried on to secure the best position in a contest for supremacy.

An examination of the machinery of arbitration and of the methods by which matters have been referred to it follows.

## VI. ORGANIZED MACHINERY AND METHODS OF REFERENCE

Before describing the different types of machinery which have been set up to settle international controversy, there should be a clear understanding of what is meant by the machinery of arbitration. When two states merely provide for arbitration in a treaty that act is a commitment to its use, but it creates no machinery nor does it obligate the states to the use of any machinery of arbitration. Nor is machinery created when two states specify matters to be submitted to arbitration and provide a method for selecting the arbitrators. The agreement remains a casual and disconnected single reference.

By the machinery of arbitration is meant the organization of facilities for a continuing process of arbitration. These facilities are usually held to include a procedure, arbitrators or panels of

arbitrators, hearing rooms, clerks and administrative headquarters and services. This machinery may be established by parties generally, as in the Convention for the Pacific Settlement of International Disputes signed at The Hague in 1899 and 1907; or it may be established under a bilateral agreement of states for the settlement of all controversies arising out of the agreement, as in the Treaty of 1925 between Russia and Germany. Private arbitral machinery may be established by agreement of commercial interests, as was done by the International Chamber of Commerce; or by the act of private and public organizations as was done by the London City Corporation and the London Chamber of Commerce; or by private organizations under government authorization, as in the Inter-American System; or by certain trade associations.

But, however established, the machinery of arbitration comprises the essential elements of permanency, administrative headquarters and services, procedures, arbitrators and clerical services. In some instances it has included a standard form of reference to arbitration to be used in contracts.

Provision of such facilities does not necessarily constitute a *system* of arbitration; for unless these facilities cover wide areas and penetrate into the regions where controversies arise and are to be settled and are competent to dispose of *all* controversies for *all* kinds of parties, and unless they possess a degree of uniformity and general applicability, they do not comprise a *system*. In this sense, the Permanent Court of Arbitration is not a system of arbitration, while the Court of Arbitration of the International Chamber of Commerce is a system, operating, as it does, through national committees in different countries. Nor is the Court of Arbitration of the London Chamber of Commerce a system, although it disposes of many international trade controversies submitted by parties from all over the world. The Tribunals of the American Arbitration Association, the Inter-American Commercial Arbitration Commission and the Canadian-American Commercial Arbitration Commission constitute systems because they severally and jointly provide machinery for the settlement of international controversies arising generally under commercial contracts. The American Republics have a system of arbitration facilitated by the machinery of the Pan American Union.

There are two types of international arbitration machinery which concern international peace: one is set up by states and

is called public arbitration and the other is set up by the nationals of states acting in an individual capacity or by commercial organizations and is called private arbitration. These types will be examined separately, first as to those set up by states; and, second, as to those set up by nationals, either through commercial organizations or otherwise.

## A. MACHINERY SET UP BY STATES

### 1. THE PERMANENT COURT OF ARBITRATION

This Court was set up under The Hague Conventions of 1899 and 1907 at The Hague by the states signatory to these Conventions. These Conventions provided for the pacific settlement of international disputes. All of the important Powers were signatories. While they were animated by a sincere desire to work for the maintenance of peace and were activated by the desire to extend the domain of law and appreciation of international justice, it does not appear that these states bound themselves to the exclusive use of pacific settlement and to the abandonment of force. It does not appear that states were under any obligation to use the machinery which they set up under these Conventions. In effect, what these signatory states did was "to recommend in an international agreement the principles of equity and right on which are based the security of states and the welfare of peoples."<sup>1</sup>

They agreed, however, to use their best efforts to insure the pacific settlement of international differences through establishing the following procedures for their settlement: Good offices and mediation, international commissions of inquiry, and international arbitration. With the purpose of facilitating immediate recourse to arbitration, the contracting powers undertook to maintain the Permanent Court of Arbitration, accessible at all times and operating in accordance with rules of procedure set forth in the Convention. The Court was established at The Hague and was competent for all arbitration matters unless the parties agreed to institute a special tribunal. An International Bureau was created to act as registrar. The Convention created a Permanent Administrative Council composed of the diplomatic representatives of the contracting powers accredited to The Hague and of the Netherlands Minister of Foreign Affairs who acted as its Pres-

<sup>1</sup> Preamble to the Convention of 1899.

ident. The expenses of the Bureau were borne by the signatory powers. Each contracting power selected four persons of known competency in questions of international law, of high moral reputation and disposed to act as arbitrator. They constituted the members of the Court and were appointed for a term of six years. The arbitrators must be chosen from members of the Court. The rules of arbitral procedure set forth in the Convention still constitute the best international procedure of its kind. Under these rules, special boards of arbitration, created by signatory powers, were entitled to use the premises and staff of the International Bureau.

In the period that elapsed between the establishment of the Court in 1899 and the beginning of the first World War in 1914, 15 controversies were submitted to the Court. In the period intervening between the two World Wars, 1918-1939, 8 controversies were submitted to the Court.<sup>1</sup> Both of these periods were filled with bitter international controversies, many of which became factors in precipitating two wars.

The place of the Court in any future general international organization is problematical. While various agencies, including the American Bar Association and the Chamber of Commerce of the United States, are on record as favoring its continuance, not much attention has been directed to its reorganization or adaptation to post-war conditions.

## 2. THE PERMANENT COURT OF INTERNATIONAL JUSTICE

A new experiment that grew out of the first World War was the establishment of the Permanent Court of International Justice. It was created under Article XIV of the Covenant of the League of Nations and inaugurated at The Hague on January 30, 1922. Article I of the Statute<sup>2</sup> provides that the Court "shall be in addition to the Court of Arbitration organized by the Conventions of The Hague of 1899 and 1907, and to the special Tribunals of Arbitration to which states are always at liberty to submit their disputes for settlement". The Court, as consti-

<sup>1</sup> For a summary of the cases to which the United States was a party, see John H. Wigmore, *Guide to American International Law and Practice* (1943), p. 351.

<sup>2</sup> See: *Instruments Relating to the Permanent Court of International Justice*, International Conciliation No. 388. (March, 1943); Manley O. Hudson, *The Permanent Court of International Justice, 1920-1942* (N. Y. 1943), p. 144.

tuted, consists of fifteen judges of high moral character and qualifications, elected, regardless of their nationality, by the Council and Assembly of the League of Nations from a list of persons nominated by the national groups in the Permanent Court of Arbitration.

Although the United States did not adhere to the Statute establishing the Court, Americans have held office as judges of the Court. The general election of judges, due in 1939, was postponed on account of the war and, under a provision in the statute, the present judges continue in office.

The Court is open, by statute, to all members of the League of Nations and to any other state which deposits with the registrar of the Court a declaration by which it accepts its jurisdiction. The jurisdiction of the Court comprises "all cases which the parties refer to it and all matters specifically provided for in treaties and conventions in force. The Court may also give an advisory opinion upon any dispute or question referred to it by the Council or by the Assembly."<sup>3</sup>

Any state which was willing to bind itself to observing judicial decision in legal disputes concerning : "a) the interpretation of a treaty; b) any question of international law; c) the existence of any fact which, if established, would constitute a breach of an international obligation; d) the nature or extent of the reparation to be made for the breach of an international obligation" signed a so-called optional clause. Under this clause, the signatories declare that "they accept as compulsory *ipso facto* and without special convention, the jurisdiction of the Court."<sup>4</sup> Although decisions of the Court were to be based upon international conventions, international custom and the general principles of law recognized by civilized nations, the Court is also authorized "to decide a case *ex aequo et bono*, if the parties agree thereto."<sup>5</sup>

In the matters before the Court from 1922 to 1942, during the twenty years of its operation, 32 judgments and 26 advisory opinions were rendered.

<sup>3</sup> Statute, Art. 36.

<sup>4</sup> On December 31, 1938, this clause was binding on 38 states. Some of them, like Great Britain and France, notified the Secretary General of the League of Nations in 1939 that their acceptance of the optional clause could not be regarded as operative with respect to events connected with the war. See Green Haywood Hackworth: *Digest of International Law*, Vol. V. (1943), p. 350.

<sup>5</sup> Statute, Art. 38.



The reorganization of the Court, now in process of consideration, is likely to be a source of controversy, for opinions differ concerning such important matters as its relation to any new general international organization, need of a new international statute, methods of nominating and electing judges and their tenure of office, the size of the Court, continuance of special chambers, the establishment of regional chambers, extension of its jurisdiction to private persons and private claims, expansion of compulsory jurisdiction and continuance of advisory opinions, finance, and methods of producing judgments and whether they should be given upon the request of agencies other than those of the League as, for example, the International Labor Office.<sup>1</sup>

Another important question that has been raised is whether arbitral decisions rendered in other tribunals should be made subject to review by the Court, particularly when the tribunal is alleged to have exceeded its jurisdiction or whenever the existence of the arbitration agreement is in question.

### 3. THE LEAGUE OF NATIONS

The League of Nations, under certain grants of power under the Covenant, instituted important arbitral machinery for the settlement of political disputes.

#### a. Arbitral Functions of the Council

Among the provisions in the Covenant empowering the Council to dispose of controversies are Article 4 which authorizes the Council to deal with any matter within the sphere of action of the League which affects the peace of the world;<sup>2</sup> Article 11 which authorizes it to deal with any threat of war; and Articles 12 and 13 whereunder the members agree to submit to arbitration

<sup>1</sup>For diverse as well as coinciding viewpoints, see *Report of the Informal Inter-Allied Committee on the Future of the Permanent Court of International Justice*, presented by the Secretary of State for Foreign Affairs to Parliament, Misc. No. 2, 1944; *Report of the American Bar Association on Post-War International Judicial Organization*, August 24, 1943, and *Report on International Security Organization* submitted to its annual meeting in September 1944, 30 *American Bar Association Journal* (1944), p. 545; Report by Jan Hostie to the Institute of World Affairs, reprinted in 38 *American Journal of International Law* (1944), p. 407; and *Design for a Charter of the General International Organization* No. 402, August 1944, published by the Carnegie Endowment for International Peace (Sec. IV on Settlement of Disputes between States).

<sup>2</sup>Similar power is conferred upon the Assembly under the Covenant, but the exercise of this power has been chiefly by the Council.

or inquiry by the Council, any dispute that is likely to lead to a rupture between them. After the establishment of the Permanent Court of International Justice, judicial settlement or decision was added to the processes of arbitration and inquiry.

Article 12 of the Covenant provided a form of compulsory reference in that whenever any dispute arose between members of the League, which they thought suitable for submission to arbitration and which could not be settled by diplomacy, it should be submitted to arbitration. It defined the kind of disputes generally considered suitable for submission to arbitration, including interpretation of a treaty and questions of international law, or the existence of any fact which, if established, would constitute a breach of any international obligation.

Under Article 15, members of the League agreed that if a matter is not submitted to arbitration or judicial decision by them, they will refer it to the Council which shall: 1) undertake to effect a settlement, or 2) failing that, to publish a report together with a recommendation or not, as the Council may determine. If, however, the Council failed to reach a unanimous report by its members other than the parties, the members might then exercise their right to take such action as they saw fit for the maintenance of justice and right. Under this Article, the Council might refer the dispute to the Assembly. Should any member resort to war in disregard of its obligations for amicable settlement, that member was deemed to have committed an act of war.

Provision was also made for the settlement of disputes between members and non-members through the intervention of the Council.

Under these various provisions, matters submitted to the Council prior to the establishment of the Permanent Court of International Justice included the Aaland Islands dispute between Sweden and Finland; the Teschen controversy between Czechoslovakia and Poland; the dispute over Eupen and Malmedy between Belgium and Germany; the protection of Danzig Free City, involving Poland; the Yugoslavian and the Greek invasions of Albania; the Upper Silesian conflict between Germany and Poland; the Polish invasion of Eastern Galicia; the Lithuanian aggression of Memel territory; the Polish conquest of Vilna, involving Poland and Lithuania; the occupation of the Greek island of Corfu by Italy; the French invasion of the Ruhr; the Hun-

garian-Czechoslovakian frontier dispute; and the Italian conquest of Fiume.

Asiatic disputes were submitted to the Council for settlement, as for example the Armenian controversy with Turkey; the frontier question between Hedjaz and Syria; and the Caspian Sea incident involving Russia and Iran (Persia).

Latin-American disputes, brought before the Council, included the dispute between Chile and Bolivia in 1921; the Tacna-Arica controversy involving Chile and Peru in 1921; the Costa Rica-Panama boundary question in 1921; and later, in 1932, the Chaco boundary dispute between Bolivia and Paraguay, and in 1933 the Laetia controversy, involving Colombia and Peru.

After the establishment of the Permanent Court of International Justice, the Council still retained jurisdiction over important disputes, namely those involving the frontier question between Greece and Bulgaria in 1925; the Sino-Japanese dispute in 1932; and the Italo-Ethiopian conflict in 1935.

That the Council was unable satisfactorily to resolve some of the controversies referred to it under these various provisions or failed to acquire jurisdiction over other disputes was due not so much to inadequate powers as to unwillingness of states in controversy to abide by their original commitment to pacific settlement when adhering to the Covenant. This unwillingness was in part due to lack of confidence that must repose in a political organization which undertakes the settlement of controversies or the administration of justice by other than a judicial process. The principle has so long been established that the administration of justice must be separated from administrative and legislative functions that nations, as well as men, have come to believe in justice only when it is so administered. The fact that the Council, in some instances, set up special agencies to make inquiries and adjustments did not prove sufficient to allay the fears of states or to stem the growth of controversy.

#### b. *Other League Efforts for Pacific Settlement of International Disputes*

Reference to two other efforts made by the League is essential to the record as indicating the steady purpose of the League to find ways of controlling controversies. The Protocol for the Pacific Settlement of International Disputes, adopted by the Assembly of the League in 1924, provided that the Council of the

League in any matters submitted to it might "endeavor to persuade the parties to submit the dispute to judicial settlement or arbitration. If the parties cannot agree to do so, there shall, at the request of at least one of the parties, be constituted a Committee of Arbitration". The Protocol was open for signature at Geneva on October 2, 1924 but never came into force and thus did not prove effective.

A further instrument, the General Act for the Pacific Settlement of International Disputes, of 1928, provided that the disputes of every kind between two or more parties to the Act and which it had not been possible to settle by diplomacy, should be submitted to the procedure of conciliation, before permanent or special conciliation commissions constituted by the parties to the dispute. It further provided that all "disputes with regard to which the parties are in conflict as to their respective rights" shall be submitted to the Permanent Court of International Justice unless the parties agree to resort to an arbitral tribunal. The Act further provided that any dispute which, within one month after the termination of the work of the conciliation commission, is not the subject of an agreement between the parties, shall be brought before an arbitral tribunal. Unless the parties otherwise agree, such tribunal is to consist of five members, one to be nominated by each party, the other two members and the chairman to "be chosen by common agreement from among nationals of third Powers". Though twenty-three nations were parties to this Act of 1928, it seems not to have obtained general acceptance in practice.

#### c. *The Protocol on Arbitration Clauses*

The League did not, however, confine its activities to the settlement of political controversies and to the establishment of a court. In 1923, it undertook to lend aid to the advancement of international commercial arbitration by promulgating a Protocol on Arbitration Clauses. Adherents to this Protocol agreed to recognize the validity of an arbitration agreement, whether relating to existing or future differences between parties, subject to the jurisdiction of different contracting states, by which the parties to a contract agree to submit to arbitration all or any differences that may arise in connection with such contract, or any other matter capable of settlement by arbitration, whether or not the

arbitration is to take place in a country to whose jurisdiction none of the parties is subject.

Under this Protocol, signatory states might reserve the right to limit their obligations to commercial arbitration. The Protocol set up procedures for Tribunals. These procedures were subject to the law of the country in whose territory the arbitration was to take place. Signatory states agreed to take steps to insure the execution of these awards under their national laws.

To what extent this Protocol has been effective in increasing the reference of commercial controversies to arbitration is not ascertainable, but an examination of its provisions indicates that the procedure set forth is fragmentary and that more definite and uniform standards for arbitration law would appear to be necessary for its effective post-war application.

#### d. *Convention on the Execution of Foreign Arbitral Awards*

That some supplemental action to the foregoing Protocol seemed necessary appears from the Convention on the Execution of Foreign Arbitral Awards promulgated by the League in 1927. It provided that awards made pursuant to the Protocol on Arbitration Clauses will be recognized as binding and shall be enforced according to the rules of procedure of the territory where the award is relied upon, provided the award has been made in the territory of one of the signatory powers and between persons who are subject to their jurisdiction. To obtain such enforcement, however, the award must have been made pursuant to a submission to arbitration valid under the law applicable thereto; the subject matter must have been capable of settlement by arbitration under the law of the country in which its enforcement was sought; the award must have been made in the manner agreed upon by the parties and in conformity with the law governing the arbitration procedure; and it must have become final in the country in which it had been made. Finally, it was necessary that the recognition of the award should not be contrary to the public policy and the principles of law of the country in which enforcement was sought.

This Convention has been instrumental in improving the arbitration laws of a number of states which have enacted the legislation necessary to give effect to such awards.

#### e. *Other League Efforts for Pacific Settlement of Economic Disputes*

Other efforts were made by the League of Nations toward the settlement of economic disputes. One of these efforts was made as a result of the 1930 Preliminary Conference with a View to Concerted Economic Action, when the Economic Committee of the League in 1931 examined the provisions of the various acts, treaties, conventions and agreements concluded for the settlement of disputes which might arise between the contracting parties with regard to the interpretation and application of economic agreements. The Economic Committee considered the possibility of establishing a Permanent Organ of Conciliation, Arbitration and Judicial Settlement in Economic Matters. The preliminary draft provided a procedure which would not interfere with the existing obligations of states in connection with the peaceful settlement of economic disputes where such obligations arose from bilateral or multilateral agreements, or from accession to the statute of the Permanent Court of International Justice or the Permanent Court of Arbitration. This Permanent Organ was to operate only upon the joint application of the parties to a dispute and was to place at the disposal of the states persons of acknowledged competence and impartiality for the rapid settlement of their economic disputes.

A further effort was made in 1932, when the Council of the League passed a resolution in favor of adopting a Procedure for the Friendly Settlement of Economic Disputes between States. Fourteen experts of different nationalities were appointed by the Council of the League, among them the then President of the Chamber of Commerce of the United States. It was provided that the states, parties to a dispute, may decide, themselves, as to the number of experts to whom they wish to submit disputes, select from the list of experts those to whom they wish to submit the dispute (experts of the same nationality being excluded), and decide upon the nature of the decision they required the said experts to give, i.e., an advisory opinion, conciliation proposals, or an arbitral award.

A further step in the settlement of international disputes was taken by the League of Nations when it appointed in 1936 a Committee for the Study of International Loan Contracts. The Committee investigated the problems arising out of international loans in which governments and nationals of different countries

were interested. Its Report, published in May, 1939, suggested the establishment of an International Loan Tribunal whose members should be appointed from a standing panel of arbitrators by the President of the Permanent Court of International Justice. The outbreak of the war in Europe, however, prevented these suggested measures of arbitral settlement of disputes arising out of international loans from taking effect.

While these outstanding efforts by no means exhaust efforts by the League to make arbitration effective, they indicate the trend of its thinking, which has much in it of value and interest in making a place for arbitration in a future peace organization.

#### 4. WHY DID ARBITRATION ORGANIZED BY STATES FAIL TO STOP WAR?

When the war clouds of the second World War began to settle over Europe, the League machinery was in working order. Hundreds of international treaties and conventions carried references to arbitration and constituted a network of arbitral safeguards. Many commissions of inquiry and special tribunals had been set up. The Permanent Court of Arbitration stood ready for use. A new and vigorous Permanent Court of International Justice had come upon the scene; the League Council was authorized to settle international controversies and its members had accepted such commitment. And the League itself was devoting very considerable attention to the perfection of further instrumentalities of peace. Why, collectively, or singly, did not these agencies and facilities more effectively prevent war?

It would seem, first, that the setting up of a method for the administration of international justice by means of the impartial settlement of controversy, so intimately within a political system, whereunder there could be constant political interference, served to undermine confidence in this method. The pattern was unchanging; the administrators of the Permanent Court of Arbitration were the diplomatic representatives accredited to The Hague; the Permanent Court of International Justice was set up under the auspices of the League and supported out of its funds; the Council of the League exercised priority over the settlement of the really vital issues between states.

Second, the absence of any real commitment on the part of signatory powers (except in the instance of signing the optional clause) to use pacific means of settlement, as evidenced in their

vague references to it in so many different ways in their treaties, certainly resulted in disregard of this method.

The restrictions placed upon the matters to be submitted to pacific settlement created insuperable obstacles to its application to the very causes of war. Not only did the United States, among other nations, impose such restrictions, but in its case, although it might have agreed to a general treaty of arbitration, each matter submitted thereunder to which it was a party would still have required the specific consent of the United States Senate.

The hiatus between agreements to arbitrate and their reference to specific machinery for making these agreements effective resulted in the infrequent use of arbitration. Such permanent machinery as was established was either ignored or was generally inaccessible by being fixed in one place. Approach to it was technically difficult and highly expensive and it was quite generally by-passed in favor of special agencies or tribunals, set up by the parties to a treaty, for their own particular controversy.

Some of these difficulties might have been overcome had states taken seriously their obligation to resort to pacific means, or had they taken concerted action to coordinate their various undertakings under treaties in the direction of using their established machinery, instead of by-passing it in favor of more ephemeral procedures. Had the administration of justice through this machinery been established independently of the legislative and executive powers of the League, the loss of confidence, resulting in its disuse, might have been avoided.

#### B. MACHINERY SET UP BY PRIVATE ORGANIZATIONS

Different types of private machinery have been set up by commercial organizations to dispose of controversies arising out of international commercial contracts. A brief description of these different types of machinery follows:<sup>1</sup>

##### 1. BRITISH FACILITIES

Early in its history of international trade, British commercial organizations established facilities for the arbitration of controversies arising out of international trade contracts. These were

<sup>1</sup> The Western Hemisphere Systems established for the settlement of international commercial controversy are separately described, see p. 67.

established, not only for controversies to which there was a British party, but for international traders generally.

Some idea of the volume of these settlements effected through exchanges and trade associations may be gained from a report issued in 1936. It stated that the London Corn Trade Association handled approximately 20,000 cases per annum; the Incorporated Oil Seed Association, 7,000; and the London Jute Association, 1,000.<sup>1</sup> No less important were the number of arbitrations held under the Arbitration Rules of the British Wool Federation, the General Produce Brokers' Association of London, the Hide Shippers' and Agents' Association, the Liverpool Corn Trade Association, and numerous other trade associations and commodity exchanges. In the rules of procedure of some of these associations, provision was made for a Trade Tribunal of Appeal.

Apart from the activities of these and other trade associations, international arbitration was further developed through the London Court of Arbitration. This Court is a successor to the "London Chamber of Arbitration" formed jointly by the Corporation of the City of London and the London Chamber of Commerce in 1892. In 1903 its name was changed to the London Court of Arbitration. It is, in effect, a joint committee consisting of 24 persons designated by the City Corporation and the Chamber of Commerce.

Although the primary function of the Court is to settle commercial disputes by arbitration, it does not confine itself to commercial matters. The Court does not sit as a Tribunal to hear cases referred to it; nor is it a panel of arbitrators. It is a joint committee of control which appoints arbitrators and umpires at the request of the parties to the dispute. It recommends for inclusion in agreements a standard arbitration clause.<sup>2</sup>

In 1928 the Court adopted new Arbitration Rules which had been unanimously approved by the Congress of Chambers of Commerce of the British Empire, held at Capetown in 1927. These Rules were amended in 1935 to conform to the 1934 amendment

<sup>1</sup> *Schedule B of the Report of the Committee on Commercial Arbitration, International Law Association, Paris Conference 1936.*

<sup>2</sup> "The construction, validity and performance of this contract shall be governed by the law of England and all disputes which may arise under, out of, or in connection with, or in relation to this contract shall be submitted to the arbitration of the London Court of Arbitration, under and in accordance with its Rules at the date hereof."

to the British Arbitration Act. They not only set standards of procedure for the London Court of Arbitration, but constituted a pattern for similar or uniform procedures throughout the British Empire.

International commercial arbitration, as an organic part of the activities of chambers of commerce, has been well developed in England, as for example, in the Manchester Chamber of Commerce Arbitration Tribunal. An outstanding example of international commercial arbitration is the arrangement of the Bradford Chamber of Commerce. Bradford is not only the center of the British textile industry but also the largest wool market of the world. The Chamber developed arbitral cooperation between existing organizations of the trade resulting in the Anglo-French-Belgian Arbitration Agreement in 1925. This cooperation applied to organizations of manufacturers, to federations of spinners and export trade merchants in England, France and Belgium. It developed later into the International Wool-Textile Arbitration Agreement of October 27, 1926, which covered British, French, Belgian, German and Italian woolen and textile manufacturers and merchants.

Through this systematic application of arbitration to international transactions and through the enactment of an arbitration law giving security to the enforcement of arbitration agreements and awards, including arbitration agreements to settle future disputes arising under a contract, arbitrations have been attracted to Great Britain and have made it the leading center of international arbitrations, thus fortifying its position as the commercial center of the world.

## 2. INTERNATIONAL CHAMBER OF COMMERCE FACILITIES

It was not until the conclusion of the first World War that commercial arbitration was organized on an international basis for the benefit of international traders of all countries. The establishment of the International Chamber of Commerce made this possible, for among its other activities there was created the first Court of Arbitration of an international character for the settlement of commercial controversies.

British and Americans were largely instrumental in promoting the idea of such a Court. Its headquarters were established in Paris with collaborating national committees in different states. The jurisdiction of the Court extends to all parties who agree to

submit their international commercial controversies under the Rules of Procedure of the Court. These Rules offer a choice of procedures at the election of the parties, as to conciliation or arbitration. All parties to an international trade agreement may use in their contracts a standard form of arbitration provision approved by the Chamber.<sup>1</sup> The regulation requiring the parties to be of diverse citizenship was at one time necessary, but now it is only required that the parties reside in different countries.

This Court of Arbitration is conducted as part of the activities of, and is supported by, the Chamber.

During the 16 years of its operation until 1939, when due to the war its headquarters were transferred to Sweden and its activities were somewhat curtailed, over 700 cases were referred for settlement to the International Chamber of Commerce. Citizens of the United States were involved in 14 of these cases as plaintiffs and in 33 as defendants. 77 cases were decided by arbitral awards, 120 were settled before the Conciliation Commission or an arbitrator, and 123 were settled out of the court after intervention by the Chamber. In 13 cases the Court appointed an umpire without concerning itself further with the dispute. 37 cases were pending at the beginning of the second World War. In a relatively large number of cases no action was taken, because in the first years of the Court's activity, contracts did not generally contain arbitration clauses, as recommended by the Chamber, so the defending party could not be required to accept the jurisdiction of the Court.<sup>2</sup>

### 3. ARBITRATION LAW AS ADJUNCTIVE MACHINERY

In the development of arbitration as a procedure for the settlement of controversy arising out of international contracts between nationals of different countries, much importance has been attached to arbitration law as a method of legal enforcement of arbitration agreements and awards when the good faith of a party fails. These laws are national laws under which a party may proceed to obtain legal enforcement of his arbitration agreement or observance of the award. The diversity of these laws

<sup>1</sup> The text follows:

All disputes arising in connection with the present contract shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the Rules.

<sup>2</sup> André Boissier, *International Commercial Arbitration—Twenty Years of Growth*, 10 *World Trade* (1939), p. 68.

and the difficulties of proceeding expeditiously under them are sources of obstruction to the use of arbitration whenever there is reason to believe that good faith will prove insufficient for carrying out the arbitration. These circumstances led the League of Nations, as previously described, to propose measures for making such agreements and awards legally enforceable. They led the International Institute for the Unification of Private Law in 1936 to propose a draft international arbitration law. It was under discussion and had been approved by the International Chamber of Commerce, with some minor changes, when the war came. As British, American and other national committees of the Chamber were opposed in principle to some of its provisions, it will doubtless require considerable amendment before it can be considered in any post-war organization.

The importance that attaches to arbitration law as adjunctive machinery, in making the application of arbitration effective, is indicated by the resolution passed by the International Law Association, meeting in New York in 1930:

"That in order to safeguard the security of transactions in international commerce, it is necessary that agreements between governments be entered into to regulate the essentials of arbitration practice and procedure between nationals of their respective countries, and to provide for the reciprocal enforcement of commercial arbitration agreements and awards made pursuant thereto, provided these arbitrations have been conducted under institutions of high standing and which possess the necessary facilities."

### 4. HAS COMMERCIAL ARBITRATION BEEN EFFECTIVE IN PREVENTING WAR?

As an adjunctive process to that of states, themselves, in the prevention of war, it cannot be fairly claimed that international commercial arbitration has made any significant contribution to the prevention of war. The volume of British arbitration is impressive but was largely applicable in fields of trade which were not essentially potential causes of war. Controversies involving the great raw materials of iron, steel, copper, petroleum have not generally been submitted to arbitration. The number and variety of controversies settled by the Court of Arbitration of the International

Chamber of Commerce—77 by awards, 120 by conciliation and 123 out of court by the parties, over a period of 16 years—cannot be said greatly to have influenced the course of events that led to war. Nor was this machinery established particularly with a view to having a place in the maintenance of international peace, which was then considered to be relatively secure, but rather was created for the convenience of international traders.

To have influenced such a course of events might have required not only a system of commercial arbitration established from the top down, but also the accompanying democratic processes of education in each country in its use and participation and in its up-building by the people of all nations engaged in trade. To have influenced such a course of events might have required a more complete separation of judicial functions from other economic functions of the parent organization, so no confusion would arise between the policies for the advancement of international trade and the policies for the settlement of international commercial controversies. To have influenced such a course of events might have required the distribution of the facilities of such a court to the far-flung corners of the earth, as has been done in the Western Hemisphere and a concerted effort to have the innumerable contracting parties engaged in international trade use arbitration provisions that carry international security as a responsibility of trade to keep the peace.

Nevertheless, the vast unused power of international trade to effect such security through private trade channels is not to be disregarded in any permanent peace structure. Given the inclusion of arbitral provisions in a sufficient number of international commercial contracts; given a wider application of the Protocol on Arbitration Clauses and of the Convention on the Execution of Foreign Arbitral Awards; and given a sincere effort upon the part of states to improve their national arbitration laws so as to give full legal effect to international arbitration agreements and awards in each state,—and the future story of the contribution of private international trade to the maintenance of international peace may be differently written.

### PART III—INTERNATIONAL ARBITRATION IN THE WESTERN HEMISPHERE

The tradition and practice of settling international controversy by pacific methods of settlement is well established in the Western Hemisphere. The United States set a good example as early as 1794 when the Jay Treaty was concluded with Great Britain. All differences between Canada and the United States have been settled by pacific means, and with a few exceptions differences among the American Republics have been so settled. And even in instances where hostilities broke out between American Republics, eventual settlement was by pacific means with negotiated rather than dictated terms.

#### VII. THE INTER-AMERICAN SYSTEM

##### 1. INTER-AMERICAN SYSTEM FOR STATES

A little more than a half century ago, various efforts began to crystallize into a system for the maintenance of peace and cooperation among American Republics. It began in 1890 at the First International Conference of American States and its development has been systematically continued through periodic conferences. The Pan American Union, which was to play a conspicuous part in maintaining peace, cooperation and goodwill, which finally culminated in the good neighbor policy, started out as a Commercial Bureau of the American Republics for the purpose of furnishing and exchanging information. From that simple beginning, its activities have expanded in many directions, until now it has its own headquarters in the Pan American Union Building in Washington where it serves not only as a permanent secretariat for international conferences, in preparing their programs and carrying out their mandates in the interim period between conferences, but carries on many other activities.

These include agricultural cooperation, labor and social welfare, travel, hygiene and cultural relations, in the belief that the progression of the welfare of the peoples of these Republics and the

identification of these mutual interests in all Republics is a part of the fabric of peace that affects intimately the common affairs of everyday life.

The organization itself is unique. Its Governing Board is comprised of the Secretary of State of the United States and of the diplomatic representatives of each Republic accredited to Washington. Through this close association, these Republics are in a position to act collectively upon any matter affecting the welfare of all of the Republics or separately in bringing to the attention of the Pan American Union any project or problem that requires its consideration. A center is thereby provided for the disclosure of grievances or disagreements or differences that need correction and for the early discovery and control of controversy.

But the maintenance of inter-American peace does not rely upon conferences, discussions and cultural undertakings. It is solidly founded upon a series of treaties, so closely interwoven as to constitute a workable system of international peace. These treaties combine the processes of investigation, conciliation, good offices and mediation and arbitration for the settlement of existing disputes and other measures for the prevention of controversies. The following is a brief summary of the treaties upon which chief reliance is placed for the maintenance of peace.<sup>1</sup>

*"Investigation.*—The procedure of investigation is provided for in the Treaty to Avoid or Prevent Conflicts, usually referred to as the Gondra Treaty. This instrument establishes that all controversies between two or more of the parties, not settled through diplomatic channels or arbitration and which do not affect constitutional provisions or questions already settled by other treaties, shall be submitted for investigation of the facts in dispute by a special commission of inquiry of five members appointed by the governments directly involved. The commission is required to present a report on its findings to the parties which will serve the purpose of assisting them in their negotiations to bring about a settlement.

"The treaty also creates two permanent diplomatic commissions, established respectively at Washington and Montevideo, composed of the three American diplo-

matic representatives longest accredited to these two capitals. The commissions are limited in their functions to receiving the request for the convocation of the special commission of inquiry, and transmitting it to the other party involved in the dispute.

*"Conciliation.*—The inter-American conciliation procedure was created by the General Convention of Inter-American Conciliation of 1929, and by the Anti-War Treaty of Non-Aggression and Conciliation of 1933. The first instrument is based upon the Gondra Treaty. It utilizes the commissions of the treaty of 1923, expanding the functions of the special commissions into the field of conciliation and the functions of the permanent diplomatic commissions to the point where they may, while the special commissions are being constituted, exercise conciliatory functions in certain circumstances. The Convention of 1929 is extremely progressive in that it includes among the questions susceptible of conciliation all differences of whatever nature. The additional Protocol to this Convention, which was adopted at Montevideo in 1933, is designed to give a permanent character to the special commissions of the Gondra Treaty and of the Convention. Under its terms the governments appoint their representatives on the special commissions and the Pan American Union initiates the election of the fifth member of each commission by the four commissioners designated by the parties. The fundamental idea is to have the Commissions of Inquiry constituted and ready for action at the time the dispute fails of solution through diplomatic negotiations.

"The Anti-War Treaty of Non-Aggression and Conciliation provides an alternative procedure of conciliation. It differs from the Convention of 1929 in that it provides another method for constituting the commissions of inquiry; in that it has no provision for the permanent diplomatic commissions; in that the parties may, at their own option when ratifying the treaty, exclude four classes or categories of disputes from the procedure; in that the supreme court of any of the parties to the treaty may be designated by these states in dispute to act as a conciliation commission if the parties prefer

<sup>1</sup>*The Basic Principles of the Inter-American System*, prepared under the direction of the Executive Committee on Post-War Problems of the Governing Board of the Pan American Union (pp. 6-8).



not to organize the special commissions; and, finally, in that it is open to the adherence of non-American states.

"As in the case of the investigation commissions, the findings of the conciliation commissions created by the Convention of 1929 and the Treaty of 1933 do not bind the parties. The latter commissions may, however, include recommendations regarding what, in their opinion, is the best solution of the difference.

"*Arbitration.*—The inter-American arbitration procedure is set forth in the General Treaty of Inter-American Arbitration and in the Additional Protocol of Progressive Arbitration. In the arbitration treaty the parties agree to submit to that procedure all differences of an international character which may arise between them by virtue of a claim of right which it has not been possible to adjust by diplomacy and which are juridical in their nature by reason of being susceptible of decision by the application of the principles of law. This instrument is thus an orthodox arbitration agreement in that the procedure it establishes deals only with controversies of a legal character.

"Excluded from the scope of the procedure are the following questions: (1) Those which are within the domestic jurisdiction of any of the parties in dispute and are not controlled by international law; (2) those which affect the interest or refer to the action of a state not a party to the treaty. Under the treaty, when a controversy arises the disputants organize an arbitral tribunal of five members, a national of each of the parties concerned and three of any other American nation. The award handed down by the tribunal is binding on the parties and settles the dispute definitely and without appeal.

"The Additional Protocol to the Arbitration Treaty establishes a method by which parties may abandon any reservations or exceptions that they may have formulated to the treaty.

"*Good Offices and Mediation.*—In the Inter-American Treaty on Good Offices and Mediation a procedure is created whereby a list of two eminent citizens from each

contracting state is established at the Pan American Union made up of names submitted by the respective governments. From this list the parties to a dispute may select a mediator with whom representatives of the parties may negotiate a peaceful and equitable solution of the difference.

"*Prevention of Controversies.*—The inter-American procedure for dealing with situations before they give rise to a controversy is set forth in the Convention on the Prevention of Controversies. The convention provides for the establishment at the request of a party of bilateral commissions to undertake the study of such situations, and for the submission of recommendations to the governments on the best method to deal satisfactorily with conditions that may, in the presence of aggravating circumstances, lead to a dispute."

In the development of this inter-American system, the American Republics have agreed upon certain fundamental precepts to determine their legal relations and to assure the pacific settlement of disputes that may arise among them. These are recommended in the foregoing treaties and are a part of the basic law of the Continent. Briefly summarized, they include the following:<sup>1</sup>

"1. *Equality of States*—One of the basic principles on which the inter-American system is founded is that states are juridically equal, enjoy the same rights, and have equal capacity in their exercises. The rights of each state do not depend upon its power to assure their exercise, but upon the simple fact of its existence as a person under international law. The fundamental rights of states are not susceptible of being affected in any manner whatsoever.

"Respect for the personality, sovereignty, and independence of each state is the essence of the international order arising from the solidarity of the American Republics, which has been repeatedly expressed in declarations and treaties.

"2. *Respect for Treaty Obligations*—In the international system of the American Republics, respect for and the

<sup>1</sup> *Ibid.*, pp. 3-6.

faithful observance of treaties constitute the indispensable rule for the development of relations between states. International relations should be governed by the precepts of international law, and treaties can be revised only by agreement of the contracting parties. The American Republics reject all methods for the solution of controversies between nations that are based on force, on the violation of treaties, or on their unilateral abrogation. Without this respect for treaty obligations any international system that may be devised is certain to fail.

- "3. *Non-Intervention*—In the inter-American system no state has the right to intervene in the internal or external affairs of another. No principle has been more strongly insisted upon or is more firmly established in American international law. On repeated occasions the American Republics have condemned such intervention, directly or indirectly, and declared that it is inadmissible for any reason whatsoever.

"Within its own borders, and so far as concerns its own affairs, each one of the American Republics is sovereign, and its actions are not subject to interference or to influence by any other state.

- "4. *Aggression; Forcible Acquisition of Territory*—The American Republics believe that war is the most cruel, the most fruitless, and the most dangerous expedient for the settlement of international differences. Force cannot constitute the basis of rights, and the American Republics condemn all violence whether by conquest or in the form of stipulations that have been imposed by belligerents in treaty clauses, or by any other process. As long ago as the First International Conference of American States, the American Republics declared that the principle of conquest shall not be recognized as admissible under American public law, and that all cessions of territory shall be void if made under threats of war or in the presence of an armed force.

"In the inter-American system the territory of a state is inviolable and may not be the object of military occupation or of other measures of force imposed even tem-

porarily by another state directly or indirectly for any motive whatever. War of aggression is declared to be an international crime and war or the use of force as an instrument of national policy is condemned and proscribed in their mutual relations and in those with other states. The American Republics have declared that the settlement of disputes or controversies of any kind that arise among them shall be effected only by the pacific means that have the sanction of international law.

- "5. *Non-Recognition of Territorial Acquisitions by Force*—Concomitant with the foregoing precepts is the principle that territorial acquisitions or special advantages that have been obtained by force shall not be recognized whether this acquisition or advantage be obtained by force of arms, by threatening diplomatic representations, or by any other effective coercive measures.

"The foregoing reiterates declarations and statements contained in the treaty of July 15, 1826, signed at the Congress of Panama; in treaties adopted at the Inter-American Congresses of Lima of 1847 and 1864; in the resolution of April 18, 1890, approved at the First International Conference of American States; in the resolution of February 18, 1928, adopted at the Sixth International Conference of American States; in the declaration of August 3, 1932, signed at Washington; in the Anti-War Pact signed at Rio de Janeiro on October 10, 1933; and in the instruments approved on December 23, 1936, at the Inter-American Conference for the Maintenance of Peace, held at Buenos Aires.

- "6. *Pacific Settlement of International Disputes*—World peace, to be enduring, must be based on the principles of justice, cooperation, and respect for law that inspire the nations of America and that have been expressed at inter-American meetings held from 1889 to date. There is no international controversy, however serious it may be, that cannot be peacefully arranged if the parties thereto really want to arrive at a pacific settlement.

"War or the use of force in inter-American relations having been proscribed, it necessarily follows that any

difference, whatever its nature or origin, that arises between American Republics must be settled by peaceful means. The American Republics have declared that any dispute that may arise between two or more of them shall be settled by conciliation, arbitration, or other means of pacific settlement.

"With a view to providing adequate facilities for the effective application of these general principles, the American Republics have developed a comprehensive system for the pacific settlement of international disputes. This system is embodied in the following treaties, conventions and protocols:

- "A. Treaty to Avoid or Prevent Conflicts between the American States, of May 3, 1923 (Gondra Treaty).
- "B. General Convention of Inter-American Conciliation, of January 5, 1929.
- "C. General Treaty of Inter-American Arbitration and Additional Protocol of Progressive Arbitration, of January 5, 1929.
- "D. Additional Protocol to the General Convention of Inter-American Conciliation, of December 26, 1933.
- "E. Anti-War Treaty of Non-Aggression and Conciliation, of October 10, 1933.
- "F. Convention for the Maintenance, Preservation and Re-establishment of Peace, of December 23, 1936.
- "G. Convention to Coordinate, Extend and Assure the Fulfillment of the Existing Treaties between the American States, of December 23, 1936.
- "H. Inter-American Treaty on Good Offices and Mediation, of December 23, 1936.
- "I. Treaty on the Prevention of Controversies, of December 23, 1936."

It may be further mentioned that the Treaty of International Procedural Law, signed at Montevideo, March 19, 1940, between Uruguay, Brazil, Colombia, Bolivia, Argentina, Peru and Paraguay provides in Article III for the legal enforcement of arbitral awards rendered in any of the signatory states, thus tending to facilitate the use of arbitration in inter-American relations of these Republics.

The features of this inter-American system which have so successfully averted war over the period of half a century and during the exigencies of two world wars, are: 1) The establishment and adherence to fundamental principles governing inter-American juridical relations. 2) The interweaving of treaties of investigation, conciliation and arbitration which American Republics have generally observed.<sup>1</sup> 3) The establishment of a central administrative and educational organization in the Pan American Union which constantly advances peaceful relations and observance of inter-American obligations. 4) The holding of continuous conferences with carefully planned agendas which consecutively carry forward *related* programs for peace. 5) The building up of many different kinds of social and economic services, intellectual and cultural cooperation, and mutual welfare activities which promote understanding, goodwill and cooperation as solid foundations for permanent peace.

## 2. THE INTER-AMERICAN SYSTEM FOR COMMERCE

Long before an international commercial arbitration system was devised, the American Republics had turned their attention to the construction of such facilities. The first serious discussion of the need for completing the system for states, by creating one for the trade relations of their respective nationals, occurred in 1915 when the World War I was in full progress.

<sup>1</sup> While some of these disputes have resulted in hostilities, they were localized and were eventually amicably settled. These included the Tacna-Arica dispute between Peru and Chile in 1918; the Leticia dispute between Colombia and Peru in 1933; and the Chaco boundary dispute which was finally settled by an arbitration award of October 10, 1938, after the International Conference of American States on Conciliation and Arbitration, of December 10, 1928, had initiated a series of Commissions of Inquiry and Conciliation.

Commissions permanently or temporarily charged with the arbitral settlement of disputes between two countries have been created to dispose of claims arising out of damages or other financial transactions. Outstanding examples in which the United States was a participant are the United States-Panama Claims Commission, established under the Convention of July 28, 1926, and the Mexican Claims Commissions. Arbitration between the United States and Mexico of various kinds of pecuniary claims has more than a century of history, for it began in 1839. One of the last instances is the American-Mexican Claims Commission established under the Settlement of Mexican Claims Act of 1942. This Act provides for an *en bloc* settlement of claims by a Commission authorized to render final decisions on various categories of claims of American nationals against the Government of Mexico "in accordance with the applicable principles of international law, justice, and equity".

This discussion was followed, in 1923, by the adoption by the Fifth International Conference of American States of a resolution urging that chambers of commerce reach agreements among themselves for the arbitration of commercial controversies and encourage the establishment of a system to allow of easy and satisfactory solution of differences between merchants and manufacturers. The Sixth International Conference, meeting in 1928, adopted a similar resolution, but with the additional suggestion that the Inter-American High Commission study the principle of obligatory arbitration as a means of solving these differences. This Commission later issued a report setting forth the advantages and disadvantages of arbitration, together with some outstanding recommendations.

It was not, however, until 1931, at the Fourth Pan American Commercial Conference, that the settlement of commercial controversy was recognized to be a matter requiring united action by Pan American States. That Conference adopted a Resolution requesting the Pan American Union to take the preliminary steps necessary to the consideration of a united action. This Resolution provided for an inquiry to be conducted by the Pan American Union as to the possibility of commercial interests joining together, and with those of other countries, in the support and active use of arbitration in the settlement of trade disputes, to formulate a report and to distribute it to member Republics for comment and suggestions.<sup>1</sup>

This inquiry was conducted by the Pan American Union with the collaboration of the American Arbitration Association and the data, together with the comments and suggestions from member Republics, was made the subject of a Report by the Pan American Union to the Seventh International Conference of American States, meeting in Montevideo in 1933. Thus the participation of all

<sup>1</sup> Resolution XVII: "To request the Pan American Union to have a thorough inquiry made as to the possibilities of the commercial interests of the American Republics joining with the commercial interests of other countries in the support and active use of a system of arbitration to be utilized in disputes in trade between all countries, with a maximum of efficiency and expedition and avoidance of duplication, and to distribute its report on the results of such inquiry, together with a concrete questionnaire regarding the various aspects of the subject, to all American Republics for their consideration and suggestions for its practical development—the report to be distributed as quickly as possible to all member States with a request that the questionnaires be returned to the Pan American Union before May 31, 1932 . . ."

of the Republics was engaged in preparing the groundwork of knowledge and recommendations.<sup>1</sup>

This Report presented conclusive proof of the willingness of the commercial, educational and other interests of the Republics to enter into the organization and use of an arbitration system; but it also pointed out the difficulties inherent in the diversity of arbitration laws and practice in the different Republics, and the need for their unification. The Report also included some of the excellent recommendations made by the Inter-American High Commission which had explored this field of controversy.<sup>2</sup> These recommendations made it fully apparent that some new agency was needed to undertake the work of development, administration and unification in order to establish inter-American Tribunals and a standard procedure.

Following discussion of the Report, the Seventh International Conference of American States adopted the following resolution, which is the basis of the present inter-American commercial arbitration system:

"That with a view to establishing even closer relations among the Commercial Associations of the Americas, entirely independent of official control, an Inter-American Commercial Agency be appointed in order to represent the commercial interests of all Republics, and to assume, as one of its most important functions, the responsibility of establishing an Inter-American system of arbitration."<sup>3</sup>

In its way, this Resolution is as significant as the one which authorized the inquiry. It combined the idea of a system of arbitration, first mentioned in the resolution authorizing the inquiry; it officially authorized the establishment of a system, but independent of official control; and the System was to represent the commercial, not political, interests of the Republics.

The Seventh International Conference of American States, realizing that the success of a system of commercial arbitration might

<sup>1</sup> *Commercial Arbitration in the American Republics*, No. 2 of Documents for the Use of Delegates to the Seventh International Conference of American States. Obtainable from the Inter-American Commercial Arbitration Commission, 9 Rockefeller Plaza, New York 20, N. Y.

<sup>2</sup> Vicente Vita: *Comparative Study of American Legislation Governing Commercial Arbitration* (Washington, D. C., 1928).

<sup>3</sup> *Resolution XLI*, 7th International Conference of American States, Montevideo, 1933.

be retarded by the diversity of arbitration laws in the different Republics, thereby hampering confidence in its operations, proposed what appears to be a first set of legislative standards. It recommended that all American Republics enact these standards into law. These standards are the following:

- (a) Agreements to arbitrate, whether relating to existing or future controversies to be valid and enforceable, and where enforcement is not provided for by law, trade discipline is to be provided.
- (b) Parties to have the power to designate arbitrators and to fill such vacancies or to provide a method therefor.
- (c) Proceedings by *de facto* arbitrators to be more precisely defined by the parties or organization under whose auspices the arbitration is to be held.
- (d) The full impartiality of the arbitrator to be provided for, with the right of challenge or removal, by the organization under whose auspices the arbitration is being conducted in a manner provided for in the rules or regulations governing the proceedings.
- (e) An uneven number of arbitrators to be provided for under the rules, all of whom are to participate in the proceedings from the beginning.
- (f) Awards in all instances to be unanimous or by majority vote.
- (g) Waiver of the right of appeal to be provided for in the rules, which shall be binding on the parties, and which will limit the ground for appeal to procedural matters and to such questions of law as both parties agree to submit to the court.
- (h) The wider use of discipline by the organization whose members participate in an arbitration and refuse to abide by the award where the law is inadequate to compel performance of the terms of the award.

The outstanding recommendation embodied in these standards is that states enact legislation to make agreements to arbitrate future disputes legally valid and awards issuing thereunder legally enforceable. In addition, however, legislation is recommended to safeguard the power of parties to designate their own arbitrators, to have an uneven number of arbitrators and to obtain awards by majority vote. Completely new provisions are the right of challenge and removal of an arbitrator by the organization under whose auspices the arbitration is being held; and a waiver of appeal that is binding upon the parties, thus assuring the finality of the award.

This Conference, realizing the delay involved in securing the enactment into law of these recommendations, specifically laid upon trade organizations the responsibility for obtaining compliance by their members with agreements and awards, in the event members are reluctant to comply voluntarily.

But the Pan American Union did not intend that this Resolution should remain inactive, and on April 14, 1934, the Governing Board implemented it by passing a resolution authorizing the American Arbitration Association and the Council on Inter-American Relations to undertake the organization of the system authorized by the Conference.<sup>1</sup>

The organization of this System was completed in 1934 by the creation of the Inter-American Commercial Arbitration Commission.<sup>2</sup> It adopted a constitution, by-laws and rules of procedure for Tribunals. It proceeded immediately with the organization of a central headquarters in New York, with the appointment of national committees in each Republic and with the selection of panels of arbitrators in each country. It communicated with and obtained the cooperation of commercial organizations in each Republic and of such government departments as might have an immediate interest in commercial controversies as they affect trade relations and the maintenance of peace through trade channels. It constituted the necessary advisory committees and organized educational facilities to make known the purpose, organization and facilities of the Commission. It rendered its first report to the Eighth International Conference of American States meeting in December of 1938.<sup>3</sup>

In 1940 the Commission found it necessary to follow more closely the pattern set by the Pan American System by providing for the adjustment of claims or grievances and the negotiated settlement of controversies. For the purpose of facilitating such adjustments, the Commission created an Inter-American Business Relations Committee.

Today the Commission has facilities in each Republic for the settlement or disposal of commercial claims and controversies; it conducts settlements or adjustments according to a uniform and mutually acceptable form of procedure and it has the cooperation

<sup>1</sup> Upon the dissolution of the Council on Inter-American Relations, soon afterward, the American Arbitration Association was authorized to continue with the organization of the system.

<sup>2</sup> Its first Chairman was the Hon. Spruille Braden, now United States Ambassador to Cuba. Its present officers are the following: Honorary Chairman, Spruille Braden; Chairman, Thomas J. Watson; Vice-Chairmen, Roberto Casas Alatriste, James S. Carson, Daniel A. del Rio, Miguel Lopez Pumarejo; Executive Member, Frances Kellor.

<sup>3</sup> Report of the Inter-American Commercial Arbitration Commission submitted under Topic 23 of the Program for the Consideration of the Results of Inter-American Conferences held since the Seventh International Conference of American States.

of a network of commercial and official agencies in each Republic. These agencies clear controversies to the Commission and assist in their settlement. The Commission also recommends a standard arbitration provision for use in inter-American trade contracts as an expedient way of referring controversies to arbitration, and these agencies collaborate in having their members and others use this clause.<sup>1</sup>

In one other way is this system made effective. It will be recalled that the Resolution of the Seventh International Conference especially emphasized the united participation of commercial agencies. Trade and commercial organizations in the United States and in the Latin-American Republics have endorsed this policy and recommended the use of arbitration clauses to their members.<sup>2</sup> For example, at its recent meeting in New York, the Permanent Council of American Associations of Commerce and Production adopted the following resolution:

"The Council reiterates its approval of the principle of commercial arbitration in the adjustment of inter-American controversies, and recommends to its member organizations the use of the arbitration clause of the Inter-American Commercial Arbitration Commission in Inter-American commercial contracts, and the enactment in each Republic of the legislative standards set forth in Resolution XLI of the Seventh International Conference of American States, as a means of encouraging a wider use of arbitration."

Commercial agencies in the different Republics are represented on the Commission, on advisory committees, and are among the main channels in their own countries through which claims and controversies are revealed and cleared to the Commission for settlement. They participate actively in arranging such settlements and in obtaining observance of arbitration agreements and awards among their members.

<sup>1</sup>The text of this provision is as follows:

"Any controversy or claim arising out of or relating to this contract or the breach thereof, shall be settled by arbitration, in accordance with the Rules, then obtaining, of the Inter-American Commercial Arbitration Commission. This agreement shall be enforceable and judgment upon any award rendered by all or a majority of the arbitrators may be entered in any court having jurisdiction. The arbitration shall be held in ..... or wherever jurisdiction may be obtained over the parties."

*Economic Proposals for the Western Hemisphere...* Policies adopted by the Second Plenary Meeting, New York, May 8, 1944.

## VIII. THE AMERICAN SYSTEM OF INTERNATIONAL PRIVATE ARBITRATION

### 1. THE FOUNDATION OF ARBITRATION LAW

The enactment of the New York State Arbitration Law in 1920 and of the U. S. Arbitration Law in 1925 made possible the organization of a national and international system of commercial arbitration in the United States. These laws provided the security and stability necessary for such organization. The New York Law, being applicable to the vast number of international trade transactions and contracts entered into by foreign agents and representatives in the United States with American citizens and residents, and the U. S. Arbitration Law, being applicable to interstate commerce, foreign trade and maritime transactions, provided the necessary legal enforcement of agreements to arbitrate either existing or future disputes and for the entry of a court judgment upon the award. In the words of Judge Cardozo, when declaring the New York law to be constitutional: "for the right to nullify a contract the law substituted the duty to enforce it."

As the principles of these laws have been extended throughout the United States, they have enabled the American system of international arbitration to become effective and dependable.<sup>1</sup>

### 2. ORGANIZATION OF THE SYSTEM BY THE AMERICAN ARBITRATION ASSOCIATION

Immediately following the enactment of the United States Arbitration Law, in 1925, business and professional men set about organizing a system of commercial arbitration which would be competent for any controversy that the parties chose to submit and that would be available to any parties to an arbitration agreement, whether or not they were resident in the United States.

Previously, many chambers of commerce and trade organizations had established local or trade or commodity facilities for use of their members, community or trade but there were no facilities which would be available for disposing of controversies irrespective of geographical limitations, state or city boundaries, or which were free from restrictions upon subject matter by trades or upon parties by requirements for membership.<sup>2</sup>

<sup>1</sup>States having enacted similar laws include: Arizona, California, Connecticut, Louisiana, Massachusetts, Michigan, New Hampshire, New Jersey, Ohio, Oregon, Pennsylvania, Rhode Island, Washington and Wisconsin.

<sup>2</sup>For description of these facilities, see *Year Book on Commercial Arbitration in the United States* (1927).

This System in the United States has been organized by the American Arbitration Association. It is now administered by the Association from a central office in New York and through thirty regional offices distributed throughout the United States.

The Association was organized in 1926, and is the consolidation of two preceding organizations.<sup>1</sup> As these organizations had the same objective, by consent of both of them, a merger was effected in 1926.

The Association is chartered under the membership laws of the State of New York as a non-profit-making, scientific and educational organization, for the sole purpose of advancing arbitration. It is empowered to maintain tribunals, panels of arbitrators and facilities for arbitrations, and to carry on research and educational work. It adopted by-laws that provide for a permanent organization. It is not connected with, nor is it a part of, any commercial organizations nor of any official body and in these particulars departs from the usual practice of combining arbitration with other activities. It is privately supported.<sup>2</sup>

Since its establishment, in 1926, the Association has proceeded methodically with the systematic organization of arbitration facilities throughout the United States for the arbitration of both domestic and international controversies.<sup>3</sup> At the present time, these facilities comprise thirty regional offices, clerks and administrative and hearing room facilities and a panel of arbitrators of over 9,500 men located in more than 1,400 communities. These facilities are available to any parties for the disposal of any kind of controversy. All arbitrations are conducted under the Rules of the Association and under its administration. The Association recommends clauses for use in both international and domestic

<sup>1</sup> One was The Arbitration Society of America, organized by lawyers and whose founder was the late Moses H. Grossman; the other was The Arbitration Foundation, organized by business men, whose founder was the late Charles L. Bernheimer, then Chairman of the Arbitration Committee of the Chamber of Commerce of the State of New York.

<sup>2</sup> Its present officers are: H. O. King, President; Frances Kellor, First Vice-President; Paul Fitzpatrick, Administrative Vice-President; J. Noble Braden, Tribunals Vice-President; Hermann Irion, Vice-President; P. M. Haight, Vice-President; Sylvan Gotshal, Vice-Chairman of the Board; William J. Graham, Treasurer; Malcolm Muir, Secretary of the Board; A. Hatvany, Asst. Secretary-Treasurer; Franklin E. Parker, Jr., Chairman, Arbitration Committee.

<sup>3</sup> For a brief statement on the Association, see "33 Questions and Answers" on its organization and activities; also see Frances Kellor, *Arbitration in Action* (N. Y. 1941).

trade contracts under which controversies are expeditiously referred to the Association for arbitration under its Rules.<sup>1</sup>

Any parties to an international commercial controversy, desiring to arbitrate any controversy in the United States, irrespective of citizenship or residence in the United States, or any other qualification, may do so under the Rules of the Association and in its Tribunals. Such parties, with the consent of the Association, may alter these Rules so as to make them applicable to any special circumstances that require such adaptation under an arbitration provision of a contract or through the submission of an existing dispute.<sup>2</sup>

Although the Voluntary Labor Arbitration Tribunals, established by the Association in 1937, have been used almost exclusively for domestic disputes, there are indications that they may be used in disputes involving the nationals of different countries, particularly where the management is a national of one country and its plant and employees are domiciled in another country. (See p. 25).

An integral and unique part of the American system of arbitration is its educational facilities and program. These facilities afford both general information on arbitration and technical instruction in the use of arbitration, together with adequate source material assembled or prepared for the use of parties, arbitrators and their counsel.<sup>3</sup>

### 3. RECIPROCAL INTERNATIONAL ARBITRATION ARRANGEMENTS

When the American system of commercial arbitration was established, its facilities for the arbitration of international commer-

<sup>1</sup> The text of this general clause follows: (See also p. 81 for universal clause)

"Any controversy or claim arising out of, or relating to, this contract or the breach thereof, shall be settled by arbitration, in accordance with the Rules, then obtaining, of the American Arbitration Association, and judgment upon the award rendered may be entered in any Court having jurisdiction thereof."

<sup>2</sup> Very considerable use has been made of the availability of these facilities during the war. The British, Russian and other purchasing agreements have used an arbitration clause in their contracts. The clause in general use follows:

"All questions and controversies arising in connection with this agreement shall be submitted to arbitration before the American Arbitration Association in accordance with the Rules of the Association."

<sup>3</sup> See Technical Series of Instruction on this System comprising: 1) Rules of Procedure; 2) Manual of Instructions for their Use; 3) Suggestions for the Guidance of Members of Panels; 4) Questions and Answers on the American Arbitration Association.

cial controversy were comparatively unknown; nor did the advantages afforded by modern arbitration laws, particularly by the United States Arbitration Act, penetrate very deeply into the far corners of the world where Americans were trading. The trend of international arbitrations was definitely away from the United States, except where trade associations had established their own facilities.

In an undertaking to make American facilities better known, and to afford Americans as nearly uniform services as possible under both United States procedure and laws and those of other countries, the Association entered into some reciprocal arbitration arrangements with organizations having facilities in other countries. The following is a brief summary of these arrangements:

a) *New York and London Commercial Arbitration Service*

The first arrangement was between the American Arbitration Association and the American Chamber of Commerce in London in 1934 whereunder the two collaborating organizations agreed to establish the New York and London Commercial Arbitration Service and to recommend the use of approved alternate clauses for the reference of controversies to arbitration, under the Rules of the Chamber when the arbitration was to be held in London and under the Rules of the Association when it was to be held in the United States. Each organization agreed to maintain suitable panels in its own locality.

b) *American-Manchester (England) Arbitration Service*

The second arrangement was an improvement in that it offered a joint clause instead of alternate clauses for use in contracts, with arbitrations to be held under the Rules of the respective organizations domiciled where the arbitration was to be held. It provided for an American-Manchester (England) Arbitration Service. This arrangement was, however, limited generally to commodities in which the Manchester Chamber of Commerce was primarily interested. The advent of the war prevented its coming into full effect in 1939.

c) *American-International Chamber of Commerce Arrangement*

An arrangement was effected between the American Arbitration Association and the International Chamber of Commerce in July, 1939. The text of that arrangement follows:

"When one of the parties to an arbitration resides in the United States of America, or is a citizen of the United States, and the arbitration proceeding is to be held in the United States, it shall be held under the Rules of the American Arbitration Association.

"When the parties have not indicated where the arbitration is to be held and cannot agree on this point within a time limit of one month, the decision shall be taken by the Court of Arbitration according to its usual procedure under its own Rules, but after consulting a subcommittee of three members, one of whom shall be named by the American Arbitration Association.

"When one of the parties resides in the United States, or is a citizen of the United States, the text of the arbitration clause recommended by the International Chamber of Commerce for insertion in foreign contracts shall include the following adjunction:

'All disputes arising in connection with the present contract shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the Rules, unless the arbitration is to be held in the United States, in which instance the proceedings shall be conducted under the Rules of the American Arbitration Association.'

"The procedure for the appointment of arbitrators laid down in the Rules of the American Arbitration Association, which reserves the parties' right to select their own arbitrators from panels published in advance, is maintained, but the International Chamber of Commerce and the American Arbitration Association shall establish a list of about a hundred names of competent persons, from which it shall always be possible to select an arbitrator of another nationality than that of the parties."

Because of the war, educational plans for promoting the use of the above clause and of the respective services of the two organizations could not be put into full effect.

d) *American-Permanent Court of Arbitration Arrangement*

An arrangement was made in 1939 between the American Arbitration Association and the Permanent Court of Arbitration at



The Hague, especially with a view to providing international facilities should a state of war arise. In this instance, the Association first obtained the specific approval of the International Bureau of the Court to recommend the following clause to American parties to international trade contracts:

"Any controversy or claim arising out of or relating to this contract shall be settled with the cooperation of the International Bureau of the Permanent Court of Arbitration by a special Board of Arbitration sitting at The Hague or, in case a state of war existing in the vicinity makes impossible the assembling of parties, their witnesses and commodities in that city, sitting in such country as the parties designate, under the rules of the Permanent Court of Arbitration or under such other rules as the parties may agree upon."

The use of this clause would have enabled parties to international commercial contracts to have their arbitration conducted under the Rules of the Permanent Court of Arbitration or of the American Arbitration Association, at The Hague if that were physically possible, or it would have permitted such arbitrations to be held in the United States under the Rules of the Court using its United States Panel, or under the Rules of the Association using its International Panel. The disastrous effects of global war upon private international trade have been so complete that this clause has not been used; but it remains available for post-war service.

## IX. CANADIAN-AMERICAN SYSTEM

Reference has been made to the long-established practice under which the United States and Canada have settled their political differences by arbitration. The commercial arbitration system carries this practice into the field of commercial relations and offers a pacific means of settlement to nationals in the conduct of their affairs.

### 1. FOUNDATION OF ARBITRATION LAW

Negotiations for the establishment of this commercial system were opened between the American Arbitration Association and the Canadian Chamber of Commerce in 1939. A study of the arbitration laws in Canada—a study similar to that made in the

United States and other Republics—was concluded in 1942.<sup>1</sup> In 1943 an agreement embodying the following provisions was concluded:

### 2. PROVISIONS OF THE AGREEMENT

1) The contracting parties agree to set up a Canadian-American Commercial Arbitration Commission to promote the use of arbitration in trading and commercial transactions between Canadians and Americans and to provide facilities for the arbitration of controversies arising out of such transactions.

2) Each contracting organization agrees to appoint an equal number of representatives as members and they may appoint such officers as they deem desirable.

3) The representatives of each contracting organization comprise a section which is responsible for the maintenance and development of arbitration facilities in its own country. The administrative control of the Canadian Section is vested in the Chamber and that of the American Section in the Association, but these Sections agree to consult and cooperate in carrying out the purposes of the Commission and to exchange information and services to further its objects.

4) Each Section agrees to maintain panels of arbitrators in such localities as they may be needed.

5) Each Section agrees to collaborate in the formulation of Rules of Procedure to be adopted and known as the Rules of Procedure of the Canadian-American Commercial Arbitration Commission.

6) Each Section agrees to collaborate in formulating and adopting a uniform arbitration provision for use in commercial contracts, to be known as the Canadian-American commercial arbitration clause.

7) Tribunals established under this agreement are to be known as Canadian-American Commercial Arbitration Tribunals.

8) Each Section agrees to carry on in its own country educational work in the use of its facilities, or it may agree to take part in programs to be carried out jointly by the Commission in both countries.

9) Each Section provides the funds for its own work within its national boundaries and may contribute to the joint work of

<sup>1</sup> Brooke Claxton, *Commercial Arbitration under Canadian Law*, 21 Canadian Bar Review 171 (1943).

the Commission or authorize it to raise funds in such amount and manner as they agree upon.

10) Individual fees paid by the parties in any arbitration are payable to that Section of the Commission in whose Tribunals the case is heard.

### 3. ORGANIZATION OF THE COMMISSION

Under this Agreement, the Canadian-American Commercial Arbitration Commission has been established with Canadian headquarters at the Canadian Chamber of Commerce in Montreal and with U. S. headquarters at the American Arbitration Association in New York.<sup>1</sup> Rules of Procedure, synchronized with those of the Association and of the Inter-American Commercial Arbitration Commission, have been approved;<sup>2</sup> and a clause has been approved for recommendation to parties to contracts.<sup>3</sup> Panels are being established in key points in Canada and those of the Association are being augmented in the United States to meet the requirements of the Commission. The Rules are prefaced by simple instructions upon how to institute and conduct an arbitration under them. Educational programs are being laid out to acquaint American and Canadian business men with these facilities.

## X. COMBINED WESTERN HEMISPHERE SYSTEMS

The three systems of commercial arbitration and their international arrangements are combined into a Western Hemisphere

<sup>1</sup> The personnel and officers of the Commission follow:

Brooke Claxton, Chairman

William H. Coverdale, Vice Chairman

*Commissioners, Canadian Section:* Brooke Claxton, Chairman; G. W. Bellevue, L. F. Burrows, F. A. Gaby, Clinton Henderson, J. D. Johnson, Wesley McCurdy, W. D. McGregor, S. S. McKeon.

*Commissioners, United States Section:* William H. Coverdale, Chairman; James R. Angell, James S. Carson, Paul Fitzpatrick, P. M. Haight, Frances Kellor, Donovan O. Peters, Wesley A. Sturges, Thomas J. Watson.

<sup>2</sup> Rules of Procedure are available upon request from either headquarters of the Commission.

<sup>3</sup> The text of the clause agreed upon follows:

"Any controversy or claim arising out of or relating to this contract or the breach thereof, shall be settled by arbitration, in accordance with the Rules of Procedure then obtaining of the Canadian-American Commercial Arbitration Commission established by the American Arbitration Association and The Canadian Chamber of Commerce, and judgment upon the award rendered may be entered in any court having jurisdiction thereof."

System. This was made possible through a coordinated plan laid out in 1927 by the American Arbitration Association.

### 1. COORDINATION OF FACILITIES AND SERVICES

The First Report of the American Arbitration Association, published in 1927, contains a reference to a preliminary study made of commercial arbitration in the Americas and of an approach to obtain the cooperation of the Pan American Union in future planning. The Association, in 1929, established an inter-American commercial arbitration council and it will be recalled that the organization of the inter-American system was later entrusted to the Association.

These two Systems—the American and inter-American—have, therefore, from the beginning been closely coordinated and their policies, organization, administration, procedure and recommended clauses, synchronized. They also have had a common objective in the improvement of arbitration laws in accordance with the standards adopted by the Seventh International Conference of American States and in conformity with the national policy of the United States, as set forth in the United States Arbitration Law. It was possible to synchronize the Canadian-American System with these two existing systems by reason of Canada's common desire for peace and cooperation and the similarity of its arbitration laws.

This cooperation is further effected by an arrangement under which the American Arbitration Association conducts the general research and technical studies that are useful to all three systems and issues publications representative of the activities of all three systems.<sup>1</sup> The Association, through its research and educational facilities, has been largely responsible for the planning and development of international commercial arbitration and its use in this Hemisphere.

In order to make any or all of the combined facilities of the Western Hemisphere available under one arbitration provision, the following Western Hemisphere clause is recommended for use in international trade contracts:

"Any controversy or claim arising out of or relating to

<sup>1</sup> The bi-monthly *Arbitration Magazine*, issued by the American Arbitration Association, offers an illustration; and the *Arbitration Journal*, suspended for the duration, set forth the work of both the American and inter-American systems.

this contract, or the breach thereof, shall be settled by arbitration in accordance with the Rules, then obtaining, of the American Arbitration Association. If, however, one, or more, of the parties to this agreement is domiciled in one of the Republics of Latin America, the Rules of the Inter-American Commercial Arbitration Commission shall apply. If one, or more, of the parties to this agreement is domiciled in Canada, the Rules of the Canadian-American Commercial Arbitration Commission shall apply. Judgment upon the award rendered may be entered in any court of any country having jurisdiction."

## 2. ESTABLISHMENT OF THE WESTERN HEMISPHERE CONFERENCE ON FOREIGN TRADE AND ARBITRATION

The establishment of facilities for the settlement of commercial controversies between Canadians and Americans completed the Western Hemisphere System. It then became apparent that the rather informal processes of coordination of these systems might soon require a more systematic exchange of information, more regularly stated periods of conference, a more intimate discussion of mutual problems, and a sharper direction toward the maintenance of international peace.

The response to this need for closer cooperation was the organization in 1943 of the Western Hemisphere Conference on Foreign Trade and Arbitration. One of the functions of this Conference is to advance the knowledge of international arbitration through research and education; another is to promote discussion of its various aspects; a third is to assist in coordinating policies, plans, administration and techniques of interest to all of the combined agencies and systems; and a fourth is to give further unity to the future development of arbitration in this Hemisphere. It held its first meeting in 1943.<sup>1</sup>

<sup>1</sup> A summary of its proceedings appeared in the *Arbitration Magazine* for June, 1943.

## PART IV—FUTURE POLICIES AND MACHINERY

From the foregoing statement on past and probable future international controversy, and arbitral machinery, it is clear that there will be many kinds of grievances, differences and disputes to challenge the post-war world. It is equally clear that no one method and no one kind of machinery will meet this emergency or provide a long term program for protecting international relations from the menace of disputes.

It is also clear that separate, uncoordinated efforts to provide ways and means of settling international controversy, set up without relation to one another and according to no well considered plan, will result, as before, in shifting disputes among so many different expedients and through so many political labyrinths that from this very procrastination and uncertainty will arise new sources of discord and dispute.

From the few post-war agreements or conventions that have been made and from the announced plans for other such agreements it is apparent that an agreed-upon general policy with respect to the settlement of international controversies has not been reached, nor has any coordinated plan for integrating and combining different types of processes and facilities been considered. Groups of delegates, charged with the duty of preparing draft agreements and conventions, seem not to have received any clear or uniform instructions as to the place arbitration is to take in their discussions or as to the form and extent of its application.

### 1. INTERNATIONAL POLICY

It is evident that in order to establish any kind of coordinated effective machinery, there must be some agreed upon international policy to which nations charged with the maintenance of peace will subscribe. What should this policy be and how should it be established?

#### a) *General Treaty of Arbitration*

First, there should be an international arbitration agreement or treaty setting forth the following principles, to many of which the

American Government has long subscribed in its Western Hemisphere relations:<sup>1</sup>

1) Declaration of the mutual recognition by signatory states that international grievances, disagreements and controversies between their nationals, as well as between their governments, may be a menace to international peace. 2) Consequent acceptance of the conviction that such grievances, disagreements or controversies are the concern of all states. 3) Readiness to concede that the larger welfare of all people and the higher good of all nations must guide the procedures for the settlement and control of these differences. 4) Acceptance of the principle that international rights that come into conflict are best adjusted or determined by impartial persons or disinterested agencies. 5) Recognition of the fact that pre-war distinctions between so-called political or justiciable controversies are not essential and that international controversy be recognized, irrespective of its source, degree or kind, and that it be dealt with as such in one comprehensive system.

The scope of such a Treaty should include public disputes between states, and private disputes between nationals of respective states, and between the nationals of one state and the government of another state, since any one of such types of disputes may, if it remains unsettled, precipitate misunderstandings that foment wars.

Such a Treaty should also set forth the principles for coordinating the various pacific instruments and facilities and should outline the various kinds of procedure and machinery which it is desirable to establish under, or in connection with, such a Treaty.

This Treaty may be set up within the framework of a general international organization for the maintenance of international peace, or it may be an independent Convention or other agreement relating only to the settlement of international controversy.

It is suggested that the United States Government take the initiative in formulating the principles and policies of such a Treaty of Arbitration.

#### b) *Provisions in Intergovernmental Agency Agreements*

Under this general international policy for the pacific settlement of future disputes, the United States delegations to any conference that is considering the establishment of intergovernmental agencies should present to such conference a recommendation for the inclusion of suitable arbitration provisions in that agreement

<sup>1</sup> See p. 59.

for the settlement of controversies, between states or between their nationals, arising under the interpretation and application of that agreement; or arising directly out of the activities of intergovernmental agencies or out of their relation to other agencies whose powers may overlap.

It is suggested that the proper American governmental authorities submit a somewhat uniform arbitral provision for the consideration of different groups or conferences to which it sends representatives, and not leave it to these various conferences to devise new principles and procedures which, through wide variation and lack of a consistent policy, offer loopholes for disputes to escape effective pacific settlement.

As many of these intergovernmental agencies are likely to be of an impermanent character or may be subject to continuous changes, residuary disputes may continue after their cessation or structural change. It is important that provision be made for the settlement of claims or disputes that survive these agencies. As some of these disputes will be settled by executive decisions, in which their merits will not be subject to impartial judicial determination, it is important that some attention be directed to arbitration or judicial review of provisions made for the executive settlement of controversy.

At the time of negotiating a treaty, or convention, or at the time of establishing an intergovernmental agency, consideration should be given to the type of machinery best adapted to the settlement of the disputes that are likely to arise out of or in connection with the execution of the agreement or the administration of that agency, and provision should be made at that time for specific reference to whatever machinery the parties then agree they will resort to should any difference arise. If several types of machinery are to be used for different categories of controversies, the differentiation should be explicitly clear and the reference unambiguous. What should be avoided are elaborate provisions that pass the responsibility from one piece of arbitral machinery to another with wide latitude in discretion as to transition and the time when these transitions will take place.

#### c) *Bilateral and Multilateral Treaties*

All treaties should specifically provide for the settlement of any future dispute that may arise out of or concerning the interpretation or application of the terms of that treaty as between the

signatory states; and on a different level for the settlement of disputes between their respective nationals that may arise out of their commercial, trade or other contractual relations. The pacific settlement of controversies between nationals should be definitely encouraged in such treaties and the underlying principles for the private settlement of such disputes laid down in the treaty, thus carrying out its full intent for the maintenance of pacific relations.

The United States Government has the opportunity in its future treaties to establish a new type of agreement providing for the settlement of future controversies upon the separate levels of government, state and nationals' relations.

#### d) *Reference to Permanent Machinery*

If certain types of disputes between nations are to be referred for priority settlement to a political organization, adequate machinery should be established for that purpose and the reference should be specific. If other types of disputes are to be referred to a court of justice, they should be so specified and the functions and jurisdiction of the court defined. If other matters are to be referred to a court of arbitration or to *ad hoc* tribunals or commissions of inquiry, then the right of parties so to refer their controversies should be equally well defined. But whatever machinery is established, parties should be clear as to its functions and jurisdiction and they should, in their international agreements, set forth the machinery they intend to use and then use it and not by-pass it in favor of some new or impromptu device.

#### e) *Appeals*

One of the objections to arbitration has been the finality of its decisions. One of the reasons for the failure of mediation and inquiry has been the freedom of the parties to ignore the recommendations of commissions of inquiry and boards of mediation. The United States Government should examine its policy with a view to: 1) Retaining the finality of awards, but safeguarding arbitral procedure from partiality, corruption, duress, fraud or default by a party, by appeals on these grounds to some established court of appeals. 2) Providing for appeals from the recommendations of commissions of inquiry or boards of mediation, when the parties refuse to abide by the recommendations, such appeals to be taken by one of the parties to a court having jurisdiction. 3) Providing for review of decisions with respect to non-signatory

parties affected by any decision; and for appeals to a judicial body from executive decisions or from fact-finding bodies to determine the merits or validity of the decisions or recommendations.

## 2. INTERNATIONAL MACHINERY

If, under an international policy of pacific settlement of controversies, states, and nationals of these states, undertake to submit their controversies to such process, it follows that the machinery for such settlements must be permanent, adequate, diversified, accessible and dependable, and that the machinery should function with speed and at such a low cost as to attract parties to its use. The construction of such international machinery calls for two things: First, an examination of existing machinery with a view to its retention, revision and coordination into a universal system; and, second, an examination of what new machinery is needed to offer complete facilities for the prompt settlement of any controversy that threatens international peace or that, by neglect of settlement, undermines its stability.

### a) *Reorganization of the Permanent Court of International Justice*

Consideration of the revision of the statute concerning this Court is under way. Reference has already been made to the American and British views expressed in various reports, and to a general examination of the subject and to the recommendation of various organizations, including the American Bar Association and the Commission to Study the Organization of Peace.

There are differences of opinion between the British and American viewpoints concerning such matters as the degree of compulsory jurisdiction to be given to the court, its proposed power to review arbitral awards, and other matters. Attention has not, however, been directed to the relation of this Court to arbitration and the prior right of parties voluntarily to resort to the procedures of conciliation, mediation and inquiry. In other words, the position which this Court is to hold with respect to political settlements and to arbitral procedures generally remains indefinite, and so long as it does there will be subsequent confusion or possible competition among the various institutions for the maintenance of peace.

It is suggested that whatever conference may be called to effect a new statute for the Court should consider very carefully its jurisdiction with respect to other systems of pacific settlement,

whether they are of an official nature or of a private commercial character.<sup>1</sup>

b) *Reorganization of the Permanent Court of Arbitration*

Very little attention appears to have been directed toward the continuance or reorganization of the Permanent Court of Arbitration, established at The Hague in 1899.<sup>2</sup> If this Court is to be adapted to the settlement of post-war controversies, the Conventions of 1899 and 1907 will require considerable reorganization under a new statute which will involve:<sup>3</sup>

1) The enlargement of its jurisdiction, to include all kinds of controversies and all manner of agreements entered into between governments; or between the nationals of different governments; or between the nationals of one country and the government of another country. 2) Changes in administrative functions so as to allow for sessions of the Court to be held in convenient localities. 3) Expansion of panels of arbitrators. 4) Greater administrative independence from the diplomatic representatives that now constitute the Permanent Administrative Council. 5) Revision of existing procedures.

The question of enlarging the powers of this Court to receive appeals in certain matters (similar to those now reserved to local courts, under local arbitration laws, in domestic procedural matters) should receive consideration. These may include such issues as the following:

a) Whether the arbitration agreement is applicable to the matter it is sought to arbitrate under that agreement. b) Whether the arbitrator, in making his award, has exceeded his authority under that agreement. c) Whether a party is in default in appointing an arbitrator or in executing his agreement. d) Whether the award has been made under duress, or the arbitrator has been

<sup>1</sup> The proposals for the establishment of a general international organization adopted at Dumbarton Oaks (Ch. VII) provide for the continuance of the Permanent Court of International Justice, either under its present or a new statute, but does not indicate what changes should be made in its organization or powers.

<sup>2</sup> *Carnegie Endowment for International Peace, Year Book, 1944* (p. 76) announces a study by Judge Manley O. Hudson, soon to be published, in which the future of this Court will be considered.

<sup>3</sup> For a fuller presentation of these and similar recommendations, see Frances Kellor: *Arbitration in the New Industrial Society* (1934, McGraw-Hill Publishing Co.) p. 212. That memorandum sets forth a series of propositions for the reorganization of this Court under 1) The proposition, 2) the procedure, 3) new functions of the Court, 4) jurisdiction under proposed extension and 5) advantages.

guilty of bias, or misconduct. e) Whether any other agency or court, having the same matter presented to it, will grant a stay of the proceedings until the arbitration has been held. f) Whether the Court should be authorized, upon the application of a party, to confirm the award as its judgment, without a review of the merits. g) Whether the Court will decide questions of law upon their reference by agreement of all parties or of one party.

The question of giving a reconstituted court power to consider appeals from awards or findings upon the merits of the dispute may also come within the purview of the reconstruction of the Court, as for example: when recommendations of boards of mediation or commissions of conciliation are not acceptable to the parties or a party, and there is a resulting *impasse*; or when findings of fact by commissions of inquiry do not lead to a settlement; or when awards affect the rights of non-parties.

It is suggested that a committee proceed immediately to an examination of the Convention establishing the Permanent Court of Arbitration, and its procedures and administration set up thereunder, with a view to making recommendations concerning: 1) Its possible reconstruction as a continuing instrumentality of international arbitration and expansion into a universal system, with suggestions for specific changes in the existing Convention. 2) The delimitation of the respective jurisdiction and powers of the Permanent Court of International Justice and of the Permanent Court of Arbitration; or 3) Suggestions for the installation of other international arbitral machinery in the event that it is deemed inadvisable to discontinue or leave in *status quo* the Permanent Court of Arbitration.

c) *Reorganization of Political Machinery*

It is too early to judge whether the measures set forth in the Dumbarton Oaks tentative proposals for the establishment of a general international organization will prove more effective than those in the Covenant of the League of Nations when finally incorporated in the final plans of a general international organization. These provisions (Chapter VIII) are the following:

Section A

"Pacific Settlement of Disputes

"1. The security council should be empowered to investigate any dispute, or any situation which may lead to

international friction or give rise to a dispute, in order to determine whether its continuance is likely to endanger the maintenance of international peace and security.

"2. Any state, whether member of the organization or not, may bring any such dispute or situation to the attention of the general assembly or of the security council.

"3. The parties to any dispute the continuance of which is likely to endanger the maintenance of international peace and security should obligate themselves, first of all, to seek a solution by negotiation, mediation, conciliation, arbitration or judicial settlement, or other peaceful means of their own choice. The security council should call upon the parties to settle their dispute by such means.

"4. If, nevertheless, parties to a dispute of the nature referred to in Paragraph 3 above fail to settle it by the means indicated in that paragraph, they should obligate themselves to refer it to the security council. The security council should in each case decide whether or not the continuance of the particular dispute is in fact likely to endanger the maintenance of international peace and security, and, accordingly, whether the security council should deal with the dispute, and, if so, whether it should take action under Paragraph 5.

"5. The security council should be empowered, at any stage of a dispute of the nature referred to in Paragraph 3 above, to recommend appropriate procedures or methods of adjustment.

"6. Justiciable disputes should normally be referred to the International Court of Justice. The security council should be empowered to refer to the court, for advice, legal questions connected with other disputes.

"7. The provisions of Paragraph 1 to 6 of Section A should not apply to situations or disputes arising out of matters which by international law are solely within the domestic jurisdiction of the state concerned."

#### Section B

*"Determination of threats to the peace or acts of aggression and action with respect thereto.*

"1. Should the security council deem that a failure to

settle a dispute in accordance with procedures indicated in paragraph 3 of Section A, or in accordance with its recommendations made under paragraph 5 of Section A, constitutes a threat to the maintenance of international peace and security, it should take any measures necessary for the maintenance of international peace and security in accordance with the purposes and principles of the organization.

"2. In general the security council should determine the existence of any threat to the peace, breach of the peace or act of aggression and should make recommendations or decide upon the measures to be taken to maintain or restore peace and security.

"3. The security council should be empowered to determine what diplomatic, economic, or other measures not involving the use of armed force should be employed to give effect to its decisions, and to call upon members of the organization to apply such measures. Such measures may include complete or partial interruption of rail, sea, air, postal, telegraphic, radio and other means of communication and the severance of diplomatic and economic relations.

"4. Should the security council consider such measures to be inadequate, it should be empowered to take such action by air, naval or land forces as may be necessary to maintain or restore international peace and security. Such action may include demonstrations, blockade and other operations by air, sea or land forces of members of the organization."

It is suggested that a committee examine the above provisions and the supporting documents and arguments, insofar as they are available, with a view to their practical application in the broad field of the settlement of international controversy, and to economic causes of public controversy; and with a view to their more precise relation to both the Permanent Court of International Justice and the Permanent Court of Arbitration, and other arbitral machinery set up under intergovernmental agencies or provided for in bilateral or multilateral treaties.

#### d) Reorganization of Private Arbitration Machinery

Of the pre-war international commercial arbitration machinery, that of the British Empire and Russia and of the Western Hem-

isphere has been least disturbed. The system projected under the aegis of the Federation of British Chambers of Commerce is practically intact; that of the Western Hemisphere has actually expanded during the war.

The only other existing international machinery is that of the International Chamber of Commerce. While remaining intact in its central organization, the shocks administered by the war to its National Committees in different countries, the continued military occupation or administration of other countries, the realignment of territorial boundaries, the controls established by intergovernmental agreements and agencies over international economic resources and trade, and other economic or ideological changes, will necessitate some reorganization to put the Court of Arbitration into full working order.

In this reconstruction, the relation of this international system to existing British and Western Hemisphere Systems may require expert consideration. The increased responsibility of the United States, Great Britain and Russia for the maintenance of international peace and for a large share of the economic rehabilitation of the trade of other countries, indicates that their existing arbitral facilities be given primary consideration.

It is suggested that consideration be given to the appointment of a technical committee representing primarily the British, American, and Russian interests with a view to correlating their existing international facilities and those projected under international agreements or intergovernmental administrative agencies, or by the Permanent Court of International Justice or the Permanent Court of Arbitration, with any plans for reorganizing the international system of private commercial arbitration established by the International Chamber of Commerce.

### 3. NATIONAL ASSOCIATIONS OF ARBITRATION

No system of international arbitration, however well organized, will succeed if it rests solely upon its acceptance by governments. Unless the people and the institutions of each country feel that they are a vital part of its creation and maintenance, such a system will lack the enthusiasm and the confidence in its success and belief in its destiny necessary to give it life and permanence.

In the Western Hemisphere, separate organizations have been created and maintained for the sole purpose of advancing systems of arbitration. Hundreds of trade associations, thousands of busi-

ness men, lawyers, trade unions, corporations, teachers and others have cooperated in building these systems. In the United States some ten thousand men alone make up the panels of arbitrators and constitute an educational unit in their own communities. Through the activities of the Pan American Union, attention is given in each American Republic to the constant advancement of pacific means of settlement of disputes.

Unless there exists in each country, committed to the maintenance of permanent peace, a knowledge of and belief in arbitration and a compelling public opinion in support of it, the government and nationals of that country will be less inclined to its use. Unless in each country, education and training are provided in this subject and arbitration becomes not only a public policy but a way of life among its own nationals, there can be no strong and enduring support of an international system.

It is, therefore, suggested that, as soon as convenient, civilian organizations or leaders in each country take up the possibility of creating a national arbitration organization that will be committed to the advancement of arbitration at home and internationally.

One of the main functions of these associations would be to prepare courses of instruction in arbitration for use in the educational institutions of each country, and to train teachers to give such courses and lectures.

There is so little understanding of what arbitration is and can do for the maintenance of peace that systematic education must begin with the *idea* of arbitration. It is the history, philosophy, traditions and principles of arbitration which must be taught. It is the concept of its application to daily living and as a way of life that needs elucidation. It is its capacity to rebuild friendships, maintain confidence, perpetuate good faith that is significant. It is the penetration of the idea of arbitration as a means to security, well-being and achievement that is basically important. It is its power of persuasion that should be cultivated. For without these, machinery and technique will neither control nor settle controversy.

Through the educational institutions of the world the knowledge of arbitration must be brought to the leaders of tomorrow through courses of instruction, programs of general education, discussions, conference, research, and other educational methods.



Each profession concerned with the welfare of mankind requires training for its practice. The practice of law has schools of law, institutes, and bar associations for its elucidation and improvement; the practice of diplomacy is taught in well-planned courses; the practice of medicine requires both training and experience, and a certificate for its practice. But arbitration, which is concerned with the peace and welfare of nations, is practiced without educational facilities and has no auxiliary associations for its elucidation and improvement.

These national associations will have another important function. Each nation that undertakes to maintain an international system of arbitration must practice arbitration within its own territory in its domestic relations. It must have the knowledge and experience of arbitration technique in its own tribunals. Contracting parties who will not use arbitration provisions in their domestic contracts are not likely to favor their use in international contracts. States whose populations have little knowledge of arbitration or of its technique among themselves are not likely to give strong support to its international use. One of the important functions of these national associations should be to develop the use of arbitration within their own boundaries through tribunals and procedures of a like kind.

#### 4. INTERNATIONAL CONFERENCES ON ARBITRATION

From the foregoing description of controversies, of existing machinery and trends in post-war policy, it will be seen that the task of establishing coordinated machinery for the settlement of international disputes is not the simple undertaking of this or that general conference, or of concerted efforts on behalf of this or that kind of institution. If each project is adopted without any special relation to other projects, the pre-war pattern is again likely to prevail.

It is suggested that an international arbitration conference be called: 1) To consider and formulate a General Treaty on Arbitration. 2) To study and recommend forms of arbitration provisions for international agreements and inter-governmental agencies. 3) To consider the reorganization of the Permanent Court of Arbitration under a new statute that defines the powers, jurisdiction and administration of the Court with respect to itself and in relation to other institutions or facilities having power to settle or

decide international disputes. 4) To examine existing arbitration machinery and its proposed reorganization or expansion. 5) To consider the encouragement of the establishment of national associations of arbitration. 6) To appoint an educational committee to plan instruction in international arbitration.

Notwithstanding the use of arbitration extending over many centuries, international private arbitration is still in a primitive condition. There are no special international agencies for its continuous exploration and development. It is decentralized as to machinery and immature as to procedure. There is no international private arbitration law, but only the separation of its competence among the various nations and within those nations occurs a further division among their respective states or communities, of which the United States and Canada offer examples.

As a great number of economic controversies will arise out of private commercial contracts and will result in differences and strains that precipitate controversies between states, it is suggested that consideration be given to the formulation of an international private arbitration law, embodying the prevailing principles and practice under Anglo-American national laws with a view to establishing a foundation of international arbitration law under the practice of international private arbitration.

For it should be recognized that even under agreements to resort to pacific means in place of force, parties still remain free to leave their disputes unsettled, especially if one of them is reluctant to proceed. Such delay, or indifference to making a prompt settlement, frequently renders useless a commitment to arbitrate. An international arbitration law creating a foundation of legal observances for cases in which delay would aggravate the dispute would tend to remedy this situation.

In conjunction with the drafting of an international arbitration law the drafting of international rules of procedure and of a universal arbitration clause is recommended. This clause should make it possible to refer any controversy arising out of an international agreement to whatever machinery the parties might elect and in whatever locality they might choose. Should they not agree upon the locality or upon the machinery, the Permanent Court of Arbitration might be given power to decide the question of locality and the rules under which the arbitration should be conducted.

## 5. CONCLUSIONS

It is obvious that none of the existing arbitral machinery, outside of the Western Hemisphere, the British Empire and Russia, can be reorganized and set in full motion in any universal way, in time to dispose expeditiously of the volume of international controversy at present accumulating. It is suggested that in this interim, consideration be given to the following ways and means of disposing of or controlling international controversy:

1. The intact systems of the British Empire, Russia, the United States, and the American Republics should be used to dispose of existing controversies insofar as possible in areas least disturbed by the war.

2. Within the framework of each inter-governmental administrative agency, self-directive machinery should be established or agreed upon that will enable that body to dispose effectively of any controversies arising out of its activities or in relation to them.

3. Each international agreement, convention or treaty or other arrangement should provide for resort to the pacific settlement of disputes arising out of or in relation to its interpretation or application.

4. Each treaty of friendship and commerce or other commercial treaty should provide for arbitration of disputes between states on one level and upon another level for the encouragement of the settlement of private disputes among nationals, with some indication as to both policies and procedures.

5. A competent committee should examine carefully the Statute of the Permanent Court of International Justice or the proposed revision thereof, with respect to the voluntary use of arbitration by the parties and their right to submit their disputes to arbitration; and with respect to other established international arbitration facilities or agreements.

6. Either the same or another competent committee should carefully analyze the Conventions establishing the Permanent Court of Arbitration and the procedures and administration set up under these Conventions, with a view to making recommendations for its reorganization

and adaptation to post-war requirements in the field of both public and private controversy and its possible reconstruction as a universal system of arbitration; or it should consider the drafting of a substitute system, should the adaptation of the Permanent Court not prove practicable.

7. A competent committee should examine the practical application of the arbitration provisions in the proposals for a general international organization adopted at Dumbarton Oaks and wherein they are an improvement upon the pre-war provisions in the Covenant and subsequent undertakings by the League of Nations.

8. Suggestions should be made for the drafting of a General Treaty to Avoid and Prevent International Conflicts, or a General Treaty of International Arbitration, or a General Treaty on the Prevention of Controversies (the name is not so essential as the all-inclusive purpose) which treaty will be part of international law and will set forth the basic principles or fundamental precepts for determining pacific relation. It is also suggested that the Pan American and Inter-American Systems of pacific settlement be examined as a basis for such a Treaty.

9. The need of an international arbitration law based upon the Anglo-American concept and practice has long been apparent. As the International Law Association, at one of its earlier meetings, took a very real interest in this subject, it is suggested that the Arbitration Committee of that Association consider the drafting of such a law based upon the principles of the British-American modern arbitration statutes.

As the need of a standard or universal arbitration provision for use in private contracts that would enable parties to select whatever locality or procedure they wished to invoke is also a primary necessity, such a provision might be given consideration at the same time by the International Law Association. In both American and British practice standard clauses and rules of procedure and arbitration laws have been found to be indispensable.

10. Each commodity control agreement or arrangement should make provision for the impartial settlement by

arbitration of any questions or differences that might arise out of or in relation to it, together with such provisions for grievance machinery as would dispose of minor differences.

11. Future reciprocal trade agreements should continue the amplification of the provisions for amicable settlement of differences, along the lines of the recent agreements between the United States and Mexico, and Argentina.

12. Regional organizations of commercial organizations, such as that of the Permanent Council of American Associations of Commerce and Production, with a combined program for the advancement of international trade and the settlement of controversies in connection therewith, are greatly to be encouraged in order to bring to the development of international law the practical aspects of carrying on international trade.

13. It is none too soon for such countries as are in a position to do so, or civilian organizations within such countries, to consider the establishment of national arbitration associations.

14. A comprehensive program for education in international arbitration should be the immediate concern of educational institutions, including courses on: why teachers should know about arbitration and why and how they should teach its principles and practice; institutes for the training of arbitrators; and courses in adult education.

15. The calling of national and international conferences to inform public opinion of the importance of including organized arbitration as an important element in treaties, in intergovernmental administrative agencies and in any final instruments for the maintenance of international peace, is of immediate importance.

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# **INTERNATIONAL ORGANIZATION FOR HEALTH**

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By  
**C.-E. A. WINSLOW, M.D.**

**Commission to Study the Organization of Peace  
8 West 40th Street      New York 18, N. Y.**

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FOREWORD

Plans for the organization of a lasting peace must include the prevention of epidemic diseases and the promotion of the health of the peoples of the world. After long hard struggles international cooperation in health matters was making rapid strides when the war started. The efforts of several international and regional health organizations were being intensified and coordinated with the Health Organization of the League of Nations taking the leadership in assisting governments of undeveloped countries to improve their health services in the interest of the world community. Today the United and Associated Nations face the problem of epidemic prevention, relief and rehabilitation in countries overrun by the enemy. They must build into the general international organization envisaged at Moscow means of continuing and expanding the international health work which existed before the war.

The Commission to Study the Organization of Peace is glad to present this article by one of its members on the problems and organization of international collaboration in health matters. Dr. C.-E. A. Winslow, the author, is Director of the John B. Pierce Laboratory of Hygiene and Anna M. R. Lauder Professor of Public Health in Yale University Medical School. He has been a member of the League's Health Committee; is at present a member of a League Committee on the Hygiene of Housing, and is chairman of a national committee on housing set up under League auspices.

Doctor Winslow has drawn on his intimate experience with the Health Organization of the League of Nations in outlining the aims, functions, and framework of the International Health Organization of the future. It is hoped that this article will help to give substance to the views of those who believe that organization of peace as well as prevention of war must be the concern of the organized world community.

FRANK G. BOUDREAU, M.D.

April 1944

# INTERNATIONAL ORGANIZATION FOR HEALTH

C.-E. A. WINSLOW, M.D.

## I. War and Disease

THE MYSTICAL symbolism of the sixth chapter of Revelations has a pregnant message for us today. The white horse of ruthless power, the red horse of war, the black horse of famine, and the pale horse of death are still stablemates; and their deadly riders exercise dominion today over much more than "the fourth part of the earth."

The advance of medical science has taught us that, even in normal times—in a country as prosperous as the United States—a quarter or more of our children suffer from minor dietary deficiencies which, in subtle but demonstrable degree, handicap them in health and efficiency. Today, every country which is at war suffers from unusual dietary stress. Many areas of China are face to face with mass starvation. The continent of Europe may be divided into "the starving countries" and "the hungry countries."

Twenty years ago, we had a preview of what is likely to happen again after the war if we are not on our guard. In Austria in 1921, the Austrian crown was worth less than one-tenth of a cent. The cost of living had gone up one hundred times and the wages of industrial workers less than fifty times and that of the professional classes only four or five times. A well-known professor at the University of Vienna who had eight children was receiving a salary equivalent to \$10 a month, less than half the minimum necessary to support his family. His assistant, who had served the University for sixteen years earned about one-fifth as much. The milk supply of the city had dropped from 850,000 liters a day to 60,000 liters (with an increased population). For the whole of Austria, births exceeded deaths by 35,000 in 1914; while deaths exceeded births by 71,000 in 1918.

Disease followed famine, as inexorably as famine followed war. Tuberculosis increased its death-toll in Germany by 57 per cent in 1918 as compared with 1914. With the additive effects of mass migration, breakdown of community controls and lack of medical service, more dramatic manifestations of epidemic disease appeared. In the Soviet Union, between 1917 and 1921, there were more than twenty-five million cases of typhus fever, with over two and one half million deaths.

The direct loss of human lives on the battlefronts of Russia and China in the present war has probably already exceeded the toll taken in any previous war in a comparable period of time. Certainly, the suffering inflicted in Europe upon conquered populations has exceeded any similar tragedy in the history of the human race. The essential basis of nutrition—not for health, but for survival—may be set at 2000 calories of food energy per day. The allowance today in Poland is 800 calories for a Pole and 400 calories for a Jew. Even in merely “hungry” and not “starving” countries, like Holland and Belgium, the inmates of institutions who receive only the official ration (with no recourse to the Black Market) are in many instances dying of deficiency diseases. In many areas, the deliberate destruction of social machinery and the ruthless appropriation of public and private property have vastly increased the distress which inevitably follows in the wake of war. When hostilities cease, the demobilization of vast armies and the re-location of millions of expatriated peoples will accentuate the gravity of the crisis.

Typhus fever, which decimated the retreating armies of Napoleon and swept back into western Europe with the refugees from Russia in 1921 is astir in the very same Vilno-Grodno-Bialystok triangle where it raged a century ago and, again, two decades ago. It cannot be held within the bonds of Polish concentration camps. A warning on a small scale of what we may expect on a great scale is the recent flareup of typhus in the city of Naples.

After the war, the need will be urgent and immediate for

- Feeding the hungry
- Caring for the sick
- Controlling epidemic disease
- Providing the essentials of community sanitation
- Protecting the health of mothers and infants.

If we do not move promptly and effectively we may well see a repetition of the human suffering and social dislocation which accompanied the Black Death of the fourteenth century. If, on the other hand, we develop an international world order which can effectively apply the results of modern medical science, the prevention of such a catastrophe is well within our power. As a member of this Commission has recently pointed out, both infectious and deficiency diseases can now be controlled far more effectively than in 1920. “The almost miraculous results of the sulfonamides and penicillin are known to everyone who reads a newspaper. Lousiness, the plague of the trenches and military fronts, can be readily controlled by new agents and methods which may ultimately mean the death-blow to typhus fever. . . . Granted an effective civil administration to control movements of population and to provide for basic human needs, science may reduce the peril of post-war epidemics to a shadow of its former dimensions.”

## II. Relief and Rehabilitation

It is a source of deep satisfaction that the first steps have already been taken to deal with the immediate phases of this problem.

The responsibility for coping with the menace of disease must necessarily first rest upon our Armies of Occupation. Each area into which the troops of the United Nations move will—for a shorter or longer time—be of primary military importance and the military forces must be in complete charge. Both Great Britain and the United States have developed intensive training courses to prepare physicians, engineers and other experts to meet the health responsibilities of Civil Affairs Administration; and a joint Allied Military Government organization is effectively at work in North Africa and in Italy. Here is a concrete example of the statement once made by the late President A. Lawrence Lowell of Harvard that “It is hardly an exaggeration to summarize the history of four hundred years by saying that the leading idea of a conquering nation in relation to the conquered was in 1600, to change their religion; in 1700 to change their laws; in 1800 to change their trade; and in 1900 to change their drainage. May we not say that on the prow of the conquering ship in these four hundred years, first stood the priest, then the lawyer, then the merchant, and finally the physician.”



Military government will continue for a varying length of time in different areas but will be only temporary. A second stage of the program was provided for through the organization in 1943 of the United Nations Relief and Rehabilitation Administration. The Draft Agreement creating this new international body outlines its purpose as follows: "that immediately upon the liberation of any area by the armed forces of the United Nations the population thereof shall receive aid and relief from their sufferings, food, clothing and shelter, aid in the prevention of pestilence and in the recovery of the health of the people, and that preparation and arrangements shall be made for the return of prisoners and exiles to their homes, for the resumption of agricultural and industrial production, and the restoration of essential services, to the end that peoples once freed may be preserved and restored to health and strength for the tasks and opportunities of building anew."

The health aims of UNRRA are outlined more fully as follows in a Report of the Subcommittee on Policies with Respect to Health and Medical Care presented to the First Meeting of the Council of UNRRA at Atlantic City last November.

"1. The health work will necessarily constitute one of the primary and fundamental responsibilities of UNRRA. The relief and rehabilitation program must aim toward the maximum of health security within the practicable limits of the resources of the United Nations.

"2. This program would consist chiefly of the provision of assistance to governments in the rapid reestablishment of their health services generally, preventive and curative. These services include not only disease control and relief from malnutrition, but also the reestablishment of medical services, hospitals, dispensaries, sanatoria, health centers, laboratories, environmental sanitation, maternity and child welfare services, the control of endemic diseases, particularly tuberculosis and venereal diseases, and other essentials for health. For this purpose UNRRA should be prepared to give assistance in connection with equipment and supplies, personnel, expert advice, facilities for technical training and the collection and dissemination of information bearing on the above problems.

"3. One of the aims of UNRRA should be to equalize opportunity for the restoration of health in the various countries. This will involve a sharing of responsibilities and equitable distribution of goods

and other assistance in proportion to need and in accordance with a coordinated plan."

Along these lines, UNRRA will work in collaboration with, and at the request of AMG in the first phases of relief and rehabilitation; in many areas it will itself carry on the work during a second phase before fully constituted local authorities are set up; and it will cooperate with such local authorities in a third and final phase of evolution.

During the depression years we witnessed the phenomenon of hunger in the midst of abundance. In even the most prosperous countries like our own, the unemployed could not buy the food they needed for health while farmers were ruined because they could not sell the abundance of food they produced. In order that this may not occur again, governments must intervene with plans for the distribution of surplus foods to those in need. In the international field, Argentina, Australia, Canada, the United Kingdom and the United States have already set up an International Wheat Council one of the objects of which is to provide large amounts of wheat for relief purposes. The Argentine Government has declared its intention of giving 200 thousand metric tons of wheat to the relief pool, and 50 thousand tons of that amount have already been earmarked for shipment to Greece.

The first challenge to UNRRA will be the mass feeding of large populations, a primary and immediate task in every liberated area. To supply the food and to provide for its transportation and distribution will tax the resources of the whole world; and the program will require the direction of the most capable experts in medicine and in nutrition.

Estimates of food needs after the war vary greatly. One conclusion emerges from them all; the amounts of food available in the world will be barely sufficient to feed the hungry in Europe during the first year of rehabilitation. No one has been bold enough to declare that sufficient amounts of food can be made available for the prompt relief of all the countries now at war, in the Far East as well as in Europe. Yet, it should be remembered that this is the first time in the history of the world that governments of a large number of nations have joined together to bring relief to the victims of war. No such concerted planning for relief has taken place before. The magnitude of the problem is clearly recognized, and every

possible measure is being taken to be prepared for immediate action when the enemy is driven out.

The Food and Nutrition Board of the National Research Council has estimated that "by combining certain adjustments of production and utilization which (experts) regard as feasible, we (the United States of America) could, within two years, furnish nutritious diets for fifty million more people than we are now feeding. How rapidly this increased margin can be made available will depend largely upon the support of public opinion. . . ."

The Government will not act to work out these adjustments, if farmers, housewives and other groups object to the necessary controls and the minor sacrifices involved. Yet the arguments for feeding the hungry in countries from which the enemy has been driven out are cogent.

"Relief and rehabilitation are essential parts of the task of winning the war. The Axis countries are attempting to weaken and ruin all of their neighbors, and to prevent their recovery. We shall not have won the war until we succeed in undoing the great evil which the Axis armies have done."

Furthermore, relief is an essential part of the plan to cushion the shock of postwar economic adjustments in America. The prosperity of this country must depend to a great extent on foreign trade. In the words of Philip Jessup:

"No markets exist in a man-made desert where cities are destroyed with their factories and where starving and dying, ragged people eke out a precarious existence while demobilized bands of soldiers roam the countryside looting and taking from the wretched survivors even what little they still have."

Since the United States of America is one of the great food-producing countries of the world, it is our duty to produce and conserve food in preparation for the last step in winning the war; restoring the occupied countries to health and prosperity.

After that step has been taken, the countries of the world, through the international organization concerned with food and agriculture, must act in concert to increase food production and to improve food distribution so that the world may never again witness the spectacle of farm surpluses which cannot find a market and hungry millions who cannot buy food.

Starvation is one of the chief factors—but by no means the only

factor—in the increase of sickness in war-torn and exploited areas. Hospitals and medical facilities normally available for the civilian population have been taken over by the occupying armies for military purposes. Physicians have been killed or driven into exile. When a given area is abandoned by the enemy forces it is more than probable that, as has been the case in Russia, they will systematically loot and destroy hospitals and other medical facilities.

Clearly, detailed plans must be made for providing medical relief, immediately on the occupation by the United Nations of any particular area; and it is estimated that—for Europe as a whole—the population to be served by such emergency medical relief will total fifty million persons. Similar, but greater needs will be manifest in the rehabilitation of devastated and occupied areas in China and other countries of the Far East. Accumulation of large stock-piles of hospital equipment and medical supplies and recruitment of trained medical and nursing teams will be essential in meeting this need.

Parallel with such planning for medical care, we must have a similar program of immediate service in the field of sanitation. The destruction of water supplies in the Ruhr and at Pantelleria are outstanding examples of the damage wrought by war. Destruction by deliberate sabotage must be expected at the hands of retreating forces. Emergency installations for water purification by chlorination or other means, must therefore be available in the first line of defense against disease. Field laboratories must be provided for the testing and control of civilian water supplies. Cholera and typhoid are still present in many areas now occupied or likely to be occupied by the United Nations; and dysentery is a world-wide menace under insanitary conditions. Therefore, provision must be made for the protection of food supplies and for the safe disposition of human excreta.

In many parts of the world, in Greece and the Balkans, in West Africa, in the Far East, the problem of malaria is, and will be, of first importance. Throughout the course of history malaria has diminished with the development of a peace economy, drainage and agriculture; and has increased again when such peaceful pursuits were interrupted by the destructive influence of war. The danger is greatly increased in the present global war, when troops are being brought back from regions where malaria is almost universal to

countries where the mosquitoes which transmit the disease exist and only the factor of fresh human infection is lacking. During the first week of February 1944, 4 cases of malaria and 12 cases of dysentery were reported in one small New England state. Teams of physicians, engineers and entomologists must be ready and equipped with all necessary devices and supplies for the treatment of malaria, for the protection of persons and dwellings against mosquitoes and for the destruction of adult mosquitoes and elimination of accumulations of stagnant water in which they breed.

All types of communicable disease are certain to increase in undernourished and economically handicapped people, particularly where vast interchanges of populations are taking place. Diphtheria and scarlet fever had increased fourfold even in Germany by 1942. Special machinery for collecting and analyzing reports of such diseases, for the establishment of quarantine procedures, involving emergency agreements between the various governments concerned and the pooling of resources for dealing with epidemic conditions will be essential.

The typhus which decimated the troops of Napoleon during the retreat from Moscow was no isolated incident. Exactly the same phenomenon occurred two decades ago, in the very same towns and villages; and in this same area of northern Poland where Napoleon's legions suffered most severely, there have been sinister rumors during the last two winters of an increase in typhus fever.

Sera and vaccines for the treatment and prevention of epidemic disease must therefore be provided; with the apparatus and supplies and the trained personnel necessary for the control of typhus. For this purpose there are now available new methods which are far more effective than any we have had before.

Syphilis and gonorrhea have, in most countries, increased under the stress of war; and here again, we have new treatment procedures which make our methods of control far more powerful than in the past. Clinic provisions for the treatment of these diseases and the elimination of sources of new infection will be essential in rehabilitation, if not in the first stages of relief.

In the more prosperous nations tuberculosis has been brought under substantial control; but this is, par excellence, a disease of poverty and malnutrition. In Germany, the death-rate from this cause increased by 57 per cent in 1918 as compared with 1914. Many

countries of Europe, particularly Greece and, in less degree, France, had relatively high tuberculosis death rates even before the present war. It is certain that the sufferings of war-torn and enslaved peoples will cause this disease to assume major epidemic importance. The fragments of information which come to us out of the shadows of even Western Europe confirm this expectation. Virulent and rapid forms of tuberculosis are appearing which have not been seen for decades. In Poland, Greece and the Balkans conditions must be far worse. We shall need experts on tuberculosis in the front lines of our armies of liberation, with x-ray machines, temporary hospitals, mobile clinics and materials for immunization.

Finally, of all the tragedies of war and its resulting devastation, none are more urgently appealing than those which affect maternity and infancy. The ultimate restoration of our world must depend on the health and strength of the children who are being born today. Here, again, we cannot attempt to penetrate the darkness which shrouds Poland and Greece and Nazi-occupied Russia; but we do have information which reveals appalling infant mortality rates in the Low Countries which have suffered less severely. Not only the quantity, but the quality of the future Europe is menaced; for diseases of infancy and childhood will leave their mark on the physique and on the emotional morale of a whole generation. Provision for the health of mothers and children must, then, be another primary task of the United Nations in every liberated and occupied country throughout the world. Pediatricians, nurses and nutritionists must be provided with temporary hospitals, mobile clinics, and all necessary medical supplies.

The health organization of UNRRA in collaboration with national health services will undoubtedly play an important role in the protection of the health of displaced persons; and in coordinating the provisions made for such persons in the area from which they depart, in the process of transit and—if desired—in the country of their destination.

Finally, it is gratifying to note that the Subcommittee of UNRRA which made its report at Atlantic City recognized the great significance of problems of mental hygiene in the period of post-war reconstruction. The subcommittee says, on this point, "The Health Organization may also be called upon by member governments to assist in dealing with the conditions of anxiety, fear and emotional

disturbance which will have arisen in peculiarly great frequency among the children and youth of occupied territories."

The United Nations Relief and Rehabilitation Administration is organized primarily for an emergency task. It is a cause for congratulation that this first step in the organization of actual administrative service with the backing of forty-four nations should have been taken as a direct *ad hoc* attack on an immediate practical problem. This is the sound empirical approach to a new world order.

Those who have been planning for UNRRA have, however, never lost sight of the potential long-range implications of its program. It was pointed out in an early memorandum on this problem that "The aim of the United Nations Relief and Rehabilitation Organization is to help the occupied countries to help themselves—to get them on their feet as soon as possible. While so doing in the health sphere, it is equally important to build progressively toward a world-wide international health organization as one section of an eventual world society of nations." The Report of the Subcommittee on Policies with Respect to Health and Medical Care at Atlantic City says on this point: "A constant objective of the health program should be to demonstrate the effectiveness and need for international collaboration in public health. In so doing it will facilitate the later development of a permanent world-wide health organization."

### III. The Necessity for a Permanent International Health Organization

RELIEF inevitably merges into rehabilitation, rehabilitation into reconstruction, and reconstruction into the welfare of the permanent society of autonomous, democratic cooperating peoples which is the object of our post-war planning. It is this ultimate world order in which the Commission to Study the Organization of Peace is primarily interested.

In such a world order, an International Health Organization must be an integral and important element. It should not be visualized as a Global Super-Health-Department. We are planning for cooperative international cooperation, not the merging of all national sovereignty in a super-state. Nor is it possible—or desirable—that such an organization should monopolize even intellectual and spiritual leadership in its field. We will do well to keep in mind the

mistakes made by distinguished leaders of public health at the Cannes Conference of 1919. At that time the League of Red Cross Societies was set up with a health program so ambitious that in two years it had to be cut down to manageable and practical proportions. Recent proposals that the future international health organization should undertake vast programs of research and should employ a staff "several thousand strong" are—if not fantastic—at least premature.

There are, however, at least three major types of activity which are essential to an adequate program of world health which are within the practical scope of an international health organization and which can be performed only by such an organization.

The first of these functions is the coordination and standardization of the results of research and of administrative practice in the field of public health. If all the peoples of the world had reached a high stage of economic independence and of health and social services, there would still be new individual contributions to the art of public health which should be promptly shared and coordinated for mutual benefit. Dr. Ludwik Rajchman has recently pointed out that the "United States and Great Britain need international biological standards just as much as Greece. China is as interested in tests of mental fitness as Switzerland or Holland. Great Britain, France, and the United States would all derive advantages from the effective control of yellow fever or malaria. And if China or Iran would certainly benefit from western training in medicine and western experience in sanitation, others, like Belgium or Denmark, would benefit by each successive improvement of systems of public medical service in Russia."

A particularly vital aspect of this first function of standardization and coordination must obviously be the collection and analysis of vital statistics from all nations and the continuing dissemination of information with regard to the local prevalence of epidemic disease.

A second primary function of the world health organization should be the training and distribution of public health personnel. The fundamental education of such personnel is the function of national schools of public health; but post-graduate training—through study tours or temporary "internships"—can be carried out only on an international scale. It is a procedure of incalculable value

as demonstrated in the past by the Health Section of the League of Nations and by the International Health Division of the Rockefeller Foundation.

The world health organization should, however, go further than this for a considerable period in the field of personnel. To quote again from Dr. Rajchman: "Great Britain, for 46,000,000 people has 62,000 doctors and 100,000 nurses; Japan, for 100,000,000 has 50,000 doctors; yet India, for 400,000,000 has only 42,000 doctors and 4500 nurses; while China, for 460,000,000 has just 9000 doctors and 2000 nurses. Two hundred and fifty million Europeans, 100,000,000 Arabs, and 200,000,000 Latin Americans stand somewhere between the two extremes."

It should be a responsibility of the world health organization to plan for the bridging, in some measure, of this appalling differential in the opportunities for life; and to secure, to that end, the cooperation of both the "have" and the "have-not" nations in the field of health. It should be in position to loan key personnel for leadership in the education of new national recruits and in the setting up of new local administrative health procedures. Assistance of this type would often involve the organization of commissions of international experts to study special local situations and to prepare practical programs for their improvement.

Finally, in the intermediate stages between direct relief and rehabilitation and the attainment of a world order in which all peoples will enjoy, as a birthright, the benefits of public health science, our world health organization should be in position to stimulate the development of national health work in the less fortunate countries possibly through a system of grants-in-aid.

The late Hermann M. Biggs based his notable contributions to the cause of public health in the United States on the principle that "public health is purchaseable. Within natural limitations a community can determine its own death rate." This principle has a necessary corollary, that "without money you cannot purchase public health." The type of public health organization which we visualize as adequate in the United States requires for a community of 100,000 persons—in the field of public health alone, exclusive of the treatment of the sick—the time of some 8 physicians, 46 nurses, and about 30 other persons, including sanitary inspectors, laboratory ex-

perts, statisticians, and clerks. Such a program will cost about two dollars per year per person in the population served. Even in the United States there are many counties and some entire states which actually lack the funds to pay such an amount for public health from their own resources without taxes heavier than their populations can bear. For this reason we have developed a program of grants from the national government for the development of essential public health services throughout the country, on the sound assumption that disease recognizes no political boundaries and that no nation can be healthy unless all its parts have attained at least a minimum of health security.

What is true of a vast, diversified nation is true of the whole world. Therefore an essential function of the international health organization of the future may well be the provision of judiciously guarded grants-in-aid to nations whose own resources do not permit them to develop their health standards to the level which international security demands. The experience of the Rockefeller Foundation shows how valuable such a policy may be, and our present lend-lease agreements with the United Nations open the door to such a policy on a wider scale. The grants should not come directly from one country alone, and should be administered through a comity of nations. They should be grants and not loans in the technical sense; but they will be in effect loans, since they will build up in the less advanced nations and areas prosperity and purchasing power which will ultimately redound to the benefit of all.

It should, however, be emphasized that such a program, either on a national or an international basis, is in the nature of a temporary stop-gap. The word "temporary" may indeed be interpreted in terms of decades; but subsidy as between one area and another, one nation and another, as a permanent arrangement cannot be consonant with self-respect. Our ideal must be ultimate economic as well as political independence. Where a given nation is now on an economic level too low for the provision of the basic decencies of life, the most important service we can render to that nation is to make an intensive study of its resources in manpower and materials and try to devise a program of national self-support on a level consonant with democratic opportunity. Sometimes the best contribution we can make to the health of an area would be to build a railroad or to remove inhibitory economic barriers to trade.

#### IV. The Precedent of the Health Organization of the League of Nations

FOR A considerable part of the program outlined above we have a highly significant precedent in the work of the Health Organization of the League of Nations which was one of the outstandingly successful enterprises undertaken at Geneva.

In the basic field of vital statistics—the sanitary bookkeeping which is the basis of all sound public health effort—the League organized at Geneva a Service of Epidemiological Intelligence which collected from all governments data in regard to the prevalence and movement of communicable diseases and distributed the collected results in weekly, bi-monthly, and annual bulletins and—when desirable—in multigraphed sheets issued several times a week. It established at Singapore, in the heart of one of the most acute epidemic zones, a Far Eastern Bureau from which the most recent information in regard to such diseases as cholera and plague was broadcast (to the scandal of conservative health authorities) weekly or daily so that the news of infection at a given port could be picked up by ships at sea and by planes in flight. The epidemiological intelligence service of the League covered 80 per cent of the world's population; and the Singapore Bureau alone received regular reports from 180 seaports.

In more technical fields of coordination of health knowledge, the work of the Commission on Biological Standardization has been of particular importance. A sound policy was developed which involved the formulation of the basic terms of a given problem by the world's best-qualified authorities, the calling together of an international group of experts for preliminary discussion, the conduct in various countries of necessary experiments and comparative tests, and finally the formulation of a multi-national report on standard terms and procedures. In this way, 27 different standards for anti-toxic sera, organic extracts (thyroid, sex hormones, etc.) vitamins and vital preparations used in medicine were adopted and international standard preparations for comparison were made available at national laboratories in England and Denmark, acting for the League of Nations. Many of the standards prepared by this Commission have been adopted by such national agencies as the U.S. Pharmacopeia and have become accepted standards.

Of equal significance has been the contribution of the League in the field of nutrition. Beginning with a report on "The Food of Japan" and a survey of nutrition in Chile requested by the government of that country, the Health Section made a report in 1935 on the nutritional requirements of the human organism which has been the basis of our nutritional program throughout the world.

The Malaria Commission of the League, as a result of repeated and arduous conferences and extended field study, succeeded in harmonizing widely divergent schools of thought in Europe, Asia, and America into a sound and accepted program for the prevention and treatment of this greatest of all microbic enemies of the human race. International courses for malariologists organized at schools of tropical medicine in London, Hamburg, Paris, Rome and Singapore under League auspices proved particularly valuable. Similar constructive approaches have yielded important results in the diverse fields of tuberculosis, of syphilis, of rabies, of leprosy, of infant mortality, of cancer and of sleeping sickness in equatorial Africa.

The League studies on Rural Hygiene, on Housing, on the health of the school child and on physical education have extended its influence into the fields of health promotion in a more positive sense. In particular, the Commission on Housing has had a far-reaching influence in developing standards of home design and construction, compatible with the maximum of physiological, psychological and social health. The Committee on the Hygiene of Housing of the American Public Health Association was created at the request of the Housing Commission of the League as its corresponding body in this country and its work is still continuing actively.

A contribution of the Health Organization which has been temporarily buried by the world cataclysm but which promises to be of great value in the post-war period was the preparation of a report on Sanitary Indices by which the total health program of a given area can be evaluated and appraised.

In the field of direct service to particular nations, the first call came to the League in 1920 when the exiles who had left Poland with the retreating armies of the Czar in 1915 were pouring back across the frontier infected with typhus fever. Of 20,000 men, women, and children who took refuge in Poland after Denikin's defeat, 8000 required hospitalization; 6000 of them for typhus and relapsing fevers. In 1919 and 1920 there were nearly 400,000 cases

of typhus registered in Poland, with over 40,000 deaths. Through the admirable efforts of the Polish government, aided by the League Commission, quarantine stations were established, foci of infection were eradicated and Western Europe was saved from an epidemic such as that which devastated it after the retreat of Napoleon.

Another outstanding achievement was the response of the League to a call from the government of Greece in 1928 to aid in the sanitary reorganization of that country. Here, the outstanding problem was malaria. This disease was introduced into the Attic peninsula in the fourth century B.C., just at the time of the maximum glory of Athens. Many authorities believe that the decline of the great classical civilization of Greece was due to this cause; but—be that as it may—Greece was certainly heavily handicapped by the scourge of malaria for two thousand years. When the government asked for aid, a group of health experts from the League joined with Greek officials in a survey and the preparation of a program of action which was set in motion in 1929, with key personnel from the League staff. It may well be that the gallant stand of Greece in 1941—which saved the whole Mediterranean for civilization—was made possible by the results which followed from this program of malaria control.

In 1930, the government of the Republic of China asked the League for advice and assistance in regard to port quarantine, the organization of public health programs, including control of smallpox and cholera, medical education and medical and hospital services. The development of health centers and hospitals and laboratories under the direction of a central health institute followed with astonishing rapidity; and these institutions—moved into the interior—now serve as vital features in the magnificent morale of the Chinese people in their defense of the continent of Asia against the wave of Japanese barbarism.

Many other similar surveys were made of health administration in Czechoslovakia; of sanitary conditions in Bolivia; of syphilis control in Bulgaria; of anti-cholera measures in Shanghai; of malaria in Albania, Yugoslavia and Siam; of typhus in Roumania; of infant mortality in Belgium, France and Holland.

In the field of personnel training, the League made a particularly valuable contribution by the organization of "sanitary interchanges", collective study tours of health experts selected from a group of na-

tions sent for a period of some weeks to one or two selected countries where particular advances had been made in special fields of public health. These study tours proved extremely fruitful and they were supplemented by the provision of the facilities of field experience for individual health specialists whose authorities desired them to obtain further training in a particular field. Bacteriologists and malariologists, as well as health administrators profited greatly by such opportunities.

Even under the eclipse of a world war, the beneficent influences of the Health Section have not ceased. The bulletins of the Epidemiological Intelligence Service are still issued with information from those countries from which information is available. A meeting of experts to formulate, from the medico-social standpoint, lines along which displacements of population might be controlled, has been held. The Commission on Biological Standardization is still active, having developed two new international standards—for Vitamin E and for heparinin—in 1942 and 1943. Researches planned by the Malaria Commission are still under way; and national corresponding committees on Housing and on Physical Fitness still carry on.

## V. Essential Elements of a Future International Health Organization

THE TIME has not yet come to decide whether the world health service of the future shall be based on the Health Section of the League of Nations, or the Health Committee of UNRRA or on a combination of the two; or whether it should be developed as a new and unique organization; or as a part of the framework of a future new association of nations. It is, however, possible—from past experience—to formulate rather clearly what its own organization should be, in terms which could be adapted to any type of general world order which may be evolved.

The first essential basis for any International Health Organization must be a Secretariat, adequate in size and quality of personnel and protected from the interference of selfish national or private interests. Its objective should be service and not domination—service to the health leadership of all the United Nations of whatever kind and degree those nations may desire, ranging from the distribution

of statistical information and cooperation in the preparation of standards to the provision of personnel and funds for special projects and possibly the actual administration of health service in certain mandated areas on request. The selection of such a Secretariat must obviously be made with the greatest care, having regard not only to technical competence but also to a spirit of loyalty to the ideals of the United Nations which will ensure service to those ideals rather than to purely national questions of prestige. It was the latter quality which gave the work of the Health Section of the League much of its unique influence.

The size of the Secretariat will depend upon the success of its expanding program. It should, from the first, however, be visualized as larger than the staff of fifteen experts employed by the Health Section of the League. It seems probable, on the other hand, that the estimate made by an eminent authority of a staff of "thousands" is far beyond what is practical or desirable. An initial staff of 30, rising perhaps to a few hundreds, would seem to be nearer the mark.

The Secretariat should be appointed by, and work under the direction of, a Director of Health. It does not seem advisable (as has been recently suggested) that national governments should share in routine staff appointments. If—as may probably prove desirable—Health Attachés should be appointed to represent the Health Organization at the capitals of important member nations, the appointment of such attachés would of course be subject to approval by the heads of the national health services concerned.

The Director of Health should have the powers outlined by the Subcommittee on Policies with Respect to Health and Medical Care of UNRRA, being responsible for the health and medical aspects of all United Nations activities. "He would be directly concerned in all major policy and administrative decisions in which health, medical or nutrition problems are involved"; and in addition to such determinations of policy, he should have full responsibility for the administration of all activities of the Health Organization. Clearly, the status and success of the entire enterprise will "depend on obtaining the services of a Director of Health of the highest possible professional standing, whose previous work is such as to command the respect of those qualified to judge, both from a technical and administrative point of view."

If the Health Secretariat forms an integral part of an international

secretariat of wider scope, the Health Director should be appointed by the Secretary-General of that organization, perhaps with confirmation by its Council or Assembly. If the Health Organization stands alone, its Director might be appointed by the Advisory Council to be discussed in a succeeding paragraph.

The second element in the Health Organization should be a Health Committee of 15-20 members which should meet three or four times a year to receive the report of the Health Director, to formulate the general policies of the Health Organization and to pass on the budget of its work. This Committee should include both national health administrators and other specialists in important areas of public health, all serving in their personal capacity as experts.

If the Health Committee forms a part of a larger world organization its members should be appointed for overlapping terms by the Assembly of that organization. If the health work is set up on an independent basis, its members might be appointed by the Advisory Council. It should report annually to the body which appoints it; but it is essential that the Committee—and the Director of Health as its representative—should have direct access to individual national health authorities when desirable.

The Health Committee should appoint and have jurisdiction over any Regional Health Committees which may be created. It should also appoint and direct the activities of Technical Committees. It should have discretionary power to convene international conferences on subjects within its field of competence and to seek the cooperation of national health services and other agencies in the prosecution of its tasks. It should be the advisor on all health matters to whatever over-all world authority may function in this field.

Finally, the third element in the International Health Organization should be an Advisory Council made up of the heads of national health services (or their representatives) of all the United Nations and ultimately of all the nations of the world. This body should meet annually to hear reports from the Health Committee and from the Health Director and to formulate broad lines of international health policy for the coming year. It should also be possible for special emergency sessions of the Advisory Council to be called by the Director of Health with the approval of the Health Committee.



In the absence of a regularly constituted World Assembly of Nations the proposed Advisory Council would be essential for the appointment of the Health Committee and the Health Director. Even when these functions were exercised by such an Assembly, the convening of an annual conference of national health services would have three distinct advantages. It would offer an invaluable guide to the Health Committee and the Secretariat as to the attitudes of the national health administrations through whose cooperation alone international health service can be effective; it would be an excellent means of keeping the national health services informed as to the objectives of the International Health Organization and the aid which that organization would be prepared to offer; and it would provide facilities for working out the details of international sanitary conventions and other specific forms of governmental cooperation.

It has been suggested by several students of this subject that the Advisory Council of the International Health Organization should include representation of the general public, on the pattern of the government-employer-employee basis which has proved so valuable in the I.L.O. This seems a fallacious analogy. The I.L.O. deals with problems which involve possibly divergent interests of important groups; in such a case triple representation is essential and effective. There is, however, no divergence of interest between the producer and the consumer of health. Here, the national health service represents the consumer and represents him far more effectively than would any representatives at large.

The formulation of the functions of such an Advisory Council as is here contemplated obviously raises the question of relationships with the Office International d'Hygiene Publique created by International Convention in 1907.

The underlying concept of the Paris Office represents a principle of cooperation between national health services which seems essential for sound progress. It was for this reason that the Office International was actually utilized in the machinery of the League as an advisory body to the Health Section; and the international conventions under which the Office was created are in existence and must be recognized in planning for any future world order.

The Office represented a real step forward in international coordination. Its greatest defect was that it did not form an integral

part of a general international organization; and it suffered greatly from the fact that participating countries were often represented by diplomats, not technicians. We need more, not less international cooperation; but we must save what we have, fitting it into the most efficient pattern. It might therefore be wise to perpetuate the Office International as the Advisory Council of the future International Health Organization, which could be done by simple changes in the Sanitary Conventions under which that Office was created. It should, however, under no circumstances, have a separate secretariat of its own. There is room for only one International Health Organization. Into that organization the Advisory Council (whether a newly-created council or that of the old Office) should be closely integrated. The Council might well, however, have an unpaid Chairman and Secretary, elected annually from its own membership.

The work of the International Health Organization should obviously be intimately correlated with other branches of the work of the future world organization. Under the League, such cooperation with the Opium Commission and with the Commission on Traffic in Women and Children proved particularly effective. The Health Organization should be of service to the I.L.O. in the fields of Social Security and Occupational Hygiene. In the immediate future, close cooperation with international agencies dealing with Agriculture and Food Distribution will be essential since the basic objective of nutrition is a technical problem in the field of health.

Finally, there are many unofficial agencies, such as the League of Red Cross Societies, the National Red Cross Societies, and numerous international organizations working in special fields, such as infant and maternal health, mental hygiene, the control of tuberculosis, venereal diseases, cancer, epilepsy, leprosy, blindness, alcoholism and the like. The efforts of such groups could be of the greatest value, if in so far as they are coordinated with the International Health Organization, they respect its judgment in technical matters.

The Health Committee—as was the case with the League—will accomplish a major proportion of its task through the counsel of groups of experts in the various specialties with which it is concerned. It should therefore have the power (in certain circumstances perhaps delegated to the Director of Health) to appoint Commissions of Experts in important fields. Some of these will be Standing Commissions, such as those created by the League to deal with the

standardization of biological products, with the general problems of malaria, of nutrition and of housing. Some will be *ad hoc* commissions to deal with special problems such as were created by the League to deal with nutrition in Chile and malaria in Greece. The fields which will probably be covered will be suggested in a later section of the present report. Obviously, the members of these Commissions should be appointed for technical competence and without regard to national or political representation.

It seems vitally essential for the world order of the future to strike the proper balance between centralization and decentralization. The major defect of the League of Nations, from the standpoint of administrative machinery, was inadequate decentralization.

In this field we lack the guide-posts of experience. Development must therefore be tentative and empirical. It seems certain, however, that we shall need strong and active regional organizations in the health field. The continent would seem a natural basis for such regional organization; but, in the case of the Pan American Sanitary Bureau, two continents are united. Africa might be best served by several regions, the Mediterranean coast countries perhaps falling within a European area.

Where a strong regional organization now exists, as in the case of the Pan American Sanitary Bureau, that organization should clearly be recognized and brought into close and cooperative relationship with the new world health organization. The Singapore Bureau of the League of Nations offers an excellent basis for development in the Far East. Where no precedent exists, the Regional Health Committees should be appointed—either by the Health Committee of the International Health Organization or by the Advisory Council of that organization.

Each Regional Health Committee should have its own local Secretariat under its own Health Director, either appointed and paid by organizations having local funds (as in the case of the Pan American Bureau) or by the International Health Organization.

The relation between the world organization and the regional organization would necessarily differ with the degree of autonomous self-support enjoyed by a given area. It should be the objective to secure a maximum degree of cooperation between the central and regional committees and secretariats in the execution of their common tasks.

The funds for the work of the International Health Organization could be obtained in one or the other of two different ways. If the Health Secretariat were part of a larger world organization, the Assembly of that organization could allot a budget to the Health Organization from its general funds, as was done at Geneva. Even under such a larger world order, it has been suggested that the health work might be supported by a tax for that specific purpose levied upon all member nations, according to the plan followed in supporting education in many American states. This would clearly be the only practical method of financing an independent and autonomous health organization. One eminent health expert has suggested a levy of one per cent of the amount spent by each nation for the promotion of health within its own borders; and such an arrangement would certainly provide a generous budget for the International Health Organization.

The financing of the Health Organization should include not only the expense of the Secretariat but also—particularly in the post-war period—a substantial sum to be allotted by the Health Committee for the support of special missions and for grants-in-aid to member nations. The constitution of the organization should permit the receipt of voluntary gifts for special purposes from national or voluntary philanthropic agencies.

In any case, the budget of the Health Organization should, in its general terms, be subject to the final approval of the Advisory Council or of the Assembly of the general world order of which it may form a part.

## VI. Major Objectives of the International Health Organization

THE CHIEF activities of the International Health Organization may be summarized under five main heads:

1. *Epidemiological Intelligence.* The service rendered by the Health Section of the League should be revived and extended so that continuous and comparable vital statistics for all nations may be made available as promptly and completely as possible, with continuing efforts to secure accuracy and completeness of the basic data involved. Special provision should be made for regular and

frequent release of current reports as to the local incidence of communicable diseases of major importance.

2. *Direct Service in Emergencies.* The International Health Organization should be in position to provide—from its own staff or from a list of personnel available for call from various countries—experts in various fields ready to assist individual nations in dealing with serious health emergencies as they may arise. *Ad hoc* Field Missions could be promptly organized to deal with special problems created by epidemics of communicable disease or economic stress; or to advise on the organization of special national programs (for malaria control, nutrition and the like) or for the reorganization of national health machinery on a wider scale. In mandated areas or other backward territories, such direct service by the international agency might be of more than temporary nature.

In connection with direct service by the personnel of the Health Organization, there should be funds available for grants-in-aid for the development of local or national programs in countries which cannot sustain such programs with their own immediate resources.

3. *Negotiation of Sanitary Conventions.* The International Health Organization—through its Advisory Council—should be in position to promote the negotiation of universal, or bi-national or multinational agreements with regard to procedures of isolation and quarantine and control of travel and of the interchange of goods, in cases where issues of the public health are involved. Through the leadership of its secretariat and its Health Committee procedures far more prompt and efficient than those of the old Office International could be developed.

4. *Technical Commissions.* The work of the Commission on Biological Standardization of the League should be continued and extended. Perhaps an International Pharmacopeia might ultimately be visualized; work on this subject has already made some progress. The Commission on Nutrition should continue its highly fruitful work, and extend it to show how fundamental physiological needs can be met through the use of indigenous foods in various areas. A Commission on Administrative Health Practice could perform a useful service by extending the development and application of sanitary indices for the evaluation of health practices in a given area.

Such commissions as the three mentioned above have operated in

the case of Biologic Products and Nutrition in the past—and a Commission on Administrative Practice would operate in the future—largely on the basis of definition and standardization. While by no means clearly separated from this group, the League had other Technical Commissions functioning in fields where standardization plays some part (as in the procedures of the League's Cancer Commission for collecting comparable statistics as to the results of operative procedures); but where preliminary analysis of problems and procedures, pooling of information, formulation of objectives, development of profitable techniques are the chief needs of the moment. Such topics as the following indicate some of the most challenging problems for future study by special Technical Commissions.

- |                               |                       |
|-------------------------------|-----------------------|
| 1. Malaria                    | 9. Physical Education |
| 2. Rabies                     | 10. Housing           |
| 3. Hookworm Disease           | 11. Medical Care      |
| 4. Cancer                     | 12. Social Security   |
| 5. Venereal Disease           | 13. Rural Hygiene     |
| 6. Tuberculosis               | 14. Mental Hygiene    |
| 7. Maternal and Infant Health | 15. Popular Health    |
| 8. School Health              | Instruction.          |

All of these topics, except Hookworm Disease, Mental Hygiene and Popular Health Instruction were made the subject of analysis by Special Commissions of the League Health Section. The experience of the present war, in which emotional maladjustments constitute a major factor in discharge from the armed forces, and in which civilian populations in many areas are exposed to emotional stresses scarcely duplicated in human history, seems certain to initiate a new comprehension of the need for national and international mental hygiene programs. Nearly half of all hospital beds in any given area are occupied by patients suffering from mental and nervous diseases; and major and minor maladjustments of this kind constitute a full half of the total problem of community health. Special comparative studies of the techniques of Popular Health Instruction, and of their application in varying social and psychological milieus is another question which must deserve serious study in the future.

As circumstances permit, the International Health Organization should appoint Technical Commissions to deal with such subjects as those suggested above. The procedure is a notably economical one since the counsel of leading experts constituting such commissions can be obtained without cost other than out-of-pocket expense in attendance at meetings; but each Commission would, of course, require service from one or more members of the Secretariat. It is not believed that such Commission studies would involve the establishment of laboratories or new research institutions of an international character—but rather the stimulation and coordination and comparative analysis of the results of study in established centers of research.

5. *Training and Distribution of Personnel.* The experience of the League of Nations, of the Rockefeller Foundation and of the Pan-American Sanitary Bureau have demonstrated the incalculable value of international planning for post-graduate training provided through individual fellowships and group study tours. Such cross-fertilization of national knowledges is a two-way process in which almost every nation and almost every area has something to contribute, in the shape either of a problem or a solution. Health officers from many lands have carried the laboratory techniques of Copenhagen and Baltimore to their own home areas. The public health nursing techniques of the United States have had a worldwide influence. Denmark and Sweden have taught us how to control syphilis. The Soviet Union sets us an example in its health program for maternity and infancy. In housing we may learn from Sweden and Holland—and some things have been contributed by the United States. The control of malaria and yellow fever is brilliantly demonstrated in Brazil.

The International Health Organization should therefore have a well-financed program of post-graduate training in the diverse fields of public health, implemented through fellowship grants and study tours. It should serve as an informal distributing center for the best knowledge and the best men and women to those parts of the globe where knowledge and skill in these fields is most sorely needed.

We may therefore visualize the Secretariat of the International Health Organization as including at least the following five divisions:

1. Epidemiological Intelligence
2. Field Service
3. Sanitary Conventions
4. Technical Commissions
5. Training of Personnel.

## VII. The Challenge of the Future

In our international planning for health, we must look beyond the emergency relief of starvation and the checking of immediate post-war epidemics. We are fighting this war for world security and world peace. We must recognize that such an ideal cannot be a merely negative one. World peace maintained by armed force alone—even the armed force of the United Nations—can only be a temporary and unstable peace. A real peace can only rest on what a great English reformer once described as “deliberate national consents.” A true world order can only exist in a commonwealth of nations in which each people can see a reasonable hope of leading a decent and satisfying life. The “American Standard of Living” is no longer possible, in a world of radio and airways, behind the walls of national isolation. It must depend on a democratic world order—in which, alone, a democratic state can function. But no democratic world order can be built on a foundation of starving and disease-ridden peoples.

We must, then, look forward to the gradual development in each country of a long-term program of constructive health service. The ultimate ideal of such a program has been suggested in a commonly accepted definition of public health as “the science and the art of preventing disease, prolonging life and promoting physical and mental health and efficiency through organized community efforts for the sanitation of the environment, the control of community infections, the education of the individual in principles of personal hygiene, the organization of medical and nursing service for the early diagnosis and preventive treatment of disease, and the development of social machinery which will ensure to every individual in the community a standard of living adequate for the maintenance of health.”

We—with the other more fortunate nations of the earth—must do

our share in feeding the hungry, in healing the sick, in the upbuilding of the livelihood of less-favored peoples because we recognize our moral responsibilities as human beings. We must, however, recognize that this is also the only course of intelligent self-interest. The world, on this shrunken globe of ours, cannot exist half-slave and half-free, half sick and half well, half poor and half rich.

Today, in the light of the miracles of modern science and technology, the ideal of the good life for all is by no means unattainable, Donald M. Nelson tells us:

"For a generation we have been living on the edge of a new world; we are only beginning to realize it. For the first time in the history of the human race there can be enough of everything to go around. Poverty is not inevitable any more. The sum total of the world's greatest output of goods divided by the sum total of the world's inhabitants no longer means a little less than enough for everybody. It means more than enough."

The possibilities in that simple statement are beyond calculation—and what we are fighting for is the right to turn some of those possibilities into realities.

With the resources now at our disposal—if we choose to establish and to support a real International Health Organization—it should be possible to attain a reasonable standard of nutrition in Poland and in China, to increase hospital and medical facilities in the less fortunate areas, practically to eliminate diphtheria, and typhoid and typhus fever, to reduce malaria and hookworm disease in Greece, in West Africa, in the South Pacific to a point far below their present incidence, to check and turn back the wave of war tuberculosis, to insure to mothers in childbirth and to infants and young children a reasonable chance of life. It will take vision and leadership and it will cost money—but only a tiny fraction of the vision and leadership which has built up the military establishments of Russia and Britain and the United States; and only a tiny fraction of the money those establishments have cost.

If we do this we can—in a period of twenty years—not only compensate for the ravages of war, but raise the world society to a level it has never known before.

# The League of Nations and Post-War Settlement

Recommendations of a group of American citizens  
who have been closely associated with the League

THE adoption of the Four-Power Declaration of Moscow and the passage of the Connally Resolution by the United States Senate calling for a "general international organization" throw into sharp relief the question of the contribution which the League of Nations can make to the great problems of the future. Over two hundred and fifty American citizens have at various times and often for long periods participated officially in different phases of the work of the League. As many as could be reached met at the Institute for Advanced Study in Princeton, New Jersey, December 11-12, 1943, on invitation from the League of Nations Association, to consider the relation of the League of Nations to the present situation.

The background for that Conference was laid in a series of eighteen studies which were initiated by a Committee of Inquiry set up by the League of Nations Association. Each study was prepared by an American citizen associated with the work of the League, and each deals with a particular phase of its work, such as security, reduction of armaments, economic and financial problems, the drug traffic, mandates, health and general principles of international organization.

Through the cooperation of the Woodrow Wilson Foundation and the Carnegie Endowment for International Peace arrangements are now being made for the publication of these studies in book form. Meanwhile the Committee of Inquiry makes available the full text of the resolutions adopted at the Princeton Conference, believing them to be important as embodying conclusions reached by the Americans best qualified to speak concerning the relation of the League of Nations to the post-war settlement.

## TEXT OF RESOLUTIONS

A group of American citizens who have been officially associated in various capacities with nearly every branch of work of the League of Nations, meeting December 11-12 in Princeton, N. J. to consider studies which have been under way for several months to determine, first what contribution the League of Nations can best make to the postwar settlement, and secondly, what should be the attitude of the American people toward the League of Nations:

1. Welcomes the Moscow Declaration calling for a "general international organization."
2. Welcomes the subsequent Senate Resolution endorsing the Moscow Declaration as this endorsement promises to prevent a repetition of the deadlock which paralyzed United States Government action in 1919 and in subsequent years.
3. Urges the United States Government in cooperation with other governments at the first opportunity to take steps to implement the Moscow Declaration and the Senate Resolution for a general international organization.
4. Supports the action of the United States Government in initiating special United Nations Conferences on Food and Agriculture and on Relief and Rehabilitation which have resulted in the establishment of international organizations.
5. Expresses the hope that as other needs develop other conferences will follow as rapidly as possible on such specific questions as currency stabilization, aviation, shipping, etc.
6. Also welcomes the action of the United Nations Relief and Rehabilitation Council in inviting the technical organizations of the League of Nations and the International Labor Organization to send representatives to participate in the Atlantic City Conference and in all other appropriate future work and conferences, thus developing effective coordination in the work of these international agencies. The group also notes with appreciation that the Interim Commission on Food and Agriculture has invited representatives of the technical organizations of the League of Nations to participate in the work of the Interim Commission whenever appropriate.

The group urges that the United States Government give particular attention to the following considerations:

1. Full recognition and support of League agencies continuing to function during the war, including particularly those on American soil, such as the Economic and Financial Mission at Princeton and the Drug Supervisory Body in Washington.
2. Adherence to the Statute of the Permanent Court of International Justice as recommended by every President and Secretary of State since the Court's creation in 1922.

The group also urges the appropriate authorities of the League of Nations and of the United Nations to give early consideration to the necessity of coordinating the international agencies developed after the first World War with those developing during the present war for the purpose of assuring continuity and of benefiting from the experience of nearly a quarter century of international work.

(OVER)

The group emphasizes the necessity of developing an effective system of collective security.

In implementing these resolutions the group urges that account be taken of the following principles arising from the twenty-year experience of the League of Nations in the period between wars:

A. As regards international organization and administration

1. That the nations of the world have reached the point where a cooperative organization is not only desirable but essential for a host of activities which have reached the international stage.
2. That that organization should be universal in character and built around one central authority as representative of the broad interests of the whole community of nations.
3. That that organization may have affiliated agencies organized either (a) on a regional basis, or (b) on a subject basis.
4. That any such affiliated agencies should be fully autonomous within their particular fields but should operate within the cooperative framework of the central organization, with proper allocation of funds, and documentation between themselves and the central organization.
5. That independent or uncorrelated agencies tend to build up a separatist attitude which militates against the free cooperation which should exist between all agencies seeking peace and progress amongst nations.
6. That, on the contrary, closely coordinated agencies can often pool their experience or facilities to the greatest advantage.

B. As regards security, prevention of war, sanctions, peaceful settlement and disarmament

1. That problems of security and prevention of aggression have an urgency and compulsion which put them in a different category from other, more normal and more slow-moving international problems and thus offer the possibility of a different or even separate method of treatment.
2. That such problems depend primarily on the Great Powers and their willingness to take a positive position, and that, unless all the principal military powers agree on concerted measures, any really effective action in a major crisis is extremely difficult, if not impossible.
3. That, contrary to a wide-spread view, the smaller powers also have great importance in this basic problem, whether as areas of conflict or as support for the principle of collective security and also for specific action.
4. That the existence of a common agency of disinterested mediation can appreciably improve the chances of settlement of international disputes, as demonstrated in the Aaland Islands, Greek-Bulgar, Peru-Colombia and Paraguay-Bolivia conflicts.
5. That such an agency, again contrary to common belief, is susceptible of very quick action and can be brought into operation in a few days' time, as in the Greek-Bulgar affair.
6. That its effectiveness can be measured in very direct ratio to the degree of force known to be behind it.
7. That, in the event of aggression, it is definitely possible, and indeed far easier than thought, to get a large number of nations to pass a verdict of guilty on the aggressor state, as in the case of Japan and Italy.
8. That in the event of agreement of principle, it is technically possible and even not too difficult, to organize economic sanctions on a worldwide scale, as in the Italo-Ethiopian conflict.
9. That the question whether or not such agreement will be reached is again primarily a question of the Great Powers, as demonstrated negatively in the Sino-Japanese affair.
10. That, if sanctions are initiated, they must be initiated in direct relation to the probable course of military events and become effective before the military goal is achieved, as was not the case in the Italo-Ethiopian conflict.
11. That lack of an effective system of collective security is the greatest single element underlying other causes of disunity between nations, notably heavy armaments and uneconomic tariff barriers.
12. That, conversely, armaments are the result rather than the cause of political insecurity and their reduction should be sought primarily through the removal of their causes rather than on a gun-for-gun mathematical basis.
13. That once disarmament is agreed to, adequate measures of supervision and control can be set up to prevent abuse or violation of agreement.
14. That, if there is to be any hope of improving the world political situation by peaceful change recommended by the community of nations, there must be a change in the unanimity rule which made such action impossible in the 1919-1939 period.

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# After Victory...

QUESTIONS AND ANSWERS

ON WORLD ORGANIZATION

## Headline Series

FOREIGN POLICY ASSOCIATION

NUMBER 50

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Some service man will be interested in this. After you have read it, why not send it to your nearest camp or hospital library?

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Harper in The Birmingham Age-Herald

"Remember the way we went last time?"

## AFTER VICTORY . . .

Vera Micheles Dean

### Introduction

At a moment when our hearts and minds are focused on battlefields all over the globe, those of us who are unable to be in the fighting lines or in arms factories often ask ourselves how we can match at home the efforts made abroad by the men and women of our armed forces. There is one thing all of us— young and old, strong and weak—can do on the home front. We can see to it that the military victory the United Nations are buying at such high cost in human lives shall not prove a sterile victory.

The closer we come to defeating the Axis powers, the more we realize that there will be no sharp dividing line between war and peace—that we are drifting into peace as once we drifted into war. We cannot delay discussion of what we call post-war problems until some faraway peace conference to be held at an undetermined date in the future. Most probably there will be no peace conference this time like the one held in Paris in 1919. Instead, the problems that brought about the present conflict or have been raised by it are being considered piecemeal at one international parley after another—food at Hot Springs, Virginia; relief and rehabilitation at Atlantic City; monetary questions at Bretton Woods; security problems at Dumbarton Oaks; the future of Germany in the European Advisory Commission; and so on. The peace is being hammered out right in the workshops of war.

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## 1. Security—Everybody's Unfinished Business

It is sobering, at this time, to remember the high hopes aroused by the armistice of 1918, and the disillusionment that set in when these hopes failed to be realized. In a book published in 1944 called *Unfinished Business*, Stephen Bonsal, a war correspondent of World War I who later served as aide to Colonel House at the Paris Peace Conference, recalls how elated he and his contemporaries felt on Armistice Day 1918 when, he says, "we gave loose rein to our joy." Then he met a friend of his, an Italian correspondent in Paris, who in the midst of happy throngs gave a word of warning. "Yes," said the Italian, "we have an armistice; the *ora formidabile* has struck." Now we too are approaching the "formidable hour" when we can no longer postpone decisions about the critical problems that lie at the roots of this war and that the war itself has left unresolved—when we must tackle these problems and settle them to the best of our ability.

### TWO VITAL LESSONS

In approaching this task it must be hoped that we and the peoples of the other United Nations will have learned two lessons from this war and from the "unfinished business" of 1914. One of these lessons we have learned in part: that no nation, no matter how rich or powerful—neither the United States, nor the British Commonwealth of Nations, nor Russia—can win the war alone. But not all of us have drawn the corollary from that lesson: that no nation, no matter how rich or powerful, will be able to win the peace alone. We shall all have to continue working together in time of peace as we

have in time of war, if we hope to achieve any measure of security in the world. And the cost of preventing war will be infinitesimal when compared with the cost of waging war.

The other lesson we must learn is that great power carries with it great responsibility for the use of that power. Much has been said, and more will be said in the future, about the evils of power politics. Such talk is misleading. As long as there are human beings, there will be politics, and power will be used to achieve political ends. As an English paper said, there is no such thing as "powerless" politics. But power as such is neither good nor evil. What can be good or evil is the use we make of power. Suppose for a moment that the vast military, industrial, and financial power now being deployed by the United Nations for the destructive purposes of war had been used instead, in response to the wishes of their peoples, for constructive ends—to clear slums, build new housing, raise standards of nutrition, health, and education all over the world. What good use this would have been of power! Today we have no choice but to throw all our resources of men, wealth, and skill into war tasks. We have no choice because on our victory depends the survival not only of this nation but of all nations associated with us. But it is imperative that in the future we should be constantly on the alert to make sure that our vast power is devoted to good, not evil, ends, and used in a democratic, not a dictatorial, way.

This obligation will rest particularly heavily on the United States for, at the end of the war, this country will emerge as the greatest industrial, financial, and military nation of our times. Our territory has not been invaded and ravaged by the enemy like that of Russia, China, and the conquered countries of Europe. Our industrial plant has not been damaged like that of Germany and Russia. On the contrary, it has been

expanded many-fold to meet our war needs and those of our allies. Our financial resources have not been dissipated like those of Britain which, for two years, until Russia and the United States entered the war, had to expend its savings unstintedly on resistance against Germany. Nor have our people as yet suffered the spiritual strain and physical deprivation that the British, the Russians, the Chinese, the peoples of Europe have endured during years of war, terror, and unimaginable hardships. It is for the very reason that we are still in a privileged position and have enjoyed special advantages during this period of global war, that we must be more than ever aware of our special responsibility in the period of post-war reconstruction.

#### THE TWO FACETS OF SECURITY

What is the primary task that awaits us during the balance of the war and after? The primary task of the United Nations is to answer the question that is haunting men and women everywhere—the question of how to achieve security once hostilities are over. This is a twofold task. People want to have security at home, against the specter of unemployment that stalked all lands during the inter-war years; and security abroad, against the renewal of armed aggression. These two aspects of security are inextricably linked. We know now that we shall be unable to enjoy peace and prosperity within our borders if the rest of the world is rent by war and civil strife, and overshadowed by hunger, misery, and disease. Sooner or later the repercussions of events abroad would be felt here—as they have been in two world wars. It is therefore not for reasons of sentiment alone, or idealism alone, but for reasons of self-interest, that the United States is concerned with plans for post-war security.

#### THE LONE-HAND WAY

But how shall we go about achieving security? One way, the old time-tested way which has been used again and again throughout history, is for every nation to try to assure its own security by its own unaided efforts, irrespective of what happens to the rest of the world. This way, in any case, is open today only to the great powers. The small nations have neither the territory, the manpower, nor the industrial and financial resources to defend themselves against attack by strong aggressive neighbors. But let us assume that the United States, Britain, and Russia could achieve security by their own national efforts. This, you might say, would be worth trying if the great powers at least can gain security for five, or ten, or twenty years. What must they do to achieve security by this method?

#### DEMAND FOR SECURITY ZONES

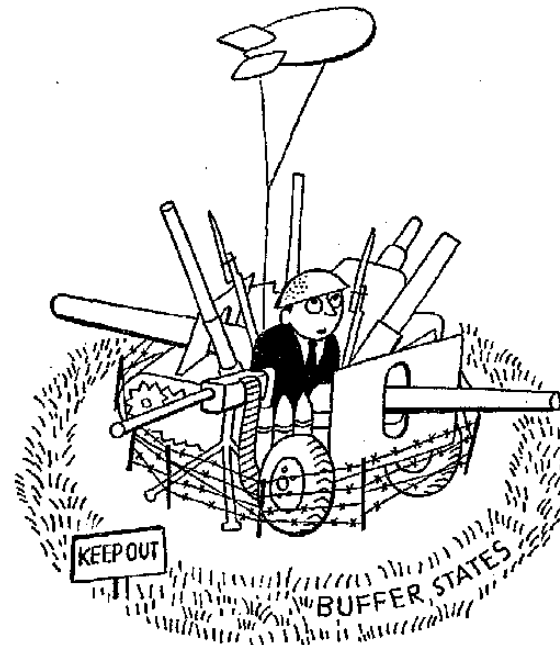
Great powers who are determined to rely on their own national efforts for security usually try to do two things. They try, first, to create zones of security around their territories by taking over or dominating adjoining areas. When Russia, for example, claims eastern Poland, the Baltic states, and bases in Finland, it claims them not chiefly on historic grounds—although it could do so, since these territories were part of the Russian Empire for varying periods of time before 1917. It claims these areas on grounds of security, to cushion the shock of possible future German aggression. And as long as we live in a world of international anarchy, with every nation out for itself and no international organization to give security to any nation, great or small, Russia's claims are understandable claims.

The danger, however, is that if we accept Russia's claims,

then the door is thrown wide open for every great power to follow the same course. Although the British have not yet done so officially, they could reasonably claim that they need the Italian colonies in Africa conquered by British troops during this war; also bases in the Low Countries to protect their Channel ports, and in Italy and Greece to protect their life-line through the Mediterranean. Then, too, Americans can say—some have said already—that the United States should take over as many islands in the Pacific as possible to guard us against any future attack by Japan. (When we make these demands, it is not always clear whether we think we should have Pacific islands formerly mandated to Japan, or islands formerly controlled by some of our present allies. This ambiguity has caused alarm in Australia and New Zealand, not to speak of France, Britain, and Holland.) Other Americans go further and say that we should actually take over the possessions of our allies—Britain, Holland, and France—in the Western Hemisphere, so as to make this country impregnable to attack also in the Atlantic Ocean. You can see that, if each great power demands territories it believes it needs for national security, a dangerous race will have started for re-division of the world's goods. Such a race would have only one predictable outcome: another world war in the near future, this time among the victors in this war for the spoils of victory.

#### WHAT KIND OF PEACETIME ARMAMENTS?

But, you might say, this would not be so dangerous as it seems, because every great power would maintain armed forces sufficient to ward off attack from any quarter. There is no doubt that Britain and the Dominions, the United States, and Russia could attempt, after the war, to maintain in time



Is he safe?

of peace armed forces more or less equivalent to those they have raised in time of war. Nor does any responsible person today urge the disarmament of the United Nations. The only disarmament that is being discussed is that of Germany and Japan. But the question with which we are faced is whether every great power will remain armed to the teeth after the war, ready to take on all comers, and ready too to pay the high cost of such armaments; or whether each will gradually reduce its armaments, thus reducing also the economic burdens borne by its people. Should nations decide to follow the

second course, they could then pool their reduced armaments in a common force placed at the disposal of an international organization.

Let us assume, however, that every great power decides to maintain its own armed forces on a basis comparable to that of wartime. What would this mean for its people? If we are to maintain in time of peace armed forces comparable to our wartime forces, which cost us millions of dollars every day, we shall have to bid farewell to social progress. And sooner or later we shall discover that we have accepted the very philosophy of life we are now fighting in the Axis powers—the philosophy of life that forces the individual to become an instrument, a slave of a totalitarian state whose sole aim is military preparedness.

Grim as this prospect may seem, still, some people might say, it is worth considering if the great powers can thus hope to achieve security. But is mere possession of additional territory and vast armaments in itself a safeguard of national security? If they are, then why are Germany and Japan insecure today? Germany achieved maximum expansion on the European continent, including European Russia, and built up the mightiest land force of modern times. Yet the Germans found themselves driven out of the countries they conquered and faced with the necessity of defending themselves on their own soil—a contingency so feared by the German Army in 1918 that, rather than permit the Allies to invade Germany, Ludendorff at that time insisted on seeking an armistice. Japan too seemed for a time to have conquered a vast empire in Asia, rich with many of the raw materials it coveted for the development of its industrial and military machine. Yet the conquest of large sections of China, the occupation of the Dutch East Indies and the Philippines, the

control of Burma and Malaya, the possession of land, naval, and air forces, did not make the Japanese safe in their home islands. With the development of long-range bombing; with the perfecting of such ruthless instruments of war as the robot bomb; with the proof, so brilliantly given by Americans, that the armies of one nation can cross oceans to invade the shores of other nations—it is doubtful that any country will in the future be long invulnerable to attack.

#### THE WAY OF COLLECTIVE ACTION

It is because there is so little hope that any country, no matter how powerful, will be able to achieve security by its own unaided efforts that people everywhere are seeking to discover an alternative method. What is the alternative? It can best be described by that much derided phrase—collective security. This phrase has come into disrepute because many people mistakenly assumed that the League of Nations was a system of collective security. Since the League had failed to prevent World War II, they jumped to the conclusion that collective security had proved a failure.

But, as most of us realize today, the League of Nations was not a system of collective security. It was an agglomeration of nations, each of which was so jealous of its sovereign rights that it refused to make any major adjustments for the sake of the international community as a whole. If all that we can produce at the end of this war is a replica of the League, then it might perhaps be better not to establish such an organization. It would be better not to create the illusion—as happened during the inter-war years—that merely by signing some documents we have assured peace on earth, and thus to lull people into a false sense of security. Then it would be more merciful to let every nation rely, as in the past, on its own

naked military power for such precarious safety as it might attain in a world in which, to quote Hobbes' famous phrase, human life would be "nasty, brutish and short."

#### WHAT MAKES INTERNATIONAL ORGANIZATION EFFECTIVE?

But if we are to build on stronger foundations this time, what should an international organization have to be effective? Such an organization should be able to do at least two things. First, there should be continuous consultation among nations about any friction or dispute which, if not alleviated or settled, might lead to war. Infrequent conferences held in the full spotlight of world publicity do not fill the need for day-to-day consideration of problems likely to provoke conflict—the kind of consideration that we give to local problems in city and village councils and to the problems of the nation in Congress and the Executive Departments. The League of Nations did make provision for such continuous consultation. Second, to be effective, an international organization should have at its disposal military force to be used whenever a nation resorts to aggression, after its legitimate grievances have been given due consideration and a genuine attempt has been made to meet them. The League of Nations had no such force at its disposal.

There are many sincere and high-minded people who believe that the use of force should be eliminated in human relations. Yet those who object to the use of force among nations do not usually demand the removal of the police from our villages, towns, and states. It is true, of course, that the police in this country and in other civilized countries are themselves under the control of a government—municipal, state, or national—and can be checked by the courts. As a result, the police for the most part are not apt to make arbi-

trary and violent use of force, as nations have done again and again in their relations with each other. The answer to this point, however, is not that we should eliminate the use of force in relations between nations, but that we should place such force under the control of an international government and subject it to check by an international court.

#### CAN COURTS REPLACE FORCE?

Some people who deplore the necessity of using force in international relations and are sceptical about political adjustments of international problems, wonder whether it might not be possible to settle all conflicts among nations through an international court. Such a court, as stated in the Dumbarton Oaks document and previously in the League of Nations Covenant, is an essential feature of any international organization. But a court alone could not possibly be expected to settle all conflicts among nations. In our nation we do not rely solely on the courts to adjust relations among our citizens. In addition to courts we have the political machinery of the Executive and Congress and the enforcement machinery of our police.

Not only that—most of the conflicts among nations that are apt to lead to war are not what we call "justiciable" conflicts. That is, they often concern matters on which there are no accepted rules of international law and which therefore cannot be settled by a court administering law. What an international court can do is to decide questions involving the interpretation of treaties—one of the principal sources of what we call international law. So far, however, treaties and other legal documents cover only a few of the problems that lead to conflicts among nations. For example, the hostility of some Germans toward Poland was a very real factor in unleashing World War II, but it was an intangible matter that could



not be embodied in a lawyer's brief or passed on by a court. Or take Mussolini's claim that Italy was a poor country which should increase its resources by armed expansion—that was an important reason for Italy's invasion of Ethiopia, but it was not a question that a court could have decided.

Most of the causes for which nations go to war are political, economic, social, or psychological in character, or a mixture of all these. They must be dealt with by international institutions equipped to settle political, economic, and social questions, and preferably by men and women who have some knowledge and understanding of the psychology and emotions of the various peoples involved. When disputes of this kind fail to be settled by peaceful means, and an act of aggression occurs, an international court would not be prepared to meet such an emergency. Then force will have to be used by the international organization as a last resort.

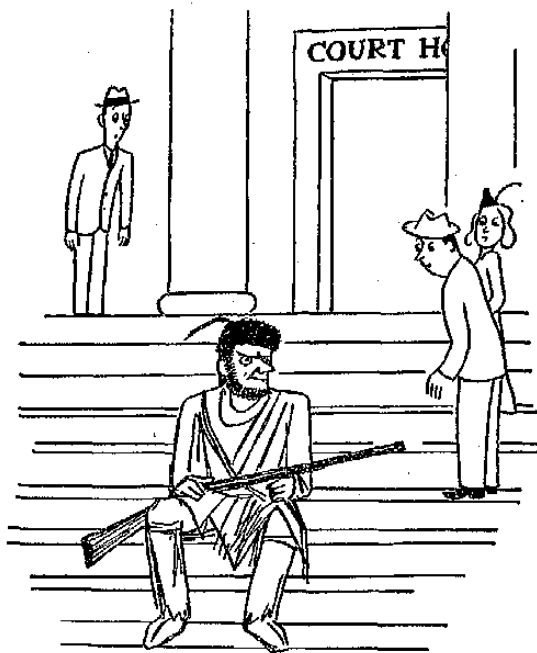
#### NO MILLENNIUM IN STORE

Even if we do succeed in establishing an effective international organization, we must not expect it to bring about the millennium. Some people expect that the moment an international organization has been set up it will assure "order" throughout the world. But as long as there is life on earth, there will be disorder, there will be constant changes in the relations of human beings with each other. Our task is not to prevent all conflicts among nations (that is impossible), but to make sure that when conflicts do arise they are settled by peaceful means, not by war. Again, some people think that an international organization will be no good unless it can find "solutions" of all problems that may arise between nations. No one familiar with the ways of mankind can possibly believe that there are finite "solutions" for any problem. The

best we can do is to reach workable compromises, knowing full well that any compromise made today will have to be revised tomorrow. Human institutions grow very slowly. Just remember how long it took for democratic institutions to develop from Magna Carta to the present day. Our experience with international organization, viewed in the perspective of history, is very brief.

#### NATIONS STILL IN FEUDAL ERA

At this point pessimists are apt to say, "What's the use of even discussing an international organization? There have always been wars, and there will always be wars. So let's just accept this unpleasant situation as gracefully as possible." Such an attitude is not only defeatist. It also falsifies the historical experience of mankind. Let's look back for a moment to the feudal period in Europe, to our own frontier days in this country. In those times the individual felt that he had a sacred right of self-defense; and, to defend himself and his family against all comers, he carried a lance, or sword, or pistol, or shotgun. Then, gradually—so gradually that it is impossible to fix definite dates when this happened—the individual began to wonder whether he might not achieve greater security by entrusting his protection and that of his family to the community; whether he might gain more than he would lose by foregoing his sacred right of self-defense. And he began to leave his lance, sword, pistol, or shotgun at the door of the courthouse and the council-chamber. This is the way in which individuals gave up what they had once regarded as their right to fight each other, and instead worked together to establish peaceful national communities in which conflicts are settled not by duels or private feud wars, but by legislation, by the decisions of the courts, by the use of police



"What's the matter with him?"

"Why, darling, he's only acting like a nation."

force against the few who in any community on occasion defy the law.

Today nations are at the stage where individuals were in feudal times and in the days of our frontier. Optimists had assumed that in international affairs we had reached the twentieth century because we have learned to use so many of this century's technical gadgets. Pessimists would say that internationally we are still in the jungle age. But let us be moderately cheerful and say that nations today are facing the

decisions faced by individuals in olden days. Nations must decide whether they will gain more than they will lose by entrusting their protection, in part at least, to an international organization. Will they leave their guns and bombs outside the doors of courthouses and council-chambers? This is a difficult decision to make, and it may not be fully reached in our lifetime. But it will be made some time in human history. And every small thing we can do now to advance this decision is a great step forward, even though it may seem insignificant to us, who are so close to the affairs of our times that we cannot see this century in true perspective.

## 2. The Dumbarton Oaks Proposals

What hope is there that an effective international organization may emerge out of this war? An attempt to outline such an organization has been made in the Dumbarton Oaks proposals drafted by representatives of the United States, Britain, Russia, and China during a conference held between August 21 and October 7, 1944, at a historic mansion in Washington. These proposals, admittedly tentative in character, have been published, and so are available to the citizens and governments of the United Nations for discussion and consideration. It is expected that, after a period of consultation, they will be officially examined, first, at the Inter-American Conference on problems of war and peace to be held in Mexico City, and later by a general United Nations conference. You will find the complete text of these proposals on page 77.

Here are ten main points on which the Dumbarton Oaks conferees reached agreement:

1. There should be established an international organization to be known as The United Nations. Its main purpose should be "to maintain international peace and security." To that end it should "take effective collective measures for the prevention and removal of threats to the peace and the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means adjustment or settlement of international disputes which may lead to a breach of the peace." Membership should be open to all "peace-loving" states. The organization should have four principal

Note: As this was going to press, the announcement was made from the conference in the Crimea that the anticipated United Nations conference would be held at San Francisco, April 25, 1945.

organs: a General Assembly; a Security Council; an international court of justice; and a Secretariat.

2. The General Assembly should be composed of representatives of all nations members of the organization. It should have functions in two fields: in the field of security, it should consider the general principles of cooperation in the maintenance of peace and security; and in the field of economic and social cooperation it should "facilitate solutions of international economic, social and other humanitarian problems and promote respect for human rights and fundamental freedoms." The Assembly, however, cannot recommend any action in the sphere of security, which is reserved to the Security Council. Important decisions of the Assembly are to be taken by a two-thirds majority of those present and voting. Other decisions are to be made by a simple majority vote.

3. The Security Council—the kernel of the proposed organization—should be charged with the task of maintaining peace and security. According to the Dumbarton Oaks proposals, it is to be composed of one representative of each of eleven nations. Five of these nations—the United States, Britain, Russia, China, and "in due course" France, which are regarded as great powers—are to be permanent members of the Security Council. The six others are to be elected by the General Assembly for a term of two years each. The Security Council should be so organized as to be able to function continuously. The question of what vote in the Security Council shall be required for decision was not settled at Dumbarton Oaks and is still under consideration. Several possible methods of voting have been discussed. Unanimity by all members, permanent and nonpermanent, might be required. The unanimity rule, however, proved such a stumbling-block to action by the League Council that there is much reluctance to adopt it for the Security Council. As an alternative, unanimity by the

permanent members might be required in cases where military action is under consideration. Or the Council could vote by a two-thirds majority of all members, or a two-thirds majority of all members present and voting (the latter is the procedure followed by our Senate for treaty ratification). We shall return to this question a little later at page 61.

4. The Security Council should be empowered to investigate any dispute, or any situation which may lead to international friction or give rise to a dispute. If the nations involved in a dispute have failed to settle it by peaceful means such as diplomatic negotiation, mediation, conciliation, arbitration, or judicial settlement by the international court of justice, then the Security Council should take any measures necessary for the maintenance of international peace and security. The Security Council should be able to apply a whole range of measures not involving the use of armed force to give effect to its decisions—such as complete or partial interruption of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic and economic relations with any nation that threatens peace.

5. Should these nonmilitary measures prove inadequate, the Security Council should be able to take such action by air, naval, or land forces as may be necessary to maintain or restore international peace and security. For this purpose every member of the proposed organization should undertake to make the necessary armed forces available to the Security Council, in accordance with a special agreement or agreements. The United States, like the other United Nations, will be expected to conclude an agreement stating the numbers and types of armed forces and the nature of the facilities and assistance it shall place at the disposal of the Security Council.

6. The use of the forces made available by the United Nations should be decided by the Security Council with the advice and assistance of a Military Staff Committee responsible to it. The Military Staff Committee is to be composed of the Chiefs of Staff of the United States, Britain, Russia, China, and France, or their representatives, with provision for the participation of other states when necessary.

7. In addition to the armed forces, which the members of The United Nations are to hold in readiness for use by the Security Council, air force contingents should also be immediately available to the Council for urgent military tasks. With the development of long-range bombing, and the perfecting of such weapons as the robot bomb, it was felt by the Dumbarton Oaks conferees that the Security Council should have at its disposal air force units that could be used without delay against an aggressor nation.

8. Nothing in the Dumbarton Oaks document precludes the existence of regional arrangements or agencies for dealing with matters relating to the maintenance of international peace and security appropriate for regional action, provided—and this is a fundamental condition—that such arrangements or agencies are consistent with the purposes and principles of the organization. In other words, there would be no objection to such agencies as the Pan-American Union, or to the mutual aid alliances between Britain and Russia, and France and Russia—on condition that they function within, not outside, the framework of The United Nations and conform to the basic conditions of the Charter of the organization.

9. The proposed organization is to include, as its principal judicial organ, an international court of justice modeled on the Permanent Court of International Justice established in 1919.

10. While problems of military security should be handled by the Security Council, economic, social, and other humanitarian problems should be handled by the General Assembly and, under its authority, by the Economic and Social Council. This Council should consist of representatives of eighteen member nations elected by the General Assembly for terms of three years each. Decisions of this Council should be taken by simple majority vote of those present and voting. The Council is intended to serve as an over-all coordinating body for any economic or social agencies that already exist or that may be formed in the future, and are brought into relationship with the organization. For example, within the framework of The United Nations organization could be included the health and economic sections of the League of Nations; the International Labor Office; the United Nations Relief and Rehabilitation Administration; any financial institutions that may emerge out of the Bretton Woods Conference; and so on.

#### HOW DO THEY COMPARE WITH THE LEAGUE COVENANT?

Because there has been such widespread disappointment with the inability of the League of Nations to prevent World War II, many people sceptically ask whether the Dumbarton Oaks proposals represent any improvement on the League Covenant. How does the proposed United Nations organization differ from the League? In what respects does it resemble that body?

To begin with, it is important to note that the United Nations are further along today in their plans for an international organization than was true of the Allies at a comparable stage of World War I. Instead of waiting for the end of hostilities, which may yet be far off, we are all trying to establish an international organization now, while people are still under the shock of war and goaded by the threat of disaster

to make some adjustments and compromises for the common good. This in itself is a great step forward. And the United States has already committed itself to participation in an international organization by signing the Moscow Declaration of October 30, 1943, approved in the Connally resolution adopted by the Senate on November 5 of that year, and by summoning and taking an active part in the Dumbarton Oaks Conference.

Moreover, we can now benefit by the experience of the League of Nations—an experience that was not available to the drafters of the League Covenant in 1919, who had to start from scratch. Arrangements are already being discussed for the transfer to The United Nations organization of the archives and some of the organs and personnel of the League. So we shall start with a valuable backlog of machinery, as well as knowledge of what makes it work and what may cause it to break down. We must strive to carry forward the League's achievements in little-publicized fields such as health, economics, transit, and opium control, and to correct the weaknesses the League displayed in such matters as enforcement of security measures and adjustment of economic and social problems that threaten peace.

#### DUMBARTON OAKS STRUCTURE MORE FLEXIBLE

When we compare the 1944 document with that of 1919, we notice that the Dumbarton Oaks proposals, unlike the League Covenant, do not contain a long list of fundamental principles about international problems such as disarmament, the treatment of backward peoples, labor or health conditions, traffic in women and children, and in opium, and others. Some critics of the Dumbarton Oaks proposals have felt that for this reason it was more narrow in scope than the League Covenant. It

can be argued, however, that the very fact that the Dumbarton Oaks document does not attempt to define in advance fundamental principles (which, through our failure to foresee all future problems, might some day develop into restrictions on the activities of The United Nations organization) actually makes it more flexible than the League Covenant, more adaptable to changing circumstances. Those who take this view, point out that all the matters listed at length in the Covenant are included among the powers of the General Assembly, which is to have the right "to consider the general principles of cooperation in the maintenance of international peace and security, including the principles governing disarmament and the regulation of armaments; to discuss any questions relating to the maintenance of international peace and security brought before it by any member or members of the Organization or by the Security Council; and to make recommendations with regard to any such principles or questions." The General Assembly also has the power to act in non-political matters through the Economic and Social Council.

In contrast to the League Covenant, the Dumbarton Oaks document contains no undertaking concerning maintenance of existing boundaries such as the much-disputed Article 10 of the Covenant, by which League members pledged themselves "to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League." This Article proved a bone of contention in the United States. At a time when Europe and Asia are in the midst of world-shaking conflicts whose ultimate territorial results are as yet unpredictable, it was a sound decision not to tie down the international organization in advance to any particular boundary settlements. Nor is the Dumbarton Oaks document linked, as was the League Cove-

nant, to any peace settlement that may be reached at the close of hostilities. This latter point is a distinct advantage, for the influence of the League was weakened by the fact that the Covenant was made an integral part of the various peace treaties; as these treaties gradually fell into disrepute, so did the Covenant.

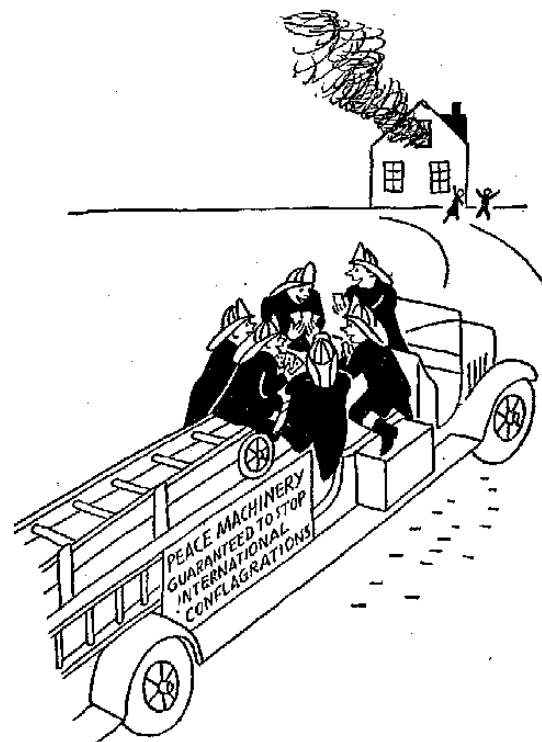
#### MORE EMPHASIS ON SECURITY

Another distinction between the two documents is that the Dumbarton Oaks proposals are far more definitely focused on the issue of security than the League Covenant. In Article 16 of the Covenant—another article that aroused bitter controversy in the United States—responsibility for action against an aggressor was divided between the individual members and the League Council, which had no military power at its disposal. Now responsibility is to be centralized in the hands of the Security Council, which is to have at its disposal, as we have seen, air force units of the United Nations for immediate emergency action, and armed forces, facilities, and installations provided by the member nations under special agreements. The Dumbarton Oaks document does not attempt to define what constitutes aggression. Attempts to arrive at a generally acceptable definition during the inter-war years had proved futile. The suggestion has been made that the crossing of a country's frontier by the armed forces of another nation constitutes aggression. This definition is insufficient, since we all know from the experience of Manchuria, Ethiopia, and Poland that military invasion is but the last stage in a long-drawn-out process of provocation and pressure by non-military measures such as propaganda and economic restrictions. The Security Council proposed at Dumbarton Oaks is not hobbled by any specific definition of aggression. On the contrary, the

range of circumstances under which it might act is very broad, embracing all kinds of conflicts among nations that threaten a breach of peace, and the range of measures it is empowered to take, as we have seen, includes many forms of non-military action, as well as the use of military force.

The Dumbarton Oaks document rightly emphasizes not only the need for prompt and effective collective action against an aggressor, but also, to a greater extent than the League Covenant, stresses the need for continuous consultation among nations to prevent the development of situations that might threaten peace. Instead of leaving each member nation, as did the League Covenant, free to decide just how it would proceed to fulfill its undertakings against an aggressor, the Dumbarton Oaks document provides for agreements by which nations will place specified armed forces at the disposal of the Security Council. The Dumbarton Oaks document also goes further than the League Covenant in attempting to integrate existing international agencies and such agencies as may be established in the future, by creating the Economic and Social Council. And it places the proposed international court of justice within the framework of The United Nations organization, instead of leaving it outside as the Permanent Court was left outside the League in 1919.

Thus the Dumbarton Oaks document outlines an international organization which, if the member nations are willing to make it work—and that is obviously a first prerequisite—could be stronger than the League of Nations. It shares with the League Covenant, however, a fundamental weakness: neither provides for limitations on the sovereignty of member nations. Such limitations, as we shall see in a moment, are not at present in the realm of practical politics. But under the circumstances it becomes more essential than ever that every member nation should limit its own sovereignty in a variety of



Even the best machinery can be stalled by our refusal to help run it.

ways, if a workable system of international security is to be eventually achieved.

#### VIRTUES OF DUMBARTON OAKS

The Dumbarton Oaks document, like all human documents, has certain virtues and is open to certain questions. Among its virtues three deserve special mention.

First, the Dumbarton Oaks proposals hold out no hope of a millennium. This is not the kind of document which will stir after-dinner orators to eloquent speeches about eternal peace. And that is good. Because too often, during the past quarter of a century, well-intentioned men and women have spoken piously of peace as if it were something that could be picked up at bargain-counters—as if peace were something that did not have to be worked for, fought for, sacrificed for, as we are ready to work and fight and sacrifice for war. The Dumbarton Oaks proposals show plainly that nations will have to make concrete undertakings and accept concrete responsibilities if they are to have any measure of peace and stability after the war.

Second, the Dumbarton Oaks document frankly states that on some crucial points no agreement was reached. This is a revolutionary thing to do in a diplomatic document. Usually international conferences end with glowing communiqués, in which it is stated that all present agreed one hundred per cent, and everyone is bound to be happy ever after. Such rosy communiqués can only fill one with alarm, because they are so obviously more than we can expect fallible human beings to achieve. The Dumbarton Oaks proposals have left several questions unsettled, of which two are most important: first, whether a permanent member—that is, one of the five great powers—will have the right to vote in cases when it is charged with having committed aggression; and second, the terms of the agreements by which the members will specify the armed forces they will place at the disposal of The United Nations organization. Both questions involve the issue of national sovereignty. To both of them we shall return in a moment.

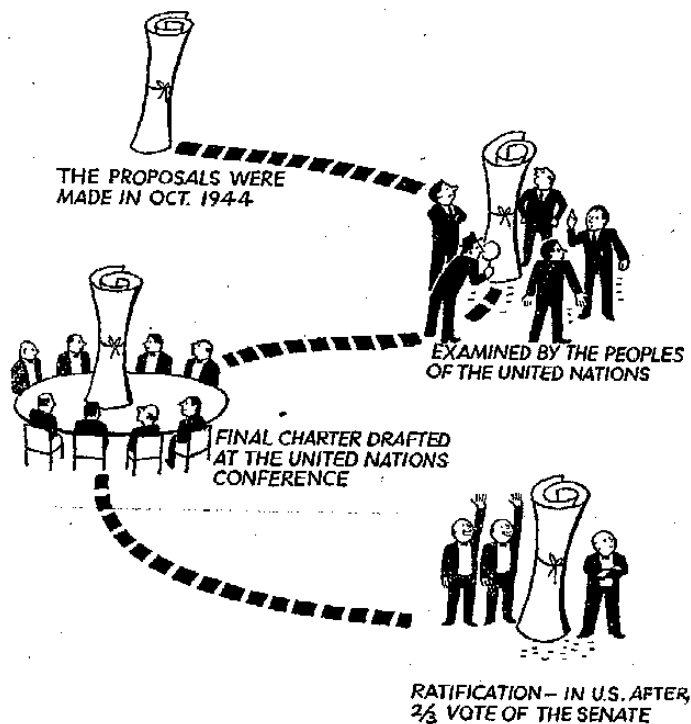
A third virtue of the Dumbarton Oaks document is that it makes an effort to reconvert, for peacetime use, the machinery

of collaboration the United Nations have developed for purposes of war. The Military Staff Committee, to be composed of the Chiefs of Staff of the five great powers in the Security Council, is a continuation of an agency that has been found very effective for the waging of the war—the Combined Chiefs of Staff in Washington, whose members have mapped out the global strategy for Britain and the United States, in consultation with the Chiefs of Staff of Russia and China and, more recently, of France and the liberated nations of Europe. The Economic and Social Council, too, provides for a carry-over of wartime machinery, since under its general authority could be brought all the economic and social agencies developed by the United Nations that can be usefully continued into peacetime.

This carry-over of experience is of great importance for the future expansion of international collaboration. During World War I the Allies had also developed joint machinery—but the moment that war was over, the machinery created at so much cost in blood and treasure was scrapped. Now a definite attempt is being made to utilize the international “know-how” acquired during the war years.



## FROM DUMBARTON OAKS TO A PEACE ORGANIZATION - STEPS TO BE TAKEN



### 3. Questions About Dumbarton Oaks

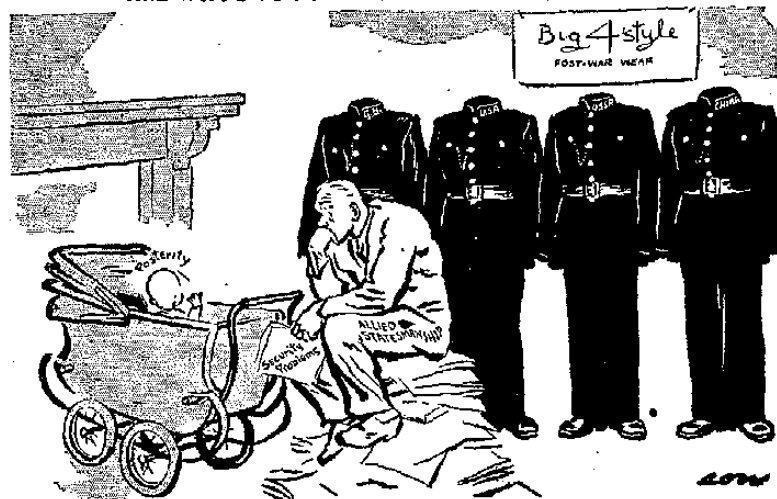
At the same time, the Dumbarton Oaks document is open to certain questions, which must be weighed as carefully as possible prior to the time when a definitive Charter of the organization is prepared. Of the various questions that have already been raised, eight deserve most attention:

#### 1. WILL THE SECURITY COUNCIL BECOME A GREAT-POWER DICTATORSHIP?

First, many people fear that the Security Council could easily be transformed into a dictatorship of the great powers. They point out that the great powers, by the very fact that the military resources of all the United Nations will be placed at the disposal of the Security Council, will be in a position to impose their dictates on the small nations. This danger certainly exists—although the six small nations who will be nonpermanent members will have a voice in the decisions of the Council. But even so, the permanent members could, if they wanted to, transform the Security Council into a Concert of the World, on the pattern of the Concert of Europe which the great continental powers established in 1814 after the defeat of Napoleon.

We must face the fact, however, unpleasant as it may seem, that at this stage of international affairs there is no authority in the world capable of stopping the great powers if they choose to go on a rampage. The great powers alone can curb each other and, of course, if things should come to that pass, it will mean that the great powers will be at war with each other. The only safeguard against misuse of power by Britain,

"AND WHO'S TO POLICE THE POLICEMEN, DADDY?"



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the United States, Russia, China, and France—and especially the first three—is a sense of responsibility on their part not only for their own natural national interests, but also for the welfare of the international community as a whole. Without such a sense of responsibility, it will be impossible to make the machinery projected at Dumbarton Oaks—or any machinery of collaboration—really work. It is therefore particularly important that the citizens of countries like Britain, the Dominions, the United States, France, and others where freedom of public discussion exists, should continuously urge their governments to act, in world affairs, with a broader understanding of the problems outside their own borders than they have shown in the past; and, while seeking perfection, realize that compromise may be necessary.

## 2. HOW WILL THE SECURITY COUNCIL VOTE?

A second question raised about the Dumbarton Oaks document ties in closely with the first. It concerns the unsettled issue of how the nations members of the Security Council will vote, and particularly whether a great power will have the right to vote in a case in which it is accused of aggression. The question of voting procedure is, of course, important in itself—you will remember that the requirement for unanimity in the League Council blocked League decisions on crucial problems. But the importance of voting procedure is greatly increased because it is a symbol of the willingness or unwillingness of nations to submit their conflicts to the judgment of their peers through international machinery, instead of resorting to the bloody arbitrament of arms. When nations eventually decide that they are ready to abide by the judgment of an international organization, the question of voting procedure will lose some of its present acuteness.

On the procedure itself three main views are reported to have been presented by the great powers at Dumbarton Oaks. China is said to have suggested that, whenever a great power is accused of an act of aggression, it should abstain from voting in its own case. This proposal is influenced by China's experience in the 1930's when, after Japan had invaded Manchuria, China appealed to the League of Nations—only to discover that Japan, which was then a member of the League Council and had the right to vote, could play the part of both judge and counsel for the defense. The Chinese would like to see to it that such a situation does not arise again. Russia, by contrast, is reported to have proposed that a great power accused of aggression should have the right to vote in its own case. Russia's suggestion, too, is influenced by its expe-

rience during the inter-war years. When Japan invaded Manchuria, when Italy attacked Ethiopia, when Germany remilitarized the Rhineland, the League Council was slow to take action against the aggressor. But when Russia invaded Finland in 1939, little time was lost at Geneva in ejecting Russia from the League. The Russians have a deep-seated suspicion that, on some future occasion, the United Nations organization might be transformed into a coalition hostile to the U.S.S.R.: and they want to be present, and voting, whenever another nation accuses Russia of aggression.

Russia's stand on this question has caused many people, especially in the United States, to ask whether the Russians really want an international organization or are bent on sabotaging it. To this question one might answer that the Russians want an international organization just as much as we do. This, obviously, is an ambiguous answer, because it is not yet clear whether the United States is ready to go beyond lip-service to the cause of international collaboration and adopt the various concrete measures, some of them involving adjustment on our part, which will be necessary if we are to establish an effective international organization.

Actually the position taken by Russia on voting procedure does not differ materially from that of the other great powers—only the Russians are more blunt, less versed in the niceties of diplomacy than the Anglo-Saxons or Latins. If Argentina, for example, should at some future time protest to the Security Council that this country had committed acts of aggression against it, would the United States gracefully bow itself out of the council-chamber, and accept in advance the verdict of the other nations? Desirable as such a procedure may be, the great powers have not yet reached the stage where they are willing to be much more receptive to it than Russia.

True, our State Department and the British Foreign Office are reported to favor majority vote, rather than unanimity. But, as we have seen in Chapter II, there is still a question as to how "majority" will be defined. The discussion now going on about voting procedure in the Security Council, however, should not discourage us. When we remember how difficult it is to persuade the Senate of the United States to accept a change in the constitutional provision requiring a two-thirds vote on its part for approval of treaties, we can see that it will be even more difficult to bring nations to divest themselves of their mutual suspicions.

### 3. WILL SMALL NATIONS HAVE TOO LITTLE AUTHORITY?

A third query about the Dumbarton Oaks document is whether it gives too little authority to the small nations. This too is a reasonable question. But it too must be looked at realistically. There is no use pretending that Venezuela has the influence in world affairs exercised by the United States, or that Luxembourg is equal in power to Britain, or Iran equal in power to Russia. In these still barbaric days we measure the influence of a nation not by the contribution it has made to human civilization—on this score some small nations would rank ahead of some great powers—but chiefly by its military and industrial strength. Measured by this yardstick, there is no question that there will be only three great powers in the world after the defeat of Germany and Japan—the United States, Britain, and Russia. China is ranked as a great power, quite rightly, because of the greatness of spirit of its four hundred million people, but neither in military nor industrial terms is China comparable to the other three great powers among the United Nations. France has exercised for centuries, and does again today, a far-reaching moral influence, and thus

can claim a place among the great powers—but in modern times this influence has been far in excess of France's military and industrial potential. It may well prove practicable, as suggested by Canada, to establish an in-between category of nations—the "middle" powers. These would be countries like Canada which, because of their resources and technical skill, can make a larger contribution in military and industrial terms to the maintenance of international security than some of the small nations, and thus may be asked to assume both greater responsibilities and be granted greater authority in decisions about war and peace. But in the final analysis the responsibility for maintaining security will rest, during the balance of the war and for some years after, with the United States, Britain, and Russia.

Will this mean the decline of the small nations, the destruction of their independence? Will they become mere slaves of the great powers? This could happen if the great powers show themselves irresponsibly ready to trample over any weak nations that seem to be in their way. But the prospect need not be as grim as some people paint it. It is true that all great powers, at some stage in their history, have committed acts of unfairness toward smaller or weaker peoples. Yet on occasion great powers have shown themselves capable of self-restraint. During this war, in spite of many irritations and outright danger to British security, Britain has scrupulously respected the neutrality of Eire. The United States, after establishing bases in Brazil for prosecution of the Battle of the Atlantic, is returning these bases to the Brazilians.

In the future, if the great powers should really succeed in affording a measure of security to the small nations, the small nations could then practice, without constant fear of war, the arts of peace in which many of them have proved pecu-

liarily adept. The small nations may then find that they have exchanged what had become the mere shadow of national sovereignty—for surely a Poland that could be conquered by Germany in less than a month, a Denmark that could be overrun by the Germans within one day did not find safety in sovereignty—for the substance of security against aggression. Moreover, we must remember that there will be six small nations on the Security Council, and that any type of majority vote would require concurrence of at least one of the small nations in decisions of the Council. Small states, too, would contribute military forces and facilities to this Council to the extent of their ability.

In the relations between the great powers and the small nations we are facing the eternal problem involved in human relations: the problem of finding a practicable formula that will combine freedom and order. The small nations must have freedom to develop their own institutions, to speak their own language, to practice their own traditions. But this freedom can be enjoyed by all only if there is some orderly way of adjusting conflicts that arise from time to time—and arise not merely between great powers or between great powers and small, but also among the small nations themselves. Once such orderly machinery has been established, then the General Assembly and the Economic and Social Council could assume constantly growing importance. Small states have an equal voice with larger ones in the General Assembly; and are equally eligible to election as one of the eighteen members of the Economic and Social Council. In that Council the small nations could contribute out of their long experience to the settlement of the economic and social problems that some of them—notably Holland, Norway, Sweden, and Switzerland—have already courageously faced and adjusted at home.

#### 4. WHAT WILL HAPPEN TO NATIONAL SOVEREIGNTY?

A fourth point that is raised about the Dumbarton Oaks document is that it fails to come to grips with the issue of national sovereignty which proved so great a stumbling-block to effective action by the League of Nations. Let us examine this point. The United Nations organization, according to the document, is to be "based on the principle of the sovereign equality of all peace-loving states." Nothing in the proposed machinery would make it possible for the organization itself to limit the sovereign rights of member nations as they conceive them—except in the case of a threat to the peace or breach of the peace—unless the nations themselves are willing to accept such limitations. Again, it is clear that we are in a transitional stage of international development when nations realize that they will not achieve security solely by clinging to the absolute concept of national sovereignty, yet are not ready to abandon, at least officially, their support of this concept.

The United States is just as jealous of its sovereignty as other nations. This is understandable—for all peoples have an emotional feeling about sovereignty which symbolizes the affections and loyalties they have for their countries. We cannot expect that this emotional attitude will be ended overnight by a document. Most American spokesmen are still fearful of saying anything that could be interpreted, at home, as "sacrifice" of this nation's sovereignty. The idea that by collaborating with other nations we are bound always to "lose" or "sacrifice" something, dies hard. It is difficult to convince people that through such collaboration we would also gain something, as we are gaining right now in time of war by receiving the aid all over the globe of people to whom we, in turn, are extending assistance. One of the few leaders in this

country who had the courage to tackle the sovereignty issue was Wendell Willkie when he said, shortly before his death: "Sovereignty is something to be used, not hoarded." His was a positive idea of sovereignty, not a negative one. Instead of saying that we cannot do this or that as a nation because such actions would in some way affect our sovereignty, we should say: "We, the American people, are sovereign, and we intend to use our sovereign powers to undertake this or that measure."

If our people come to the conclusion that collaboration with other nations for the achievement of security is in the national interest, then any measure we may take to attain that end will be an exercise of sovereignty, not an encroachment on it. But considerable time may pass before people in this country and in other nations develop such an attitude toward their relations with each other. The war itself will make a change in the concept of sovereignty more difficult, because it has sharpened the national consciousness of all peoples and has made them all more jealous of their rights and independence. This, again, should not discourage us. For, as we have seen, human institutions grow very slowly.

#### 5. WILL THERE BE AN INTERNATIONAL POLICE FORCE?

The question of sovereignty will become particularly acute when we come to determine the use of force by The United Nations organization. On this score a fifth point is frequently raised about the Dumbarton Oaks document—that it does not provide for a genuine international police force. This is true, if by an international police force we mean a force recruited from citizens of all nations removed from the control of their own governments, and responsible solely to The United Nations organization. Such a force is the ideal objective of those

concerned with the building of an effective security system.

But for the time being at least, because of the prevailing desire to maintain national sovereignty, it is difficult to persuade any nation—least of all the United States—to place all or part of its armed forces exclusively under the control of The United Nations organization. The provisions of the Dumbarton Oaks document for the use of force by the proposed organization represent a compromise between the views of those who insist that a nation should use its armed forces only to protect itself, and those who urge that all national armed forces should be used only by an international organization for the protection of any nation that is a victim of aggression. Under the proposed arrangement, every nation would retain control over its armed forces. Each, however, would sign a special agreement by which it would undertake to make available to the Security Council, on its call, "armed forces, facilities and assistance necessary for the purpose of maintaining international peace and security." It would thus be possible for the United States, for example, to maintain all its armed forces, except certain air force units, within its own borders. Then, when called on to do so by the Security Council, it would dispatch such part of its armed forces as it had previously agreed to place at the disposal of The United Nations organization wherever they were needed to check aggression.

This is admittedly not an ideal arrangement, because it still leaves each nation free to decide what forces it will place at the disposal of the Security Council. But it is a step forward for nations to agree that some military force should be available to the Council. In practice, the arrangement would be similar to the pattern of military collaboration worked out by the United Nations during the war. On the western front, for example, American, Canadian, British, French, and other

forces, all retaining their national identity and their own officers, are fighting together under the command of General Eisenhower, an American; just as in the China-Burma-India theatre of operations American, British, Indian, Chinese, and other troops are fighting together under Admiral Lord Mountbatten, an Englishman. This same arrangement would apply to the air force contingents which, under the Dumbarton Oaks proposals, should be held immediately available to the Security Council for "combined international enforcement action." It might prove necessary, however, to effect closer integration of command in the case of the air force contingents, so that no time may be lost in using them in an emergency; and perhaps to base them at specially designated international bases at strategic points from which they could most effectively enforce the decisions of the Council.

#### 6. HOW WILL THE SECURITY COUNCIL DECIDE USE OF FORCE?

The mere availability of national armed forces for use by the Security Council, however, will not of itself assure action by the Council, unless the representatives of the nations composing it have authority to act promptly when an emergency does arise. At this point, too, the issue of sovereignty will assume paramount importance. For if the Council is to act promptly, it will be necessary for every nation to give its delegate sufficient authority to vote for the use of military force without prolonged consultation with the home government. Otherwise, an aggressor nation would always have the initial advantage since, with the use of modern weapons like long-range bombers and robot bombs, an aggressor could conquer a small nation long before an international council, whose members had first to confer at length with their governments, could possibly swing into action.

The measure of authority to be granted by each nation to its representative on the Security Council has already occasioned considerable debate in the United States, and will occasion more when the treaty providing for our participation in the proposed international organization comes before the Senate. The manner in which the United States decides to handle this question will indicate to other nations the extent to which we are ready to back up an effective system of collective security. For in the United States it is Congress that decides on declaration of war, so if any action for the enforcement of international security proposed by the Security Council is regarded as an act of war, the American representative would have to wait for the decision of Congress before he could cast a vote—and this might be a matter of weeks or even months. In contrast to this situation, the decision for Russia could be taken promptly by Stalin, the decision for Britain by the British Cabinet, the decision for China by Chiang Kai-shek.

Yet it is entirely natural that Congress should want to retain control over any actions of the United States that might involve the use of American forces. How can this problem be adjusted? Of course, it might be decided that international action to check aggression is not the same thing as war between nations, and therefore does not require decision by Congress. President Roosevelt, in his address of October 21, 1944, to the Foreign Policy Association, suggested a different approach when he said that the American representative on the Council "must be endowed in advance by the people themselves, by constitutional means through their representatives in Congress, with authority to act." A somewhat similar statement was made by Governor Dewey in his reply to the President's foreign policy speech on October 24 in Minneapolis.

The President, as Commander-in-Chief, has power to employ the country's armed forces abroad for the protection of United States citizens and agencies. American forces have been so used on decision of the Executive, without prior consultation with Congress, on a number of occasions—notably for the suppression of pirates along the coasts of Africa, during the Boxer rebellion in China in 1900, and in various uprisings in Latin America. A different question will arise if American forces are to be used for the protection of the lives and property of other peoples. It would be dangerous, however, if as some Congressmen have suggested, Congress were to limit the use of our armed forces to the Western Hemisphere, where we happen to have strategic and economic interests. If each great power followed our example and specifically provided where it will permit its forces to be used, the authority of the Security Council to act in an emergency would be gravely weakened, and probably destroyed. Nations then would tend to rely on regional, rather than international arrangements, for their security.

#### 7. HOW WILL REGIONAL ARRANGEMENTS FIT IN WITH INTERNATIONAL ORGANIZATION?

The tendency to distinguish between the international obligations of nations, and their obligations to the particular geographic region in which they happen to be located, is another point which may cause controversy about the Dumbarton Oaks document. The document itself states that nothing in its terms "should preclude the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action, provided such arrangements or agencies and their activities are consistent with the purposes and prin-

principles of the Organization." Moreover, the Security Council "should encourage settlement of local disputes through such regional arrangements or by such regional agencies, either on the initiative of the states concerned or by reference from the Security Council." But the Dumbarton Oaks proposals also provide—and that is a very important matter—that no enforcement action should be taken by regional agencies or under regional arrangements without the authorization of the Security Council.

In theory, there would seem to be no more incompatibility between regional arrangements and an international organization than there is, for example, between municipal and state administrations and the federal administration in this country. But in practice there is a great difference. For within our federal structure local and state units, while autonomous in local and state matters, are subordinate to the federal administration in all matters affecting the nation as a whole. Such a system has not yet been worked out in international affairs. And until the proposed United Nations organization has become firmly established, there will be constant danger that regional blocs created by nations to safeguard their security may claim powers equal, not subordinate, to the international organization. Regional combinations of small states constitute no danger to international organization; but neither do they offer security to their members. The Scandinavian bloc, the Little Entente, the Balkan Federation, proved unable to withstand Germany. Regional blocs dominated by great powers can be strong. But regional blocs dominated by great powers might well defy the decisions of the Security Council, and instead of wars between nations we might come to have wars between regions or continents.

It is with this danger in mind that all regional arrangements

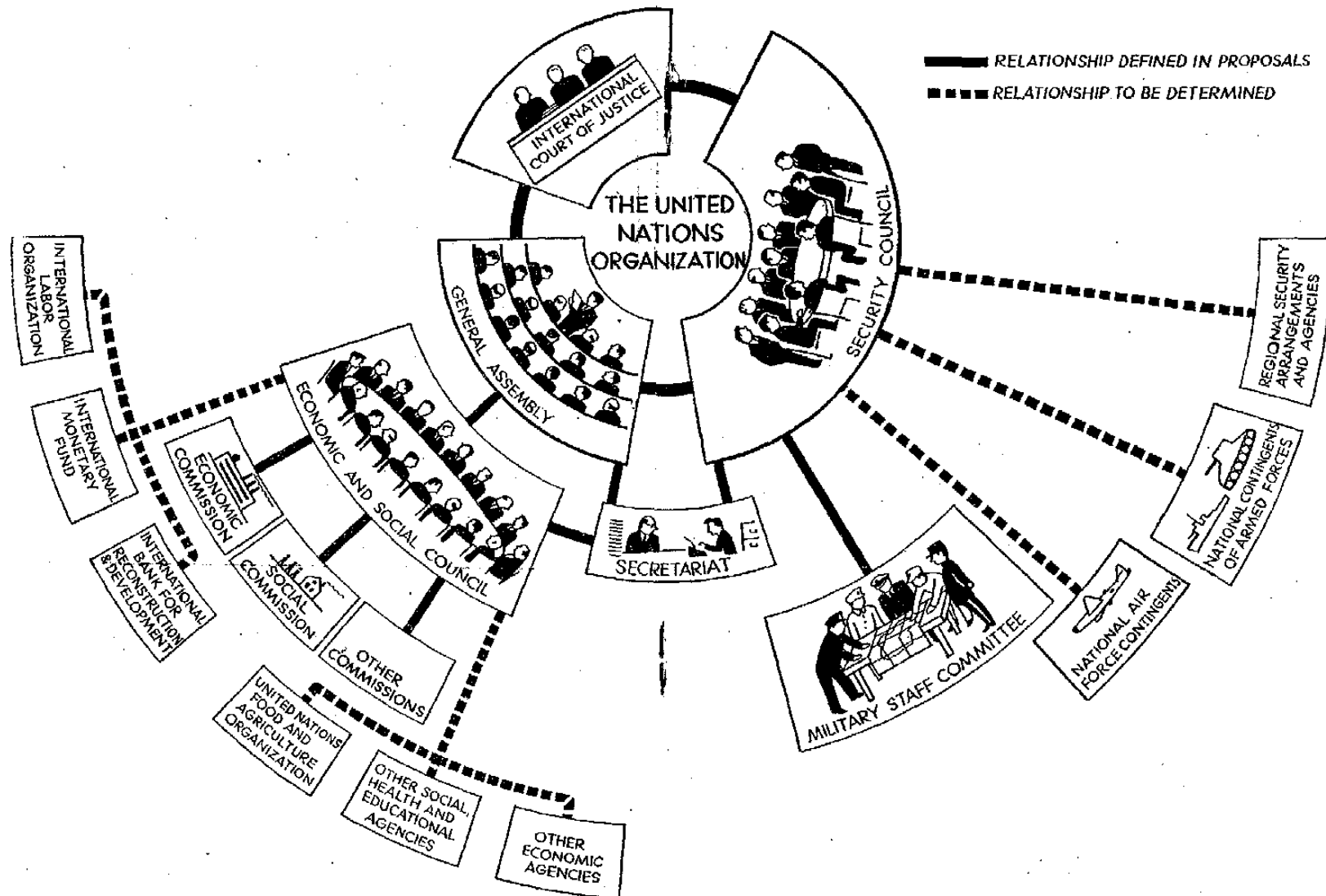
for security should be weighed. There is nothing inherently threatening, for example, in the Anglo-Russian or the Franco-Russian alliances. But if Britain, or Russia, or France should rely on these alliances to flout any international organization that may eventually be created, then these alliances could assume a destructive character. Similarly, the Pan-American Union and the broader system of continental solidarity developed in the Western Hemisphere could be of real help to The United Nations organization in the settlement of disputes that may occur in this hemisphere. But if the Pan-American Union, for example, should claim sole authority in the region it covers, then the concept of international collaboration would suffer a grievous defeat.

We thus face a vicious circle. For unless an international organization capable of assuring the security of all nations, large and small, is immediately created, nations in various geographic regions will tend to group themselves together for the purpose of achieving a modicum of security, as the countries of Eastern Europe are already grouping themselves around Russia, and the Scandinavian and Low Countries around Britain. Yet once these regional blocs have been formed, the nations composing them may acquire certain vested interests in regionalism, and may be less ready to join an international organization. The surest way of avoiding this contingency is to press as rapidly as possible for the establishment of The United Nations organization, into whose framework any existing or future regional arrangements could then be geared on the terms stated in the Dumbarton Oaks proposals.

There is one point, however, in connection with regional security arrangements that has not been made sufficiently clear in this country. As you will see by looking at the text of the Dumbarton Oaks proposals, Chapter XII, on "Tran-



# THE ORGANIZATION PROPOSED AT DUMBARTON OAKS



sitional Arrangements," states that "no provision of the Charter should preclude action taken or authorized in relation to enemy states as a result of the present war by the Governments having responsibility for such action." It could be cogently argued that the so-called unilateral measures taken by Russia in Poland and by Britain in Greece, and the bilateral security pacts signed by Russia with Britain, France, and Czechoslovakia (the latter pact remains open to adherence by Poland), can all be justified by the provision just cited from Chapter XII of the Dumbarton Oaks document. As we have just said, all these arrangements must eventually be fitted into the proposed international organization if they are not to prove a challenge to it. But the United States can hardly oppose the security arrangements made by European countries against Germany unless it is ready to assume single-handed responsibility for their future protection—which it is clearly not prepared, either by desire or military resources, to do. Instead of sitting on the sidelines, and issuing our own unilateral statements as to how other nations should carry out our ideas, it would be wiser for us to work with them on practical measures of security for Europe and Asia. That, better than any words on our part, would persuade them that this time we mean business, and would make them more eager to fit their security arrangements into The United Nations organization.

#### 8. WHAT ARE THE PROSPECTS FOR WORLD FEDERATION?

For the time being, at least, there is no prospect of a closely-knit world federation similar to the structure of the United States. Desirable as such a federation may seem, it is precluded by the vast differences in political, economic, and social development that exist among nations, by the divergences in their policies resulting from differences in historical experi-

ence, and by their mutual doubts and suspicions which, in many cases, have been enhanced rather than alleviated by the war. These doubts and suspicions can be removed, these differences can be leveled, only by a slow process of working together, day in, day out, on problems of mutual concern, until the interests of all nations are so "mixed up," as Mr. Churchill once said of Britain and the United States, that a more intimate unification can be achieved among them. The United Nations organization, if established and operated in good faith, would provide continuous opportunities for just such a process.

Some people, however, have thought that the creation of The United Nations organization would be facilitated if it were preceded by the creation of a European federation. The idea of such a federation has appealed to many statesmen throughout the ages—in our own time particularly to the French Foreign Minister, Aristide Briand, who advocated a European Union. Some of the factors, however, which today prevent the formation of a world federation work against a European federation. Many of the European nations, moreover, have interests that go far beyond the boundaries of the continent—for example, France, with its overseas empire and its cultural ties to Latin America; Holland with its colonies in Asia, Belgium with its colonies in Africa; Sweden and Norway with their stake in world commerce. These countries have little desire to be confined to a continental federation.

Nor is there agreement as to which nations should be included in a European Federation. Britain certainly has important strategic and economic interests in Europe, especially in the Low and Scandinavian countries, and in the lands bordering on the Mediterranean. But Britain can by no means be described as a "European" country, and its concern with

overseas trade long ago transformed it into the kernel of a vast Empire with ties all over the world. Russia occupies a strategic position in Europe, but Russia, too, is not an exclusively European country—it occupies in Asia a comparably important position. If Britain and Russia, which are often regarded by Europeans as non-European countries are excluded from a European federation, then that federation will inevitably come to be dominated by Germany, the most powerful industrial nation on the continent, and the one possessing the largest population. A federation so dominated by Germany could hardly offer any security to France, or the smaller nations of Europe, and would be viewed with suspicion and fear by Britain and Russia, as well as by the United States.

One more thing should be borne in mind when discussing the relative advantages of regional or continental federations, as compared with a world organization. The same technological developments—the airplane and the robot bomb, the possibility of transporting millions of armed men across oceans for the invasion of one continent by another—that have made national units obsolete for purposes of security have made regions and continents similarly obsolete. It is often pointed out that countries like China and the states of Latin America have leaped, without transition, from the ox-drawn cart to the airplane, by-passing the age of railroads. In a comparable sense the international community has jumped from the national unit to the practical fact of “one world,” by-passing what under more leisurely circumstances might have been the stage of regional or continental federation.

The most far-reaching question that can be raised about the Dumbarton Oaks document goes beyond any specific criticisms of this or that particular provision. It is whether the proposed machinery is sufficiently broad in conception to cope

with the conflicts of ideas—reminiscent of the struggle between paganism and Christianity, between feudalism and the Industrial Revolution—that are tearing mankind apart in our century. The safeguarding of human rights, so cruelly abused in this war; the problems of colonial peoples; the need for social and economic reforms, all call for international action. If the mould of The United Nations organization is not to crack at the first crisis, it must be strong enough to channel the red-hot lava of controversy about the ends and means of human society which is now pouring out in every quarter of the globe, often threatening to engulf what we have known as civilization. No document can of itself answer this question. As John Mason Brown has said in *Many a Watchful Night*, the making of the peace will require great character, and great characters.

The task ahead cannot be accomplished by a few men, no matter how well-intentioned or farsighted they may be. It will require the efforts of all of us to carry it through. The building of an effective international organization could become, for the twentieth century, what the building of a cathedral was for the Middle Ages—“ennobled by one of the greatest group aspirations of the race in one of those high tides of creative energy that rise only at rare intervals out of the ocean of time.”\* And like the selfless builders of cathedrals, most of whom remained anonymous, we must learn to blend “art and engineering and functionalism with the aspiration and the dream.”

\* Robert G. Anderson, *The Biography of a Cathedral*. New York, Longmans, Green & Co., 1944.

#### 4. What Will Be the Role of the United States?

The success of any international organization will depend, we now see, on the willingness of the nations composing it to make it work. Unless such willingness exists, the Dumbarton Oaks document will prove just as much of a dead letter as the League Covenant when it comes to settlement of conflicts and removal of maladjustments that lead to war. The most decisive role in the negotiations leading to the establishment of an international organization will be played by the United States. This country will not only have at its disposal after the war the greatest industrial and financial resources, but will also be in a peculiarly strategic position to maintain a balance between the conflicting interests of other great powers.

If, when hostilities are over, the United States withdraws from direct participation in the affairs of other continents, the efforts of Britain and Russia to safeguard their national security by the formation of regional blocs and the acquisition of strategic zones of influence will receive an irresistible momentum. Far from being able to enjoy peace and prosperity at home, this country will then find itself driven to take similar measures—to tighten its relations with the countries of Latin America; to acquire bases from other nations, including our Allies, in both the Atlantic and the Pacific, and perhaps in Africa and Asia as well; and to maintain large armed forces at a growing cost that would be a continuing drain on our economic resources. Isolation, after this war, could not be the carefree, nonchalant, devil-may-care isolation of the "back-to-normalcy" years after 1919. It would be a grim, anxious, hard-bitten isolation, with armed guards posted at all vulner-

able points, and drawbridges ready to be pulled up at the first sign of danger from across oceans that would have been reduced to the size of moats.

Yet even this grim kind of isolation may find support among some Americans before the war is over. For as difficulties multiply in the wake of liberation in Europe and Asia, as unforeseen problems arise between us and the liberated nations, and between us, Britain, and Russia, disillusionment may set in, and many will wonder whether it is worth our while to intervene in the affairs of other continents when the people we help to free seem so "ungrateful." Why people who suffered untold hardships during years of grueling war when the United States was doing nothing to help them should feel gratitude at this moment, when we and they are bearing the burdens of a common task—the task of defeating the Axis—is not clear. But the disillusionment that is already in the air will deepen as our own losses multiply, and may becloud the prospects for international collaboration.

#### PROBLEMS OF A COOPERATIVE POLICY

Nor do those who sincerely favor a policy of cooperation with other nations always understand the difficulties of developing such a policy for the United States. This country until recently had been acting in world affairs as if it had not moved much beyond the stage it occupied when the thirteen colonies joined into a Federal Union. It is more accustomed to making unilateral declarations of policy, such as the Monroe Doctrine and the policy of the "Open Door," than to taking action in concert with other nations. The very fact that the United States has traditionally avoided alliances with other nations has fostered a habit on our part of making our own decisions, and then proclaiming them to the world. The one important

exception to this tradition—and that only during the past decade—has been our policy of consultation with Latin American countries and Canada on problems of the Western Hemisphere. This policy marks great progress as compared with our attitude toward the League of Nations. But it is still difficult to make Americans realize that if we are to develop a cooperative foreign policy, we shall have to learn to consult continuously with other nations; listen to their grievances, just as we tell them ours; make compromises they urge, just as we ask them to make compromises. We have to learn that our own ideals and desires, no matter how noble they seem to us, cannot be carried out in practice if this country acts alone. And if we want to enlist the cooperation of other nations in carrying them out, we shall have to take into consideration *their* ideals and desires, which may not always correspond to ours. This applies, too, to the collective security system we are discussing. We cannot impose our conception of an ideal system on the rest of the world; we must build it in concert with other nations.

If we do not always succeed in achieving the goal for which we set out, we have no right to become disheartened and to denounce other nations. For surely we cannot expect to hit the jackpot every time. Others may hit it too, and we should be able to display in international relations the good sportsmanship for which we are noted in contests of physical skill. Nor should we approach all international negotiations with the jaundiced expectation that the other fellow is smarter than we are and will always outwit us. Americans have proved over and over again that they are remarkably efficient in the ways of the modern industrial world, that they are shrewd in business transactions, and have no need to fear the competition of other nations at the conference table if they only

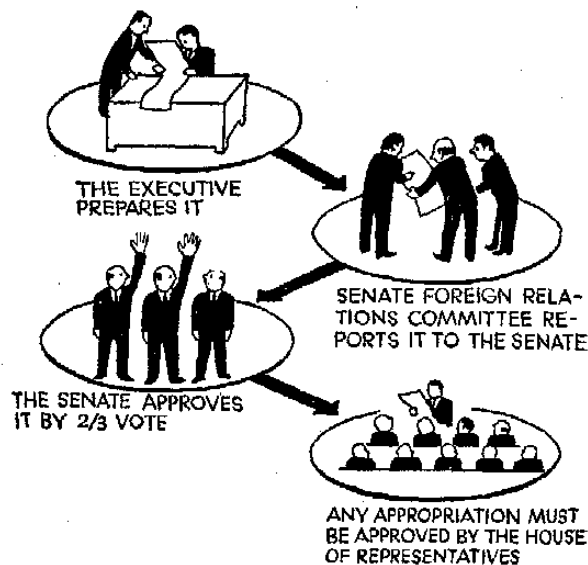
take the trouble to inform themselves in advance about the subject under discussion. The record of history goes to show that in the contests we have had with other nations—in the field of arbitration as well as on the field of battle—the United States has seldom come out the loser.

#### DOMESTIC MACHINERY NEEDED FOR COOPERATION

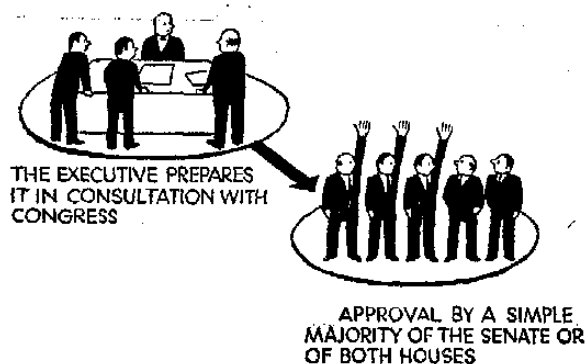
But difficult as it will be for us to become accustomed to the idea of cooperating with other nations in a common enterprise, it will be even more difficult to develop the constitutional machinery at home which can make such cooperation effective. Under our present system the Executive—that is, the President and the Department of State, whose head he appoints with the consent of the Senate—is charged with the conduct of this country's relations with other nations. These relations have expanded immeasurably since the foundation of the Republic and now call for complex negotiations on a wide range of economic and technical, as well as political, problems—negotiations not only directly with one nation at a time, but with forty or fifty nations, as was the case at the Hot Springs Food conference, the Atlantic City conference on relief and rehabilitation, the Bretton Woods conference, the Chicago aviation conference. But mere negotiations obviously will lead nowhere unless their results are finally embodied in concrete undertakings by the participating nations. It is when the President and the State Department present to Congress treaties or agreements providing for action by the United States that our willingness to cooperate with other nations comes to a crucial test.

As we all know, treaties entered into by the United States must be approved by the Senate before they can go into effect, and approval requires a vote by two-thirds of the Senators

## HOW A TREATY IS MADE



## SOME CHANGES SUGGESTED



present and voting. In all cases in which appropriations are required the consent of the House of Representatives, where bills concerning financial matters originate, must also be obtained. The drafters of the constitution adopted the two-thirds rule to protect the various states, which at that time had conflicting sectional interests. This reason disappeared long ago with the unification of the country and the centralization of responsibility for the conduct of foreign relations in the Federal government. Approval of treaties was entrusted to the Senate, instead of Congress as a whole, first, to make possible action on treaties with secrecy and dispatch; and second, to make sure that the judgment of cooler heads in the Senate would prevail over possible hot-heads in the House. The first reason now has little importance by the time a treaty or agreement is submitted to the Senate, since it is the preparatory negotiations that require secrecy, not the agreed document, which is usually given wide publicity a considerable time before the Senate takes any action on it. To give but one example, the Dumbarton Oaks document has purposely been widely publicized by the State Department so as to acquaint the American public with its terms, and in whatever amended form it may be adopted by a United Nations Conference, there will be nothing very secret about it by that time. The second reason seems less convincing today than two centuries ago, for now the voters are often more troubled by the procrastination of the Senate than by the possible impetuosity of the House.

The fact, however, that the Senate is seldom thoroughly informed in advance about negotiations leading to the drafting of treaties, and is instead suddenly confronted with a completed text, is one of the main reasons for the frequently hostile attitude of that body toward treaties submitted to it

by the Executive, no matter which political party happens to be in power. Secretary of State John Hay under the Republican administration of Theodore Roosevelt had just as much trouble getting treaties through the Senate as Woodrow Wilson had in obtaining fair consideration of the Versailles Treaty embodying the League of Nations Covenant.

The Senate's reaction to any treaty or agreement presented for ratification is almost automatically one of suspicion. It is true that the Senate has not rejected many treaties outright. But among the treaties it rejected were important documents providing for United States participation in international organization—notably the League of Nations Covenant (contained in the Versailles Treaty) and the statute of the Permanent Court of International Justice. Many treaties, moreover, never reach the floor of the Senate for discussion, having been pigeon-holed by the powerful Senate Foreign Relations Committee. It should be noted, in this connection, that the Senate Foreign Relations Committee, which exercises life-and-death power over treaties, has been headed over a long period of time by Senators irrevocably committed to isolation, notably William Borah. Moreover, most observers of Senate action in the field of foreign affairs believe that the Executive has been inhibited again and again from taking bold and constructive action in cooperation with other nations by the fear that any agreements it might reach would be defeated in the Senate. The President's lack of final authority in treaty-making, in turn, inhibits other nations from trusting any promises he may make.

#### TUG OF WAR BETWEEN SENATE AND EXECUTIVE

The Executive's fear of the Senate, which has become as automatic a reflex as the Senate's suspicion of the Executive when it comes to foreign affairs, has led successive Presidents to by-

pass the Senate by casting international arrangements in two other forms: executive agreements, which do not need to be passed on by Congress, or joint resolutions, which require only approval by a majority of both the Senate and the House. The UNRRA agreement, for example, was submitted, and adopted, in the form of an executive agreement in 1944. The Senate, however, has become increasingly reluctant to allow subject-matter which it believes belongs in treaties subject to its ratification to be embodied in executive agreements. In practice it is well-nigh impossible to decide which international matters belong properly in the category of treaties, and which in the category of executive agreements—although the suggestion has been made that arrangements that do not require the use of this country's military forces or financial resources might be placed in the latter category.

Actually, it is both undignified, and not straightforward, for the Executive to have to seek round-about ways of avoiding action by the Senate. But, unless reforms can be promptly effected in the existing machinery of treaty-making, the country will be confronted with two equally undesirable alternatives: either it will have to forego a policy of cooperation, and follow from now on a strictly lone-hand policy, which would require a minimum of negotiations and agreements with other nations; or else, if it decides that a policy of cooperation is essential to the national interest, then the President will either increasingly have to adopt a dictatorial tone toward Congress, or else he will be driven to conducting foreign policy literally "underground" in the hope of eventually enlisting public support for such decisions as he and his State Department advisers may take. The "underground" way of negotiating with other nations is not only highly unsatisfactory to those with whom we are negotiating, since they never

have any assurance that the United States will finally abide by the decisions of the President and the State Department. It would also weaken and ultimately destroy the confidence of the voters, who would thus be deprived of any opportunity of participating in the making of this country's foreign policy.

#### TWO REFORMS ESSENTIAL

What reforms might be made to avert these dangers? Two measures that would greatly help the situation have long been under consideration. First, it has been proposed, through resolutions introduced in both the House and the Senate, that the Constitution should be amended in such a way as to provide for ratification of treaties by a simple majority of both houses of Congress. The House resolution is to be considered by the Judiciary Committee in this Congress. There is little likelihood that the Senate, jealous of its special prerogatives with respect to treaties, will look with favor on the corresponding Senate resolution. There are a number of reasons why it seems desirable that the House should participate in the making of foreign policy on an equal footing with the Senate—among them the fact that in recent years the House has seemed, on the whole, to reflect public opinion more accurately and more promptly than the Senate.

But should it prove impossible to get resolutions to this effect through Senate and House, the next best method—and a vast improvement over the two-thirds rule—would be a constitutional amendment providing that treaties shall be subject to approval by a simple majority of the Senate. Such an amendment, like all amendments to the Constitution, would have to be submitted to the legislatures of the forty-eight states, and the process, once set in motion, is expected to take at least two years. In present circumstances, it is doubtful that

the proposed amendment would be of assistance to current plans for the creation of an international organization. This, however, should not discourage supporters of the amendment from pressing for its discussion. The very fact that it is kept before the public during the crucial months of the war and after will have at least an indirect effect on the Senate, one-third of whose membership was renewed in the 1944 elections, with notable additions to the ranks of Senators who favor a policy of cooperation with other nations—among them J. William Fulbright of Arkansas, H. Alexander Smith of New Jersey, Wayne Morse of Oregon, and others.

The second measure proposed to improve the existing machinery for shaping United States foreign policy is to establish continuous consultation on current negotiations between the Executive and Congress. Such consultation would become urgently necessary if both the Senate and the House should become responsible for the approval of treaties, since both houses would then require information from the Executive on the background of the treaties submitted to them. There is, at present, no method by which members of the Senate are regularly informed concerning the problems of our foreign relations daily faced by the President and the State Department. The consequence is that often when the Senate finally does receive a treaty or agreement of whose initial stages it is ignorant, it feels that it has been confronted by a *fait accompli* and balks at accepting it—whereas if it had been informed at all stages of the difficulties encountered, the compromises reached, the gains achieved, it might adopt an entirely different attitude. Former Secretary of State Hull did acquaint members of the Senate Foreign Relations Committee with certain important negotiations, notably the Moscow Conference and the Dumbarton Oaks proposals—but this was



done in an informal, and not continuous, manner and was in large part due to the friendly personal relationship that existed between Mr. Hull and the Senate. In the future, it would be desirable to establish a permanent channel for the presentation of information on international relations by the Executive to Congress, so that when the time comes to implement the good-neighbor intentions of the American people, Congress cannot plead ignorance and the Executive cannot plead Congressional non-cooperation as an excuse for inaction.

## 5. The Voter and International Organization

The foreign policy of the United States is determined not only by the Executive and Congress. There is a third and by no means silent partner in the difficult enterprise of shaping our relations with other nations. That third partner is yourself, in your capacity as voter. It is what our citizens think and say that makes up what we call public opinion. Under our system of government, the President and Congress must constantly scrutinize and weigh public opinion if they are not to march too far ahead or fall too far behind the prevailing views of the people. In the making of foreign policy, particularly, the President must be fairly certain that he can carry with him a majority of the voters if he is to persuade other countries that the statements he issues or the treaties the State Department negotiates represent public opinion in this country and will be supported by the people. Otherwise his voice, even though it be the voice of a prophet ahead of his time as was that of Woodrow Wilson in 1919, will be a voice in the wilderness.

### OUR VARIED BACKGROUND AND FOREIGN POLICY

It is no easy task to determine at any given moment just what is public opinion on current issues of foreign affairs. Ours is a nation built up by immigrants from many lands on all continents, some of whom came as early as the sixteenth century and some as late as the 1930's. Many of us retain sentimental attachments to the nations where we or our parents or grandparents were born, even though we may have no desire whatever to live there. Just as Americans of English origin have a

specially warm place in their heart for England, so people who stem from Germany or the Scandinavian countries or Poland or Russia bear somewhere within them the imprint of the lands where they were born or whose traditions have been woven into their lives. This makes us react more promptly and strongly to events outside our borders than is true of peoples like the British or French, who for centuries have lived together and have relatively few ties of blood with other continents.

Because of this situation, any issue of foreign policy is apt to be judged here not only in terms of how it affects or might be affected by the United States, but also of the impact it has on the particular country involved. Citizens of Polish origin, for example, have expressed strong views concerning the Russo-Polish controversy; citizens of Finnish background enlisted American sympathies on the side of Finland against Russia in 1939-40; citizens of Serb and Croat descent have clashed here during the struggle between their respective peoples in Yugoslavia. Their concern about affairs in their overseas homelands, however, does not diminish their loyalty to the United States, which is being abundantly proved every day during this war. In fact, by a strange paradox, many of our citizens of European origin, while full of sympathy for the troubles suffered by their homelands, often are by no means anxious to have the United States intervene abroad. "We (or our forefathers)," they say, "fled from tyranny and poverty in these countries to the haven of the Promised Land over here, and we don't want to get mixed up again in the very turmoils and conflicts we had hoped to leave behind us forever." Yet no political leader in this country can disregard the possibility, especially when election day comes, that this

decision or that in foreign policy may lose him the Polish vote or the Italian vote. This peculiar feature of American political life will become gradually less important as time goes on, and more and more of our citizens concentrate all their attention and sentiments on the building of the United States.

#### IDEALS IN INTERNATIONAL AFFAIRS

Meanwhile, our concern for other countries is due not so much to the sentimental attachment of our citizens to their homelands as to a strong sense of idealism which is our common heritage from Anglo-Saxon traditions. This idealism causes us again and again to feel shocked by injuries inflicted on other peoples, to demand freedom and justice for all, and to seek ways of performing acts of kindness and mercy abroad. George Washington expressed this profound aspiration of the American people when he said, in his Farewell Address: "It will be worthy of a free, enlightened, and at no distant period a great nation to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence."

This, we would all agree, is a most praiseworthy goal for us to pursue. Sometimes, however, the United States has fallen short of its own ideals, as all human societies are bound to do. Yet we often discuss international affairs as if this country alone has ideals, while all other nations act solely from sordid motives. As President Roosevelt said in his 1945 message to Congress on the state of the Union, it is dangerous for any nation to claim a monopoly of virtue. Other nations, too, have ideals. But sometimes an unfortunate geographic position, or poor economic resources, or poor political leadership make it difficult for them to transform ideals into practice.

We must constantly be on the watch for what is in international relations our greatest national weakness—that is our tendency to think that we have done our share if we just proclaim our ideals and then let other peoples do the dirty work of carrying them out, while we look on as interested but irresponsible spectators, cheering some, admonishing others, but never taking an active part ourselves in the difficult and never-ending task of translating ideals into reality. Ideals that are never put to work are like idle capital: they benefit no one, not even the idealist.

The time has come when we, as a nation, must step down from the lofty pedestal we have occupied since the foundation of this nation into what an English periodical has called “the dust of the arena.” Then we shall begin to see the difficulties that arise when we ourselves work with other nations to put ideals into effect, and may become more tolerant of our neighbors. The policy we have followed until now can be described as a policy of intermittent intervention abroad at such times and under such circumstances as we ourselves determined. From now on we cannot shrink from the political and economic responsibilities of our military operations in Europe and Asia. This will mean that the United States will no longer be able to rely on “temporary alliances for extraordinary emergencies,” as George Washington proposed, and as we have done in two world wars, but will have to assume lasting commitments as an active participant in an international organization.

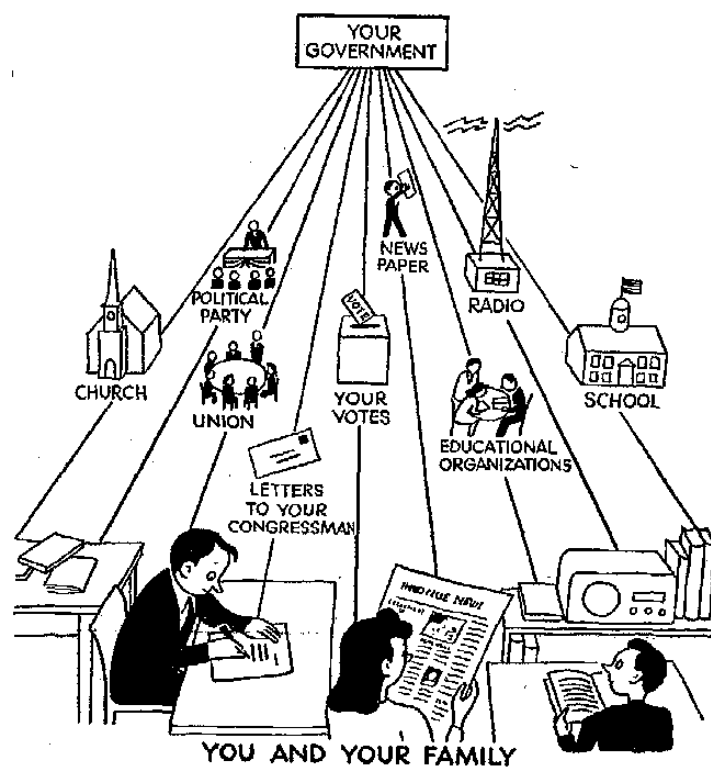
#### WHAT CAN THE VOTER EXPECT FROM GOVERNMENT?

Now that the United States is on the point of expanding its collaboration with other nations, what can you as a voter expect to obtain from the government in the way of assistance

in making up your mind on issues of foreign affairs? The voter can reasonably ask two things. He can ask, first, that the State Department be more promptly responsive than in the past to currents of public opinion. Changes in the internal organization of the State Department effected during 1944—such as the reshuffling of various existing posts and the creation of new ones, notably on labor problems—and the need, forced by the exigencies of war, to recruit personnel on a broader basis, are steps in the right direction. It is essential, however, that members of the State Department, many of whom must spend years abroad in foreign service, should have an opportunity to be in touch as closely as possible with the rough-and-tumble of national life, with the hopes and fears of their fellow-citizens, so that they can bear in mind American conditions and preferences when they negotiate with other nations.

The voter can also ask for more information about current international negotiations—not, of course, about the details of day-to-day conversations with representatives of other nations, which must necessarily enjoy a measure of privacy, but about the objectives the government is seeking to achieve and the methods it is using to achieve them. It is true that, in the past—especially during the critical years that preceded the outbreak of World War II—the President and various government officials did make statements on foreign affairs, but these statements, coming at irregular intervals, and often in disconnected fashion, did not seem to catch the attention of the people. During the war the voters were often left without official information for long periods of time on such crucial questions as our relations with Franco Spain, our attitude toward de Gaulle, our plans for the future of Germany, which were matters of vigorous public debate. Some method of maintaining a continuous flow of forthright information to

## YOUR PART IN U.S. FOREIGN POLICY



the public must be devised by the State Department if we are to fulfill Mr. Hull's ideal that "the people, who are sovereign, must not only educate their servants but must be willing to be educated by them." The interest shown by Secretary of State Stettinius in the need of improving the Department's

public information services gives promise that further reforms may be undertaken in this field.

### WHAT THE VOTER CAN DO

It is not enough, however, for voters to know about foreign affairs. They must also have an opportunity to put their knowledge to work by conveying their views—again with some measure of continuity—to the Executive. In theory they should be able to do this by electing to Congress Representatives and Senators who can speak for them not only on domestic but also on foreign affairs, and by maintaining a constant watch on the opinions expressed and actions taken by their elected spokesmen. For a variety of reasons, however, the people have not always been able to make full use of their opportunity to shape the views of Congress on foreign affairs. Elections are fought usually on domestic—not on foreign policy—issues, and local considerations have a profound influence on the selection of Congressmen. Yet again and again in recent years unofficial observers have had the impression that the people—at least the articulate elements—were way ahead of many Congressmen in their grasp of foreign affairs and in their readiness to consider post-war plans.

If this is true, then there is a dangerous gulf between Congress and the public on foreign policy—a gulf that must be bridged. One of our difficulties is that on many crucial issues—for example, whether or not the country should join the League of Nations—foreign policy has been finally determined by relatively small but strongly organized groups which could bring to bear on Congressmen the kind of persuasive pressure that the average, unorganized citizen is usually not in a position to exert. From now on it is imperative that the voters should be constantly on the alert to detect the influence self-seeking

pressure groups exercise on the conduct of foreign policy, and should counteract it by equally well-planned and well directed political action.

What forms can this action take? Some voters have a helpless, frustrated feeling that they can do nothing unless they are in the seats of the mighty in Washington. This is wrong. There are certain things that every voter can do about foreign policy without leaving his or her home town, and some even without leaving home. Every voter should be familiar with what is being taught to our children in schools and colleges about international relations. If we think that the materials taught are not true to facts, or are distorted by bias, we should take up the matter with our school boards and teachers. Every voter should follow the presentation of news, and especially editorials on foreign affairs, in the local newspaper, and by letters to the editor or direct appeal to the publisher counteract falsification or prejudice. Every voter should urge the local radio station to carry, as is done in some communities, daily or weekly accounts of what Congressmen from that area are doing about international affairs. Every voter can take part in the various groups now in existence for study or action or both in the field of foreign policy, or help to form new ones. Every voter can share in the local activities of the political party to which he or she belongs and see to it that the party organization is interested not only in local problems, but also in problems of foreign affairs.

Even those who are not yet of voting age can, as students in high school or college, prepare themselves for the tasks of citizenship in a democratic nation whose sense of responsibility will determine the success of international organization. All students can study with special concern the history, geography, economy, and culture not only of this country, but also of

other countries, and talk things over with fellow-students, teachers, and parents. They can make whatever group they belong to—Boy or Girl Scouts, 4-H Clubs, student government associations—centers of thought and discussion about this country's position in the modern world. Nothing the individual does is too small to count. It must always be remembered that no successful human institution was built in one day, and that each of us can contribute to the building of world order as we go through life.

Once Congress, through the reforms suggested in Chapter IV, has become closely meshed with the Executive in the formulation and execution of foreign policy, and citizens have both acquired knowledge of foreign affairs and developed the willingness to exercise their privileges as voters, our nation will be in a far stronger position than in the past to match words with deeds, and to act responsibly in The United Nations organization. For far too long voters have felt that their main concern was with local affairs, or at best with national domestic affairs, and that foreign affairs were the concern of the President, the State Department, and a few commentators. Now we are all discovering, through the most bitter experience, that foreign affairs are a matter of life and death for every one of us—and they should remain a matter of life and death even when the war is over. If we fail to see to this, we shall be betraying by default the privileges of citizenship in a democratic society for which millions of people, including our own, have died and are dying in this war. As a young aviator from Connecticut, killed overseas, wrote: "If the country takes these sacrifices with indifference, it will be the cruelest ingratitude the world has ever known. You will, I know, do all in your power to help others keep faith with those few who gave so much."

## A LESSON FROM EXPERIENCE

C. Grove Haines

The generation which fought the First World War was no less anxious than we are now for peace and security that will endure. Nor can it be accused of failing to give serious thought to ways and means of attaining that goal. Everywhere among the allied and associated powers, especially in Great Britain and the United States, plans were formulated for a League of Nations which would end the menace of war. But these efforts were not well coordinated, there was no conference of the powers during that war to iron out differences, and it was not until the eve of the Paris Peace Conference that the Covenant, as President Wilson chose to call it, began to take recognizable shape. At that late hour, when the enemy was defeated and no longer constituted the threat that once bound the Allies together in a common purpose, it was found that there were fundamental disagreements both as to what the League should be and as to how it should come into being. Without President Wilson's tenacity of purpose and the loyal support of the British, the whole plan would have failed. Even so, the completion of the Covenant and its incorporation into the peace treaties came about only after lengthy negotiations which involved the League in every important bargain, sordid or otherwise, which the powers felt required to make.

The story of what happened in the final drafting of the Covenant in Paris is instructive, for it illustrates what the con-

sequences might be if agreement upon an international organization were delayed this time until hostilities are over. There was difficulty at the outset in deciding where the League should be placed on the agenda of the Peace Conference. Should it be a first item of business, or should it be postponed until the perplexing problems of Europe, Africa, and Asia had been resolved? After brief hesitation, the British agreed with President Wilson that it should be given priority; the French also agreed, but more grudgingly; while the Italians and the Japanese were indifferent so long as there was the hope that their immediate objectives might be realized. So it was decided ten days after the Paris Conference had opened to proceed with the framing of the Covenant. In the meantime, however, delicate questions of territorial settlement were arising, and those who wished to force the President to abandon his obstinate adherence to the principles of his Fourteen Points pursued delaying tactics in the League of Nations Commission, which had been named by the conference to draft the Covenant. These obstructions were overcome during the first phase of the Commission's deliberations, thanks to close cooperation between the British and Americans, and President Wilson had the satisfaction of seeing his document accepted by the plenary body of the Peace Conference before he returned to the United States on congressional business in the middle of February 1919.

Arriving in the United States, the President faced new complications. Senatorial opponents, whom he had unhappily failed to placate, were highly critical of his efforts. And, it might be added, the public had grown more apathetic, now that hostilities had ceased. The President was advised to secure amendments to the Covenant lest the Versailles Treaty, of which the Covenant was a part, be rejected. It was embarrass-

sing for the President, upon his return to Paris in March 1919, to reopen an issue already settled, but he did so, asking for revisions which would protect American rights under the Monroe Doctrine, guard against League interference in domestic national concerns, and assure to any state the right of withdrawing from the League. Representatives of other nations who wished to win concessions from the President were thus afforded a fresh opportunity to haggle and bargain.

For a short while the British government attempted to win an agreement with the President on naval ratios between the United States and Britain, but this issue was not pressed. The Japanese were able, however, to extract more favorable terms with reference to Shantung in return for their agreement to the revised Covenant. All of this might have been avoided if the effort to create a League had preceded rather than followed cessation of hostilities, and if popular support in this and other countries had been obtained for it before the Covenant was presented to them as an accomplished fact.

Timing in the strategy of peace is as important as in the strategy of war. This is a lesson which has been learned from bitter experience. Whatever may be the virtues and shortcomings of the Dumbarton Oaks proposals, these proposals have been made while we still fight for common victory and have a chance to digest them, even perhaps to help alter them, before they are given final form. The responsible citizen who realizes the deep import of sound international organization will give these proposals his thoughtful and serious attention.

## PROPOSALS FOR THE ESTABLISHMENT OF A GENERAL INTERNATIONAL ORGANIZATION

THERE should be established an international organization under the title of The United Nations, the Charter of which should contain provisions necessary to give effect to the proposals which follow:

### CHAPTER I. PURPOSES

The purposes of the Organization should be:

1. To maintain international peace and security; and to that end to take effective collective measures for the prevention and removal of threats to the peace and the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means adjustment or settlement of international disputes which may lead to a breach of the peace;
2. To develop friendly relations among nations and to take other appropriate measures to strengthen universal peace;
3. To achieve international cooperation in the solution of international economic, social and other humanitarian problems; and
4. To afford a center for harmonizing the actions of nations in the achievement of these common ends.

### CHAPTER II. PRINCIPLES

In pursuit of the purposes mentioned in Chapter I the Organization and its members should act in accordance with the following principles:

1. The Organization is based on the principle of the sovereign equality of all peace-loving states.

2. All members of the Organization undertake, in order to ensure to all of them the rights and benefits resulting from membership in the Organization, to fulfill the obligations assumed by them in accordance with the Charter.

3. All members of the Organization shall settle their disputes by peaceful means in such a manner that international peace and security are not endangered.

4. All members of the Organization shall refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the Organization.

5. All members of the Organization shall give every assistance to the Organization in any action undertaken by it in accordance with the provisions of the Charter.

6. All members of the Organization shall refrain from giving assistance to any state against which preventive or enforcement action is being undertaken by the Organization.

The Organization should ensure that states not members of the Organization act in accordance with these principles so far as may be necessary for the maintenance of international peace and security.

#### CHAPTER III. MEMBERSHIP

1. Membership of the Organization should be open to all peace-loving states.

#### CHAPTER IV. PRINCIPAL ORGANS

1. The Organization should have as its principal organs:

- a. A General Assembly;
- b. A Security Council;

c. An international court of justice; and

d. A Secretariat.

2. The Organization should have such subsidiary agencies as may be found necessary.

#### CHAPTER V. THE GENERAL ASSEMBLY

##### SECTION A. COMPOSITION

All members of the Organization should be members of the General Assembly and should have a number of representatives to be specified in the Charter.

##### SECTION B. FUNCTIONS AND POWERS

1. The General Assembly should have the right to consider the general principles of cooperation in the maintenance of international peace and security, including the principles governing disarmament and the regulation of armaments; to discuss any questions relating to the maintenance of international peace and security brought before it by any member or members of the Organization or by the Security Council; and to make recommendations with regard to any such principles or questions. Any such questions on which action is necessary should be referred to the Security Council by the General Assembly either before or after discussion. The General Assembly should not on its own initiative make recommendations on any matter relating to the maintenance of international peace and security which is being dealt with by the Security Council.

2. The General Assembly should be empowered to admit new members to the Organization upon recommendation of the Security Council.

3. The General Assembly should, upon recommendation of the Security Council, be empowered to suspend from the



exercise of any rights or privileges of membership any member of the Organization against which preventive or enforcement action shall have been taken by the Security Council. The exercise of the rights and privileges thus suspended may be restored by decision of the Security Council. The General Assembly should be empowered, upon recommendation of the Security Council, to expel from the Organization any member of the Organization which persistently violates the principles contained in the Charter.

4. The General Assembly should elect the non-permanent members of the Security Council and the members of the Economic and Social Council provided for in Chapter IX. It should be empowered to elect, upon recommendation of the Security Council, the Secretary-General of the Organization. It should perform such functions in relation to the election of the judges of the international court of justice as may be conferred upon it by the statute of the court.

5. The General Assembly should apportion the expenses among the members of the Organization and should be empowered to approve the budgets of the Organization.

6. The General Assembly should initiate studies and make recommendations for the purpose of promoting international cooperation in political, economic and social fields and of adjusting situations likely to impair the general welfare.

7. The General Assembly should make recommendations for the coordination of the policies of international economic, social, and other specialized agencies brought into relation with the Organization in accordance with agreements between such agencies and the Organization.

8. The General Assembly should receive and consider annual and special reports from the Security Council and reports from other bodies of the Organization.

#### SECTION C. VOTING

1. Each member of the Organization should have one vote in the General Assembly.

2. Important decisions of the General Assembly, including recommendations with respect to the maintenance of international peace and security; election of members of the Security Council; election of members of the Economic and Social Council; admission of members, suspension of the exercise of the rights and privileges of members, and expulsion of members; and budgetary questions, should be made by a two-thirds majority of those present and voting. On other questions, including the determination of additional categories of questions to be decided by a two-thirds majority, the decisions of the General Assembly should be made by a simple majority vote.

#### SECTION D. PROCEDURE

1. The General Assembly should meet in regular annual sessions and in such special sessions as occasion may require.

2. The General Assembly should adopt its own rules of procedure and elect its President for each session.

3. The General Assembly should be empowered to set up such bodies and agencies as it may deem necessary for the performance of its functions.

### CHAPTER VI. THE SECURITY COUNCIL

#### SECTION A. COMPOSITION

The Security Council should consist of one representative of each of eleven members of the Organization. Representatives of the United States of America, the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist

Republics, the Republic of China, and, in due course, France, should have permanent seats. The General Assembly should elect six states to fill the non-permanent seats. These six states should be elected for a term of two years, three retiring each year. They should not be immediately eligible for reelection. In the first election of the non-permanent members three should be chosen by the General Assembly for one-year terms and three for two-year terms.

#### *SECTION B. PRINCIPAL FUNCTIONS AND POWERS*

1. In order to ensure prompt and effective action by the Organization, members of the Organization should by the Charter confer on the Security Council primary responsibility for the maintenance of international peace and security and should agree that in carrying out these duties under this responsibility it should act on their behalf.

2. In discharging these duties the Security Council should act in accordance with the purposes and principles of the Organization.

3. The specific powers conferred on the Security Council in order to carry out these duties are laid down in Chapter VIII.

4. All members of the Organization should obligate themselves to accept the decisions of the Security Council and to carry them out in accordance with the provisions of the Charter.

5. In order to promote the establishment and maintenance of international peace and security with the least diversion of the world's human and economic resources for armaments, the Security Council, with the assistance of the Military Staff Committee referred to in Chapter VIII, Section B, paragraph 9, should have the responsibility for formulating plans for the

establishment of a system of regulation of armaments for submission to the members of the Organization.

#### *SECTION C. VOTING*

(NOTE.—The question of voting procedure in the Security Council is still under consideration.)

#### *SECTION D. PROCEDURE*

1. The Security Council should be so organized as to be able to function continuously and each state member of the Security Council should be permanently represented at the headquarters of the Organization. It may hold meetings at such other places as in its judgment may best facilitate its work. There should be periodic meetings at which each state member of the Security Council could if it so desired be represented by a member of the government or some other special representative.

2. The Security Council should be empowered to set up such bodies or agencies as it may deem necessary for the performance of its functions including regional subcommittees of the Military Staff Committee.

3. The Security Council should adopt its own rules of procedure, including the method of selecting its President.

4. Any member of the Organization should participate in the discussion of any question brought before the Security Council whenever the Security Council considers that the interests of that member of the Organization are specially affected.

5. Any member of the Organization not having a seat on the Security Council and any state not a member of the Organization, if it is a party to a dispute under consideration by the Security Council, should be invited to participate in the discussion relating to the dispute.

## CHAPTER VII. AN INTERNATIONAL COURT OF JUSTICE

1. There should be an international court of justice which should constitute the principal judicial organ of the Organization.

2. The court should be constituted and should function in accordance with a statute which should be annexed to and be a part of the Charter of the Organization.

3. The statute of the court of international justice should be either (a) the Statute of the Permanent Court of International Justice, continued in force with such modifications as may be desirable or (b) a new statute in the preparation of which the Statute of the Permanent Court of International Justice should be used as a basis.

4. All members of the Organization should *ipso facto* be parties to the statute of the international court of justice.

5. Conditions under which states not members of the Organization may become parties to the statute of the international court of justice should be determined in each case by the General Assembly upon recommendation of the Security Council.

## CHAPTER VIII. ARRANGEMENTS FOR THE MAINTENANCE OF INTERNATIONAL PEACE AND SECURITY INCLUDING PREVENTION AND SUPPRESSION OF AGGRESSION

### SECTION A. PACIFIC SETTLEMENT OF DISPUTES

1. The Security Council should be empowered to investigate any dispute, or any situation which may lead to international friction or give rise to a dispute, in order to determine whether its continuance is likely to endanger the maintenance of international peace and security.

2. Any state, whether member of the Organization or not, may bring any such dispute or situation to the attention of the General Assembly or of the Security Council.

3. The parties to any dispute the continuance of which is likely to endanger the maintenance of international peace and security should obligate themselves, first of all, to seek a solution by negotiation, mediation, conciliation, arbitration or judicial settlement, or other peaceful means of their own choice. The Security Council should call upon the parties to settle their dispute by such means.

4. If, nevertheless, parties to a dispute of the nature referred to in paragraph 3 above fail to settle it by the means indicated in that paragraph, they should obligate themselves to refer it to the Security Council. The Security Council should in each case decide whether or not the continuance of the particular dispute is in fact likely to endanger the maintenance of international peace and security, and, accordingly, whether the Security Council should deal with the dispute, and, if so, whether it should take action under paragraph 5.

5. The Security Council should be empowered, at any stage of a dispute of the nature referred to in paragraph 3 above, to recommend appropriate procedures or methods of adjustment.

6. Justiciable disputes should normally be referred to the international court of justice. The Security Council should be empowered to refer to the court, for advice, legal questions connected with other disputes.

7. The provisions of paragraph 1 to 6 of Section A should not apply to situations or disputes arising out of matters which by international law are solely within the domestic jurisdiction of the state concerned.

*SECTION B. DETERMINATION OF THREATS TO THE  
PEACE OR ACTS OF AGGRESSION AND ACTION  
WITH RESPECT THERETO*

1. Should the Security Council deem that a failure to settle a dispute in accordance with procedures indicated in paragraph 3 of Section A, or in accordance with its recommendations made under paragraph 5 of Section A, constitutes a threat to the maintenance of international peace and security, it should take any measures necessary for the maintenance of international peace and security in accordance with the purposes and principles of the Organization.
2. In general the Security Council should determine the existence of any threat to the peace, breach of the peace or act of aggression and should make recommendations or decide upon the measures to be taken to maintain or restore peace and security.
3. The Security Council should be empowered to determine what diplomatic, economic, or other measures not involving the use of armed force should be employed to give effect to its decisions, and to call upon members of the Organization to apply such measures. Such measures may include complete or partial interruption of rail, sea, air, postal, telegraphic, radio and other means of communication and the severance of diplomatic and economic relations.
4. Should the Security Council consider such measures to be inadequate, it should be empowered to take such action by air, naval or land forces as may be necessary to maintain or restore international peace and security. Such action may include demonstrations, blockade and other operations by air, sea or land forces of members of the Organization.
5. In order that all members of the Organization should contribute to the maintenance of international peace and security, they should undertake to make available to the Security Council,

cil, on its call and in accordance with a special agreement or agreements concluded among themselves, armed forces, facilities and assistance necessary for the purpose of maintaining international peace and security. Such agreement or agreements should govern the numbers and types of forces and the nature of the facilities and assistance to be provided. The special agreement or agreements should be negotiated as soon as possible and should in each case be subject to approval by the Security Council and to ratification by the signatory states in accordance with their constitutional processes.

6. In order to enable urgent military measures to be taken by the Organization there should be held immediately available by the members of the Organization national air force contingents for combined international enforcement action. The strength and degree of readiness of these contingents and plans for their combined action should be determined by the Security Council with the assistance of the Military Staff Committee within the limits laid down in the special agreement or agreements referred to in paragraph 5 above.

7. The action required to carry out the decisions of the Security Council for the maintenance of international peace and security should be taken by all the members of the Organization in cooperation or by some of them as the Security Council may determine. This undertaking should be carried out by the members of the Organization by their own action and through action of the appropriate specialized organizations and agencies of which they are members.

8. Plans for the application of armed force should be made by the Security Council with the assistance of the Military Staff Committee referred to in paragraph 9 below.

9. There should be established a Military Staff Committee the functions of which should be to advise and assist the

Security Council on all questions relating to the Security Council's military requirements for the maintenance of international peace and security, to the employment and command of forces placed at its disposal, to the regulation of armaments, and to possible disarmament. It should be responsible under the Security Council for the strategic direction of any armed forces placed at the disposal of the Security Council. The Committee should be composed of the Chiefs of Staff of the permanent members of the Security Council or their representatives. Any member of the Organization not permanently represented on the Committee should be invited by the Committee to be associated with it when the efficient discharge of the Committee's responsibilities requires that such a state should participate in its work. Questions of command of forces should be worked out subsequently.

10. The members of the Organization should join in affording mutual assistance in carrying out the measures decided upon by the Security Council.

11. Any state, whether a member of the Organization or not, which finds itself confronted with special economic problems arising from the carrying out of measures which have been decided upon by the Security Council should have the right to consult the Security Council in regard to a solution of those problems.

#### *SECTION C. REGIONAL ARRANGEMENTS*

1. Nothing in the Charter should preclude the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action, provided such arrangements or agencies and their activities are consistent with the purposes and principles of the Organization. The Security

Council should encourage settlement of local disputes through such regional arrangements or by such regional agencies, either on the initiative of the states concerned or by reference from the Security Council.

2. The Security Council should, where appropriate, utilize such arrangements or agencies for enforcement action under its authority, but no enforcement action should be taken under regional arrangements or by regional agencies without the authorization of the Security Council.

3. The Security Council should at all times be kept fully informed of activities undertaken or in contemplation under regional arrangements or by regional agencies for the maintenance of international peace and security.

### *CHAPTER IX. ARRANGEMENTS FOR INTERNATIONAL ECONOMIC AND SOCIAL COOPERATION*

#### *SECTION A. PURPOSE AND RELATIONSHIPS*

1. With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations, the Organization should facilitate solutions of international economic, social and other humanitarian problems and promote respect for human rights and fundamental freedoms. Responsibility for the discharge of this function should be vested in the General Assembly and, under the authority of the General Assembly, in an Economic and Social Council.

2. The various specialized economic, social and other organizations and agencies would have responsibilities in their respective fields as defined in their statutes. Each such organization or agency should be brought into relationship with the Organization on terms to be determined by agreement between

the Economic and Social Council and the appropriate authorities of the specialized organization or agency, subject to approval by the General Assembly.

#### *SECTION B. COMPOSITION AND VOTING*

The Economic and Social Council should consist of representatives of eighteen members of the Organization. The states to be represented for this purpose should be elected by the General Assembly for terms of three years. Each such state should have one representative, who should have one vote. Decisions of the Economic and Social Council should be taken by simple majority vote of those present and voting.

#### *SECTION C. FUNCTIONS AND POWERS OF THE ECONOMIC AND SOCIAL COUNCIL*

1. The Economic and Social Council should be empowered:
  - a. to carry out, within the scope of its functions, recommendations of the General Assembly;
  - b. to make recommendations, on its own initiative, with respect to international economic, social and other humanitarian matters;
  - c. to receive and consider reports from the economic, social and other organizations or agencies brought into relationship with the Organization, and to coordinate their activities through consultations with, and recommendations to, such organizations or agencies;
  - d. to examine the administrative budgets of such specialized organizations or agencies with a view to making recommendations to the organizations or agencies concerned;
  - e. to enable the Secretary-General to provide information to the Security Council;

- f. to assist the Security Council upon its request; and
- g. to perform such other functions within the general scope of its competence as may be assigned to it by the General Assembly.

#### *SECTION D. ORGANIZATION AND PROCEDURE*

1. The Economic and Social Council should set up an economic commission, a social commission, and such other commissions as may be required. These commissions should consist of experts. There should be a permanent staff which should constitute a part of the Secretariat of the Organization.
2. The Economic and Social Council should make suitable arrangements for representatives of the specialized organizations or agencies to participate without vote in its deliberations and in those of the commissions established by it.
3. The Economic and Social Council should adopt its own rules of procedure and the method of selecting its President.

#### *CHAPTER X. THE SECRETARIAT*

1. There should be a Secretariat comprising a Secretary-General and such staff as may be required. The Secretary-General should be the chief administrative officer of the Organization. He should be elected by the General Assembly, on recommendation of the Security Council, for such term and under such conditions as are specified in the Charter.
2. The Secretary-General should act in that capacity in all meetings of the General Assembly, of the Security Council, and of the Economic and Social Council and should make an annual report to the General Assembly on the work of the Organization.
3. The Secretary-General should have the right to bring to the attention of the Security Council any matter which in his opinion may threaten international peace and security.

## CHAPTER XI. AMENDMENTS

Amendments should come into force for all members of the Organization, when they have been adopted by a vote of two-thirds of the members of the General Assembly and ratified in accordance with their respective constitutional processes by the members of the Organization having permanent membership on the Security Council and by a majority of the other members of the Organization.

## CHAPTER XII. TRANSITIONAL ARRANGEMENTS

1. Pending the coming into force of the special agreement or agreements referred to in Chapter VIII, Section B, paragraph 5, and in accordance with the provisions of paragraph 5 of the Four-Nation Declaration, signed at Moscow, October 30, 1943, the states parties to that Declaration should consult with one another and as occasion arises with other members of the Organization with a view to such joint action on behalf of the Organization as may be necessary for the purpose of maintaining international peace and security.

2. No provision of the Charter should preclude action taken or authorized in relation to enemy states as a result of the present war by the Governments having responsibility for such action.

### NOTE

In addition to the question of voting procedure in the Security Council referred to in Chapter VI, several other questions are still under consideration.

WASHINGTON, D. C.

October 7, 1944.

## SUGGESTED READING

After Victory . . . should be read in conjunction with the following Headline Series issues: *The Struggle for World Order*, by Vera M. Dean, *The Changing Far East*, by William C. Johnstone, *Mainsprings of World Politics*, by Brooks Emeny, *Look at Africa*, by R. G. and M. S. Woolbert, *On the Threshold of World Order*, by Vera M. Dean, and *A Peace that Pays*, by Thomas P. Brockway.

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*Second Printing February 1945*



Some service man will be interested in this. After you have read it, why not send it to your nearest camp or hospital library?

## A PEACE THAT PAYS

by Thomas P. Brockway

### 1. War Every Twenty-Five Years?

When the Axis Powers have been defeated, the United Nations will be faced with the task of building a durable peace. This will not be easy since there is only moderate agreement on the tactics and strategy of peace. Furthermore allies have a way of falling out among themselves once their enemy is disarmed.

However, we are now farther along the road to international cooperation than we were at any time during World War I. An unprecedented degree of economic and military teamwork has been developed to defeat the Axis. At the same time considerable progress has been made towards laying the foundations of post-war order and peace. For example:

A United Nations relief and rehabilitation agency is already active.

The International Labor Organization, founded shortly after World War I, met in May 1944 to consider post-war problems of employment and living standards.

The following July representatives of forty-four nations met at Bretton Woods, N. H. to pass on plans for the establishment of a world monetary fund and a world bank.

Early in August the United States and Great Britain reached an agreement designed to make petroleum a tool of world order rather than a cause of conflict.

Later in the month representatives of the United States, the Soviet Union and Great Britain met in Washington to consider concrete plans for maintaining world peace.

In September announcement was made of an international conference to deal with aviation.

These are all encouraging preliminary steps toward world order, but much remains to be done if peace is to be established on firm foundations. The Bretton Woods plans for stabilizing the world's currencies have yet to be ratified by Congress and by other governments. If trade barriers remain as high as they were in the 'thirties, nations will find it as difficult to do business with each other after the war as before it. There is a vital organic connection between international economic matters and peace among nations. A world depression comparable to that which gave Hitler his opportunity would certainly create conditions more favorable to war than to peace. An imperialistic struggle between ourselves and other Great Powers might indeed start us on the road to World War III.

#### OUR RESPONSIBILITY

Whether or not these dangers can be avoided will depend to a large degree on the United States. The economies of most nations in Europe and in Asia will have been dislocated or seriously weakened at the end of the war. We ourselves will face serious problems in reconverting our industries to peacetime uses, and in demobilizing our armed forces and finding them employment. But in comparison with the economies of the other Powers, ours will be strong, intact and dynamic. If we misuse our favorable position—for instance, to drive for world markets with diplomatic backing or threats of force—we shall be heading directly for economic warfare, imperialism, and world anarchy. Such a course would, in the long run, damage our own economic

interests. If, on the other hand, we shape our foreign economic policies wisely, we can make a major contribution to world peace and to our own prosperity.

Peace is the first of our long-term interests. The second is a prospering economy which will support full employment and a rising standard of living. This is easy to say, difficult to achieve, partly because as consumers we cannot always afford to buy as much as our farms and factories are capable of producing. The problem after the war will be complicated by the fact that the soldiers will begin looking for jobs just as American manufacturers and farmers lose their best customer. That customer, the United States government, has bought everything that the nation could produce, if useful in war, from B-29's to powdered eggs.

#### WHEN WAR PRODUCTION ENDS . . .

If we are to avoid hard times and unemployment when war production ends, it is essential that we find new customers for the civilian goods we can produce. It is also essential that we find new opportunities for turning new mechanical skills learned in war to peacetime uses. The best market for our goods and services has always been the United States, and this market can be greatly expanded if all our needs are to be supplied. But on the basis of our past record and our future prospects it is clear that we cannot prosper without a large volume of business transactions with other nations.

The problem after World War II will be to increase these transactions well above the pre-war level, and even above the level of the boom years of the late 'twenties. By 1929 our investments abroad totalled seventeen billion dollars, and in that year our foreign trade approached ten billion dollars. But with the depression of the early 'thirties new trade barriers such as our

Smoot-Hawley tariff, exchange controls and measures for achieving self-sufficiency paralyzed business among nations. The world economy broke up into national economies. If these devices of economic nationalism remain in effect after the war, there is little prospect that the exchange of goods and services between nations will contribute much to our prosperity or the world's prosperity on a peacetime basis.

As already suggested, the United States will be in an economic position after the war to play a very important role in fashioning the world economy. But if we want to open the world's markets, we shall have to change some of our own pre-war policies and practices. In particular if we want to sell more goods we shall have to buy more goods, for international trade is a two-way proposition. If we are prepared to expand our imports, we can expect other nations to be more willing to buy our exports. But if we continue to deny in practice that fair reciprocity is essential to transactions between nations, the post-war economy may be as paralyzed by economic nationalism as was the economy of the 'thirties.

#### PEACE AND PROSPERITY

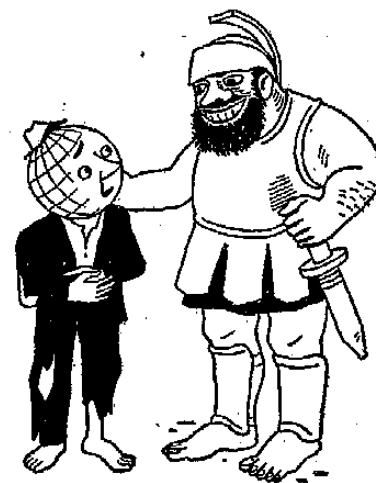
Peace and prosperity are closely and intricately linked. In the late 'twenties, when times were good, world peace seemed to be in little danger in spite of international stresses and strains. Optimists asserted that a structure of world order was growing out of international conferences and the activities of the League of Nations. But with the depression this hopeful trend was reversed. Everywhere, each national community sought to find its own solutions to economic problems, regardless of the consequences to others. And in some prosperity was sought at the end of a bayonet. Japan seized Manchuria in 1931 and embarked on the conquest of the rest of China in 1937. The Nazis began

rolling up votes, Hitler came into power in 1933, and Germany entered upon its career of conquest with the seizure of Austria in 1938. Mussolini plotted and then carried through the annexation of Ethiopia.

World depressions do not necessarily bring Hitlers into power, but they create suffering and resentments that political adventurers can exploit. Without the depression it may be doubted that the Nazis would have become masters of Germany in spite of the lost war and the Treaty of Versailles. Without the depression it is even possible that the military party in Japan would have failed to gain mastery over the Japanese government.

This is by no means intended to suggest that hard times are the only cause of war, or necessarily the main cause of war. There is little doubt, however, that we stand a better chance of establishing world order if we can avoid another world depression. If each nation could avail itself of the clear advantages of exchanging goods and services with other nations, each could share in the amazing achievements of modern technology. This would mean a higher standard of living for millions of persons throughout the world. It is possible that peace can be attained more surely in this way than by a permanent crippling of enemy countries or universal renunciations of war.

*An ill-fed world listens to Mars.*





This discussion will raise certain questions about the role of the United States in the post-war world economy—particularly with respect to foreign investment, trade, shipping and aviation. Its aim is to consider the relation between our own economic practices and policies on the one hand and world order and peace on the other. The following chapters offer no neat blueprint for a brave new world. They are written, however, on the assumption that the peace can be won if enough of us work at it together. The alternative appears to be brief intervals of prosperity followed by long periods of depression and unemployment, which may easily lead to new world wars—the repetition of our tragic mistakes of the past.

## 2. Business in Uniform

"Getting back to normalcy" has aroused less enthusiasm as a post-war aim this time than it did twenty-five years ago. The explanation may be that it is difficult to recall when we had "normalcy" or whether we liked it. But we won't get back to it. The change from war to peace will be universally acclaimed, but it is now widely recognized that the world will have changed, perhaps slightly in some respects, undoubtedly greatly in others.

What are the features of our wartime economies which may have continuing effects after the war? The basic fact of course is that for the duration the economy of every belligerent and occupied country is subject to the orders of one war machine, and, in all probability, vulnerable to the bombs of the other. Our own economy has been spared the bombs, and its conspicuous wartime characteristic is its amazing capacity to produce, in spite of shortages of men and materials. For the other belligerents the war has brought or will bring varying degrees of deprivation, dislocation and destruction as a consequence of blockades and shipping losses, bomb-damage and battle itself.

Yet, in spite of shortages of men and materials and the direct injuries of war, the world may now be producing more than at any time in its history. What are the techniques that have achieved record production in wartime? Can they be at least partially utilized in building our peacetime economy? Of particular importance are first the technological factor, second the expansion of industry, third the role of government, and finally the expedient of international planning and pooling of resources.

### TECHNOLOGY

Technology is a tool of modern industrial society only partially utilized in peacetime, more fully utilized in wartime. New inventions may appear commercially unprofitable and so remain filed away and forgotten until war comes. Then costs and profits scarcely matter, and the invention may be put into production. Or new discoveries are patented by one nation and kept from general use until war frees the enemy to copy the product or seize the patent from the files of a foreign branch office and put it to use. Finally belligerents are frequently cut off from strategic materials and technical assistance. They are thus forced to invent substitute materials and work out new techniques for themselves. For example, German chemists during two world wars have learned how to make many vital materials out of coal, including rubber and oil. In this and other ways, belligerents have increased their self-sufficiency and reduced the effectiveness of blockade as a war weapon.

The rapid growth of synthetics during the war raises an important question for post-war trade. Most wartime substitutes are uneconomic; that is, they cost more to make than the originals which they replace. In what circumstances, then, is a country likely to continue to substitute domestic synthetics for the original imported products? Some of the synthetic fibres Germany has used in textiles, for example, cost more than cotton. The question is whether Germany will become a market for cotton again, or continue synthetic production. If Germany, or any other nation, is primarily interested in preparing itself for World War III, or if the synthetics interests can keep cotton out of the country by means of high tariffs, then wartime makeshifts will continue. The result would be unfortunate for our cotton growers in particular, and would clearly interfere with the revival of international trade in general.

### EXPANSION OF INDUSTRY

Similarly the development of industrial skills and the expansion of industry are likely to influence the nature of trade after the war. For example, Japan's industry was once dependent on the United States and Germany for a substantial volume of special steels, ball-bearings, precision instruments, designs and technical assistance. During the war the few German blockade-runners that have reached Japan almost invariably carried special steels, models of guns, blueprints and occasionally a German engineer. But this assistance has been negligible, and Japan has been forced to develop new industrial techniques and designs to keep her war production going. The consequence is likely to be a change in the nature of Japan's dependence on the West after the war.

### INDUSTRIALIZATION AND FOREIGN MARKETS

Another development of the war is the rapid industrialization of nations that were mainly agricultural before the war. A number of Latin American countries have learned to manufacture articles that neither the United States nor Britain could supply in wartime. Canada and Australia have made great strides in industrial production. Within a year after the fall of France, when the United Kingdom ceased supplying her partners with aircraft, Australia began turning out combat planes entirely manufactured on her island continent. It is interesting to note that while these Commonwealth nations have been industrializing, the United Kingdom has substantially increased its agricultural production in order to offset the menace of German submarines to the food supply, and to release shipping for other war purposes. This development may change the pattern of Empire trade, for England formerly imported most of her food, and counted on the Empire to buy her manufactures.

Some concern has been expressed in the United States that the

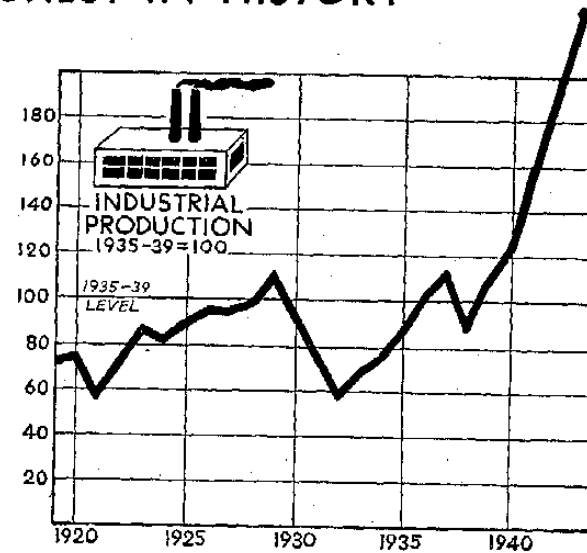
industrialization of hitherto undeveloped countries is likely to shut us out of foreign markets. This is indeed a possibility if international trade cannot be made mutually advantageous after the war. But there is strong evidence in support of the view that our best markets after the war will be industrial nations whose standards of living are high, rather than poor agricultural countries that are still puzzled by a monkey-wrench. It should be noted that Great Britain, one of the most highly industrialized of all nations, has always been our best customer. On the other hand, China with her 400 million people, and limitless needs, has been unable to buy much from us.

It is true that newly-industrialized nations will not need to import the same manufactures as before the war. But industrialization is an endless process, and at every stage Canada, for example, will turn to the more advanced industrial nations for machinery and machine-tools, if not actual technical assistance. And since industrialization always means an increased national income, and generally a rising standard of living, Canadians will be able to buy more goods from abroad than before.

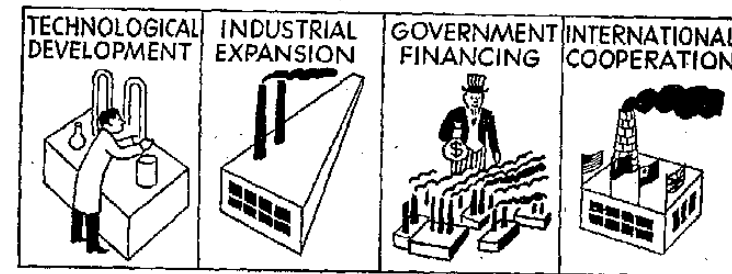
#### ROLE OF GOVERNMENT

If the high level of world production in wartime is to be credited mainly to the remarkable development of modern industry and technology, it is important to note that in every country the government has played a dominant role in planning, directing and financing the operation of supplying the war machine. Above all the government has been the customer with almost unlimited demands and purchasing power. This was of course no innovation in the Soviet Union or the Axis countries where the state had taken over the operation or control of industry long before the war. It was something of an innovation for us, and for this

## TODAY OUR PRODUCTION IS THE HIGHEST IN HISTORY



## THIS IS MADE POSSIBLE BY ...



GRAPHIC ASSOCIATES

reason many people in this country expect government controls to vanish with the peace, both here and abroad.

This expectation is unlikely to be wholly realized. The trend toward state control of industry, banking and foreign economic relations has been visible for several decades. It was accelerated by the depression, and again by World War II. The legacy of the war itself will include problems that cannot be solved by private enterprise without varying degrees of government planning, decision and money. This applies particularly to the tremendous tasks of reconverting industry to civilian production and reconstructing devastated areas.

#### POST-WAR ECONOMIC CONTROLS

In the United States we may expect a considerable relaxation of economic controls, partly because we are in a stronger position economically than other nations, and can risk leaving more decisions to the law of supply and demand. But in general the war will have encouraged the trend toward "statism" or state action and control in economic matters. In particular the economies of the defeated powers will have to remain under strong central authority if they are to meet their international obligations and function under the terms likely to be imposed upon them. The occupied countries, and the beleaguered countries, like China, will be similarly compelled to make and execute plans which in part or in the main would not appeal to private capital as a promising risk. Even in England, where before the depression economic life was proverbially free of government "interference," post-war planning forecasts substantial government initiative and control both at home and in empire and foreign economic relations.

This trend toward "statism" in some nations does not necessarily spell misfortune for other nations. If the purpose of state

planning and control is the achievement of military self-sufficiency, or the protection of uneconomic interests, it is obvious that both the world economy and world order will lose by it. If, however, the purpose is an expansion of the national economy directed toward higher living standards, trade with other nations would necessarily be provided for. For example, recent reports indicate that the Soviet Union plans to depend to a greater degree on purchases from other nations than before the war. Following his trip through the U.S.S.R. in the summer of 1944 Eric Johnston, president of the United States Chamber of Commerce, reported with some enthusiasm on the prospects for our own post-war trade with Russia.

#### INTERNATIONAL COOPERATION

Indeed, the war experience itself points to the possibilities of effective cooperative action between economies under varying degrees of government control. In fact an important element in the Allies remarkable war production record is the joint planning and pooling of resources that has characterized United Nations' effort. Combined Boards in Washington have allocated raw materials, production, shipping and finished munitions in order to make effective use of the resources and skills of the Allies. Similarly Lend-Lease and Lend-Lease in Reverse have strikingly illustrated the possibilities in cooperative action on the basis of an international division of labor. By these various means, each Ally has been able to concentrate its productive efforts on the tasks it could perform efficiently. By these means also, the great financial and productive power of the United States was turned against the Axis long before our military forces were ready to strike.

How much of this international machinery will survive the war is a question. Ordinarily international trade is itself an

effective means of realizing the advantages of an international division of labor. It is possible, however, that certain raw materials, such as rubber, may remain in short supply for some time after the end of the war. It may be desirable, therefore, to continue an international allocation of such materials to the various nations on the basis of need so long as shortages continue.

#### CONTROL OF VITAL COMMODITIES

If world security is to be established, it will be essential to maintain permanent, firm international control over the distribution of certain vital commodities without which war could not be waged. A first step has already been taken toward bringing petroleum under such control. On August 8 the United States and Great Britain signed an agreement on oil, later to be the subject of general international discussion. The agreement provided for a temporary Anglo-American commission to study world oil needs, production and distribution. The peacetime aim of the agreement is to insure that all nations can buy oil at a fair price without discrimination, but considerations of military security will outweigh the factor of profit in the decisions of the commission. It will be recalled that Japan, at the time of its attack on Pearl Harbor, had stockpiles of aviation gasoline largely made from oil supplied to it by its present enemies.

To return to our initial question as to how different the world will be after the war, it is apparent that no clear-cut answer can yet be given. The answer will be largely influenced by decisions still to be made by us and by other nations. We and they can use our economic power to contribute to an expanding world economy, or pursue policies of economic nationalism through which the advantages of an international division of labor will be lost to everybody. We and they can admit that certain matters, such as commercial aviation, radio and shipping, are of

international concern, or embark on careers of economic imperialism.

Some of these decisions are now being made, some will await the full return to peace. If we base our own decisions on our essential interest in both peace and prosperity, there is some prospect that changes in the post-war world will benefit both ourselves and other nations.

### 3. Transition to Peace

Global war is likely to end as it begins—piecemeal. In a sense World War II began with Japan's seizure of Manchuria, and it may end with Japan's expulsion from Manchuria. Between these two events will lie Europe's "age of Hitler" from the Nazis rise to power to the German surrender. Thus before the defeat of Japan, and while we are still fighting, Axis Europe will have arrived at the post-war era, as will the Soviet Union, unless it joins us in the war on Japan. But even after the defeat of all the Axis Powers military occupations will postpone the full return to peace, and will postpone it longer in some areas than in others.

It is important to understand this time factor and to realize that the economic decisions which this and other nations make in the period of transition will help to set the pattern of world economics for many years to come. During the transition period problems connected with economic administration will arise nearly everywhere, although with varying degrees of acuteness; and in some nations these problems will carry over until well within the post-war era.

One of the first transition tasks is relief and rehabilitation. Early in the war a number of governments-in-exile with funds in London and New York began tackling this problem on their own. The result was that their purchases for stockpiling and post-war delivery threatened to tie up materials immediately required by the armed forces and ultimately needed by other nations as they were freed from Axis rule.

### UNRRA—WHAT IT WILL DO

In recognition of both the dangers and the inadequacy of individual national effort, the United Nations Relief and Rehabilitation Administration (UNRRA) was set up during 1943. Late in the year the Council of UNRRA, comprising representatives of forty-four nations, met at Atlantic City "to map out a program of joint operations on a global scale."\* During 1944 the Administration has been preparing to provide United Nations areas with emergency supplies and services. A second meeting of the Council was held in Montreal in September.

For our purpose it is important to note what UNRRA is to do, and what it is not to do, in the transition period. In the first place UNRRA's primary aim is to furnish assistance to United Nations' areas rather than to ex-enemy or enemy countries, and then only if requested to do so by the country concerned. Thus Italian relief problems remained the responsibility of the Allied military authorities far into 1944, and French relief matters have been handled largely by the Committee of National Liberation.

Second, UNRRA decided at Atlantic City to meet immediate emergency needs only, rather than to involve itself in problems of fundamental economic reorganization as some had hoped. Specifically UNRRA undertook to furnish liberated areas with such goods and services as food and clothing, medical supplies, seeds and fertilizer, and technical assistance in putting water and power systems into operation. Third, the Administration depends on existing national and international war agencies, such as the Combined Food Board, for supplies; and in most cases actual distribution will be handled by local and national authorities. Finally, the military authorities will not admit UNRRA for at least six months after an area has been freed.

\* Vera Micheles Dean, "UNRRA—A Step Toward Reconstruction," *Foreign Policy Reports*, January 1, 1944.

#### WHAT UNRRA CANNOT DO

These facts suggest the restricted nature of UNRRA's job, as does its estimated budget of well under three billion dollars for two years. We are faced with tremendous problems which UNRRA cannot meet. First there is the relief job in areas where UNRRA will not operate. Reports from Italy in September 1944 indicated that emergency relief needs had not been met by the occupying authorities, that disease and particularly infant mortality were on the increase, and that virtually nothing had been done to get normal economic life started. Recently appeals to UNRRA to undertake relief in Italy were made by officials of the American Relief for Italy Society, and a modest allotment of fifty million dollars was made for that purpose. Second, beyond UNRRA's scope is the gigantic task of rebuilding necessary in most of Europe and Asia before we can think again in terms of an active world economy. The responsibility for this job will fall primarily on the individual nation. But without foreign assistance many war-torn areas might spend years vainly trying to solve the elemental problem of mere survival.

#### WHAT WE ARE DOING

Our own contribution to this world problem of reconstruction is worth some attention if only for the reason that we cannot achieve either security or well-being in a world made up of slums and tobacco roads. The United States has given generously to many relief agencies, and its contribution to UNRRA was set at \$1,350,000,000. But there is a wide gap between emergency relief and the rebuilding that is essential to genuine recovery. The European nations that have funds safely held abroad, like France, will be able to pay for the foodstuffs that were flown into Paris and trucked in elsewhere. They may also be able to pay for materials required to get their industries started. But

foreign loans will be needed by many nations even before UNRRA has wound up its affairs.

American capital will be available for additional private and governmental loans. But before financial transactions are possible, the United States could greatly hasten the recovery of devastated areas by the judicious use of surplus military stores and equipment whenever these are no longer needed for military purposes. As each of our enemies surrenders, the United States Army will have at hand millions of tons of reserve foodstuffs, lumber, tents, rails, bulldozers, trucks, and a thousand other articles of equal importance in war or peace. The bulk of these stores will not be needed elsewhere, they will have served their purpose, and they might well be written off and turned over to UNRRA or to responsible local or national authorities, wherever it was clear they would expedite the return of "normal" life. This immediate physical contribution to Europe's recovery, and later to Asia's, would be particularly useful in view of probable delays in re-establishing trade channels, and a probable shortage of shipping space for a year after the end of hostilities.

#### BRETTON WOODS CONFERENCE

Two international agencies considered at Bretton Woods, N. H., in July 1944 should contribute to world recovery, if they are approved by Congress and by other governments. The first of these proposed agencies is the *International Monetary Fund*. The immediate aim of this fund would be to hasten the resumption of commercial trade between nations. This it would do by assisting member nations to establish the value of their currencies, and make such changes of value as are necessary in an orderly way. Although the Monetary Fund was designed as a permanent feature of the world economy, it was expected to play a particularly valuable role in the critical years of post-war readjustment. Dur-

ing this period many nations would be unable to establish the purchasing power of their currencies in the world market without some assistance from the stronger nations. The occupied countries, for example, such as Greece, might be unable to obtain needed supplies for many months without the temporary assistance of the Fund. To achieve this end every nation is expected to contribute to the Fund according to its financial strength. The total Fund is to be 8.8 billion dollars, of which the United States is asked to contribute 2.75 billion, Great Britain 1.3 billion and the Soviet Union 1.2 billion. These pooled resources are intended to hasten the resumption of commercial relations between nations and thus to hasten world recovery and contribute to world order.

The second agency considered at Bretton Woods was the *International Bank for Reconstruction and Development*. This bank will be referred to at greater length in the following chapter. It is enough here to say that it would arrange loans for reconstruction purposes at reasonable rates, and in some cases take risks that no private bank could afford to take. Again the theory is that a pooling of resources of all nations would speed up world recovery, and thus contribute to the peacetime prosperity on which world order will depend.

#### PROBLEMS OF RECONVERSION

Merged with reconstruction will be the problems of demobilization and reconversion of industry to peace production. These problems will of course be most difficult for the defeated Powers, since their economies are now almost wholly military but will become of necessity wholly non-military. The degree of demobilization and reconversion for ourselves and our Allies will be determined in part by the extent of military occupation and policing. It will be determined in part also by the degree to

which international security provisions reduce the necessity for national defense measures.

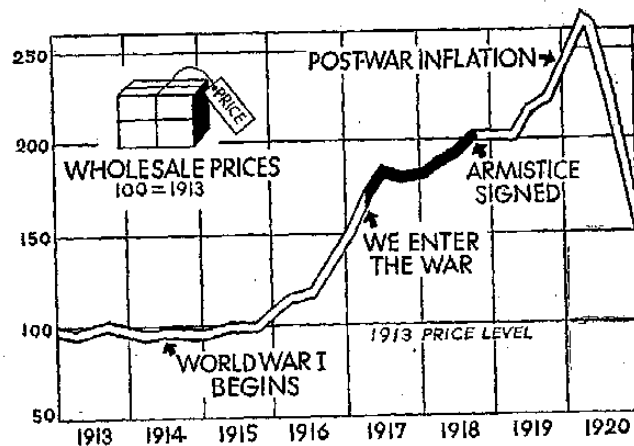
Our own military expenditures have begun to decline, and the process of reconversion has commenced with the cancellation of war orders. However full civilian production may not be attained for some time and this transition period presents a danger both to our own economy and to world recovery. If the history of 1919-21 is repeated (in modern dress) the disparity between supply and demand will send prices sky-high, wages will soar, and we shall enter upon an inflationary boom whose early collapse will bring a severe if short-lived depression. This happened with the termination of government controls almost immediately after World War I. It may happen again since there is today widespread demand for the abandonment of wage and price controls, labor leaders demanding the former, businessmen the latter.

#### TO PREVENT INFLATION . . .

Memory of the 1919-21 experience has led to various proposals designed to avoid an inflationary boom in the transition period. One such proposal was made in June 1944 by William L. Batt, Vice-Chairman of the War Production Board. After warning against the inflationary threat Mr. Batt urged that businessmen themselves formulate private price policies to meet the danger. In effect this was saying that even if demand greatly exceed supply, manufacturers and farmers should agree to sell their products at a price well below what the public, including foreign bidders, would pay. To carry out this suggestion, the producers would have to exhibit a remarkable degree of self-restraint. Also they would need police powers to crack down on rugged individualism within their ranks and to prevent the rise of black markets.



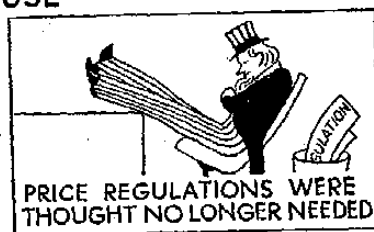
## THERE WAS A POST-WAR INFLATION IN 1919-20



## THIS HAPPENED BECAUSE . . .



## AND BECAUSE . . .



GRAPHIC ASSOCIATES

A more likely suggestion is that careful planning permit sufficiently rapid conversion to meet the pent-up demand for civilian goods. This would undoubtedly bring production nearer the level of demand. But the swiftest possible reconversion may still fail to meet the sum total of the following types of demand:

- (1) The American public, with plenty of cash and savings, will be demanding a wide range of articles it has been unable to buy, from egg-beaters to automobiles.
- (2) Relief and reconstruction needs abroad will rise to a peak during the transition period.
- (3) Dollar balances of South Americans and others who have supplied us with vast quantities of strategic materials will be available for the purchase of American goods that could not be supplied during the war.

## CONTINUE ECONOMIC CONTROLS

A third proposal more likely to protect us against inflation was submitted to the ILO conference in Philadelphia last May by representatives of American industry. The proposal was that such economic controls as rationing and price and exchange regulations be retained as long as shortages exist and that the controls be abandoned as soon thereafter "as is consistent with the public welfare." In particular it may be necessary to control the release of foreign dollar balances and exports of scarce commodities until the transition has been effected. A certain amount of rationing may also be required. In the summer of 1944 spokesmen of the shoe industry, for example, conceded that rationing of shoes would have to be continued for some time, contrary to earlier hopes. Inventories of shoes have declined, production is only moderate, and UNRRA is likely to need any surplus created by cuts in military requirements. The continuation of controls

will be resented in some quarters, but if they prevent inflation of the 1919-20 type, they will be justified. The beginning of a boom-and-bust cycle would delay our own adjustment to peace and seriously interrupt the progress of reconstruction abroad.

In summary, the transition period between war and peace will not be swift, clear-cut and easy. However, intelligent decisions can shorten the period and contribute to the establishment of desirable international economic relations. These decisions will call for continued cooperation between government and business at home. Incidentally this would be facilitated by greater efficiency on the part of government as well as by more enlightened self-interest on the part of business. On the international front these decisions will call for continued cooperative action both in emergency measures and in fundamental economic processes whenever and wherever national action would be inadequate or injurious to the common interest in the post-war world.

#### 4. Foreign Loans and Investments

In order to accomplish the tremendous shift from war to peace, a majority of the nations, including the U.S.S.R., Great Britain and China, will require financial aid in the form of credits, loans, or direct investments. Quite apart from the war, however, foreign loans and investments are a normal and essential element in a functioning world economy, and they will have an important bearing on the future of international economic relations and on world order itself. Since the United States has become the world's leading banker, and just now almost its only banker, it is essential that we examine our role in this light.

Between World War I and the depression our new long-term loans to foreign countries rose fairly steadily from \$371,000,000 lent in 1919 to more than one billion lent in 1928. During the same period our direct investments in foreign enterprise, or in American enterprise in foreign countries, rose from \$94,000,000 placed in 1919 to more than half a billion placed in 1929. The result was that our total long-term capital placed abroad (excluding war loans) rose from 6.5 billion in 1919 to more than 15 billion in 1930. With the depression, and on through the 'thirties, our foreign investing virtually ceased, and our loans to foreign countries were negligible in amount. Nevertheless in 1939 we still had over ten billion dollars placed abroad. More than half of this amount was direct investment in enterprises which were (or might be after the war) probable assets. On the other hand, many of our foreign loans were not (and would not be) worth more than a few cents or dimes on the dollar.

### OUR RECORD AS A LENDER

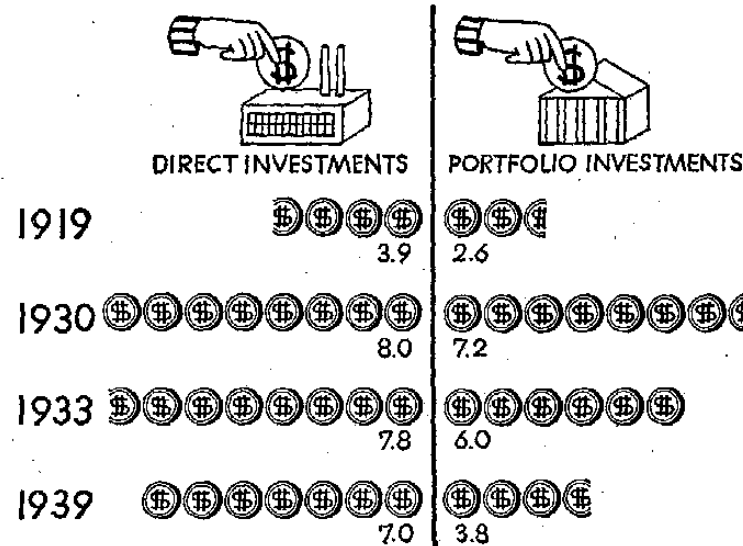
Before examining the post-war outlook for the export of capital, it may be well to recall that our record as a lender has been somewhat spotty. The debt problem hanging over from World War I was terminated by general default when the depression paralyzed international transactions, but we had collected little even during the boom years. Much of our private lending in the 'twenties was only temporarily profitable, and some of it supported unsound business practices abroad, contributed to the onset of the depression, and created international friction and ill-will.

In the decade after World War I foreign nations needed and sought American capital, frequently for legitimate purposes. But we had plenty of money to lend, and the handsome return on foreign loans led to high-pressure salesmanship on our part which encouraged unnecessary and unsound borrowing abroad. Loans were often made in Latin America without consideration of the purposes for which they were to be used, or the possibility of repayment. Unsound economies were artificially supported, and governmental extravagance encouraged.

Our loans to Germany financed a spurious prosperity in that country. They did indeed enable Germany for a time to pay reparations to France and Britain and this in turn permitted France and Britain to pay us something on their war debts. But having helped to set up a complex European structure dependent on our export of capital, we abruptly cut off the loans in the middle of 1928 partly because speculative profits in New York looked better. By lending too much and then lending nothing, we contributed to the European collapse in 1929, which in turn increased the severity of the depression in this country.

Throughout the 'twenties we were insisting on the repayment of the war debts, and throughout the 'thirties New York made

### OUR INVESTMENTS ABROAD



FIGURES ARE IN BILLION DOLLARS  
EACH COIN REPRESENTS ONE BILLION DOLLARS

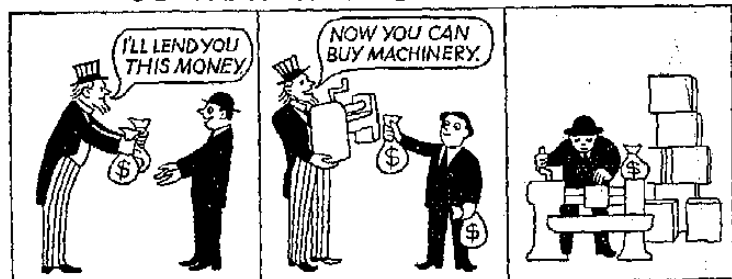
GRAPHIC ASSOCIATES

strenuous but frequently futile attempts to get some return on boom loans to Latin America. But unfortunately for our role as an international banker, and quite apart from occasionally irresponsible and short-sighted lending practices, our balance of international payments did not make it easy for other nations to meet their obligations to us.

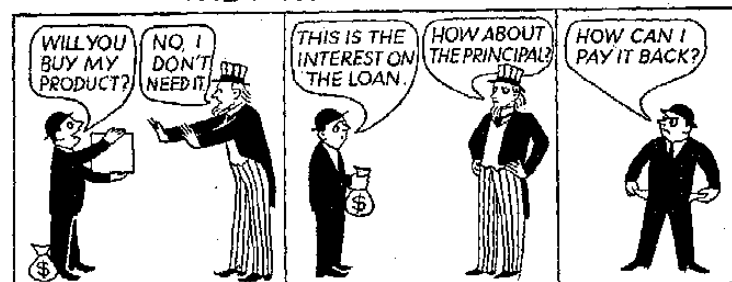
### THE INTERNATIONAL BALANCE SHEET

Our international balance of payments is simply a statement of all the credits and debits in our account as a nation with the rest

## WE LEND MONEY TO OTHER NATIONS SO THAT THEY CAN PRODUCE MORE



## BUT IF WE DON'T BUY THEIR PRODUCTS THEY MAY BE BANKRUPT AGAIN



## AND WE MAY BE LOSERS TOO

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of the world. For example, our exports bring us in income from abroad, and this income is listed as a credit item; whereas the payment we make other nations for our imports is listed as a debit. This appears very obvious, but unfortunately international transactions run into an added difficulty: each nation has its own currency. When we sell goods to foreigners we want dollars in return, for it would be awkward to be paid in rubles or yuan.

But foreigners can get dollars only by selling us something (including gold, if they have it) or by borrowing from us. Therefore our total credit items can be no larger than the total debit items in our balance of international payments. If we are not importing much, or spending dollars abroad as tourists, or lending, then at some point foreign nations will be unable either to buy goods from us or repay loans they may owe us.

### HOW FOREIGN LOANS ARE REPAYED

Now our foreign loans supply other nations with dollars at the time the loan is made, and frequently these dollars are spent for American goods. But in the long run the foreign borrower will need more dollars than he received, since he must repay the loan with interest. How can he get these dollars? So long as his credit is good, he can pay off old loans with new loans, but that may only postpone the final reckoning. We will of course take his gold, but there are few gold-producing areas in the world. He may of course be able to "buy dollars" from another foreigner who has managed to collect more dollars than he needs. The remaining possibility is that the foreign borrower can get dollars by selling us something or by performing some service for us, such as carrying our goods in his merchant ships. But if we insist on carrying all our foreign trade in our own bottoms, and refuse to buy foreign goods, our foreign loans are certain sooner or later to be defaulted.

Between the two wars Great Britain proved to be a more successful international banker than the United States because she made pounds freely available to her debtors. This she did by importing much more than she exported. The difference, amounting in some years to as much as one billion dollars, supplied foreigners with pounds sterling with which they could pay off their debts, including interest, to London banks. It is true that

during the 'twenties we made dollars available by successive foreign loans, but this permitted us to export much more than we imported. After 1929 these loans were freely defaulted.

#### GOLD IN THE U. S. A.

During the 'thirties great quantities of gold was shipped to the United States. Part of it came over seeking safety from the Nazis, part of it came because sufficient United States dollars to meet foreign needs could be obtained only by selling us gold. As a result we now have more than two-thirds of the world's supply of monetary gold. Foreign reserves were depleted by this trend, and we were forced to bury our overflow of the metal at Fort Knox where at least it must provide a livelihood for a squad of night-watchmen.

If we are to continue to be the world's banker after the war, we shall have to introduce a larger element of responsibility in our lending, and also permit foreign nations to pay us what they owe by accepting their goods and services. Otherwise the American public, having been taken in during the 'twenties, is unlikely to put up the money for new loans; and foreign nations, if they can manage otherwise, will decline to deal with us. A Canadian recently wrote in *Foreign Affairs* that the experience of our European and Latin American debtors has been so unfortunate "both from the viewpoint of their own domestic stability when the loans ceased to be available and the spurious economic structure they supported collapsed, and from the viewpoint of the international friction and national humiliation which resulted when the inevitable defaults occurred—that the one thing most of them want above all to avoid is a repetition of this experience."\*

\* Louis Rasminsky, "International Credit and Currency Plans," *Foreign Affairs*, July 1944.

#### OUR GREATER SENSE OF RESPONSIBILITY

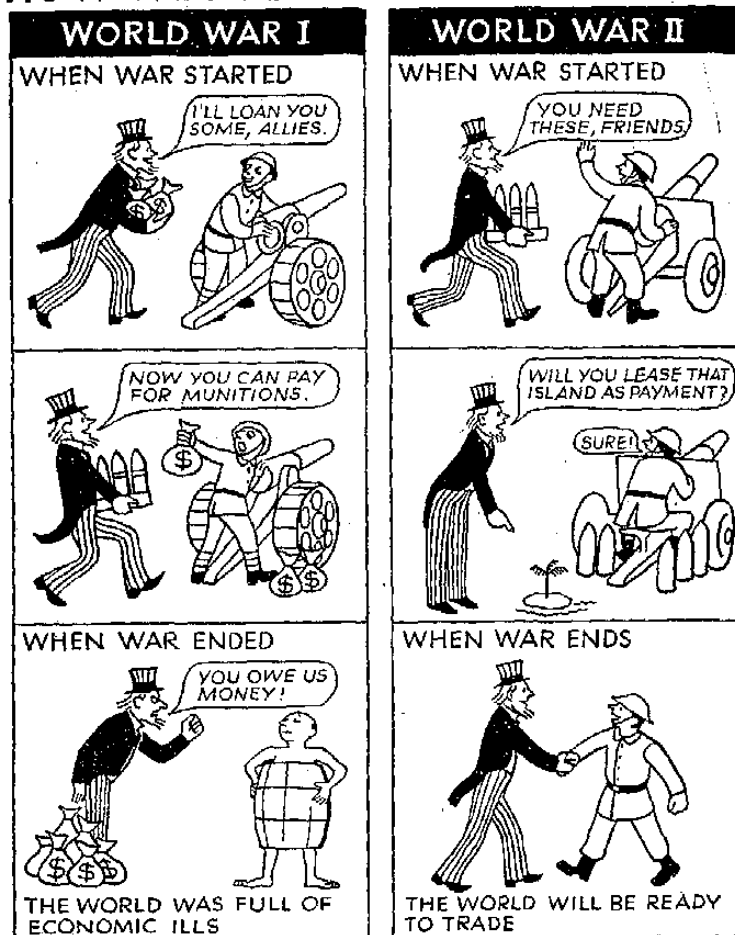
However, the future is less dismal than the past from the point of view of foreign lending, and this is fortunate in view of the demands that will have to be made on our financial assistance in the post-war years. In the first place, a high level of economic activity in this country after the war will almost automatically mean substantial imports, a resumption of the tourist trade, and other debit items favorable to our role as a banker. This is discussed in later chapters. Second, we have begun to take our role as the financial center of the world with greater responsibility than in the 'twenties.

This responsibility was effectively demonstrated in our institution of Lend-Lease. We helped finance the Allies in World War I, and then by our tariffs of 1921, 1922 and 1930 made repayment extremely difficult for some nations, impossible for others. That is, we kept out the goods the payment for which would have supplied the dollars necessary to repay the loans. In this war instead of lending our Allies money, we are sending them goods on lease or loan. This has clearly not been a commercial transaction but an expedient for defeating the common enemy. Valued at nearly twenty-five billion dollars up to April 1944, Lend-Lease supplies constituted a contribution that only we could make, partly because of our skills and resources, partly because the United States has not been a target for bombers or a battlefield.

#### SIGNIFICANCE OF LEND-LEASE

In negotiating Lend-Lease agreements, the United States has stated the principles on which final settlements with our Allies shall be based. Under these principles the squaring of accounts may include payments to the United States, return of goods not expended in the war, and cancellation of Lend-Lease costs against

## HOW WE FINANCED WORLD WAR I & II



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the cost of goods supplied us through Lend-Lease in Reverse. But undoubtedly the actual money repayment will be small. Primarily the settlements are intended to win our Allies' cooperation in opening the world economy to our trade and that of all nations. In this way Lend-Lease has enabled us to make our maximum contribution to the war without clouding the future with unprofitable political controversies and debts that could never be paid.

Parenthetically it may be said that if the United Nations are as far-sighted in their dealings with the defeated Axis Powers as we were in devising the Lend-Lease system, no financial exactions will be imposed on Germany or Japan. After World War I the Allies imposed enormous reparations charges upon a republican regime in Germany and then refused to accept German goods, the only coin in which the republic could pay. But it was years before the Allies admitted that they couldn't expect the impossible and reduced reparations demands to a reasonable figure. If the Allies want enemy goods and services to assist them in restoring devastated areas, that penalty could be imposed and collected. But no large penalty in terms of gold or foreign currency could be collected, and nothing weakens peace terms more than the inclusion of absurd demands.

In addition to Lend-Lease we have exhibited our coming of age as a creditor or lending nation in a number of ways. (1) Some time ago the government established an Export-Import Bank to finance, or to arrange the financing, of trade with other nations. This government agency scrutinized requests for loans with great care, and in cooperation with the principal New York banks introduced a high degree of responsibility in our financial dealings, particularly with Latin American countries. (2) More recently the United States has joined with other American republics to set up an Inter-American Development Commission to

arrange the supply of capital for promising industrial projects in Latin America. How important this Commission will become is not certain, but it is a cooperative venture which might in time soften the straight debtor-creditor relationship between ourselves and the Latin American republics. (3) The United States has played a dominant role in promoting the establishment of international agencies dealing with money and loans.

#### THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The need of such agencies led to the financial conference at Bretton Woods to which reference has already been made. In addition to financing reconstruction in member countries, the proposed world bank is intended to serve the international economy on a permanent basis. Primarily, said Lord Keynes, head of the British delegation, the bank would seek

to develop the resources and productive capacity of the world, with special attention to the less developed countries, to make the resources of the world more fully available, and to promote and maintain equilibrium in the international balance of payments of all countries.

If established, this world bank would lend capital furnished by governments, banks and private investors, as well as make loans from its own funds (set at 9.1 billion dollars); it would supervise the spending of borrowed money; and would guarantee the loan's repayment.

Like the Monetary Fund, the bank would be supplied with capital by the member nations in accordance with their financial resources. Thus the United States would contribute just over three billion dollars, about one-third of the total, and it would accordingly enjoy a third control in the bank's decisions. We could of course be out-voted, and this has led to some criticism

of the scheme in this country. Whether Congress will approve United States membership in the bank will depend on whether it believes the advantages to ourselves to be worth the outlay. These advantages appear to be first that any money we lend abroad through the bank will be guaranteed by all the member states. This means that the American investor will be better protected than he has ever been in his foreign lending. And second, the bank should accomplish certain important results that the private banker would be unable to accomplish on a strictly business basis. For example the reconstruction of China will mean much to American exporters. To facilitate such reconstruction the bank might decide to risk some financial loss in view of the general gain. In this connection it should be noted that the United States' contributions to the Monetary Fund and International Bank would together be less than we are spending monthly on the war.

#### THE U. S. A. AS POST-WAR BANKER

Whether we lend money through the proposed bank, or lend it directly, it is essential that the United States maintain a regular outflow of capital in the decade following the war. For without financial assistance, the process of world recovery will be delayed, and our own opportunities in world trade, shipping and aviation will fail to develop. After World War I Great Britain and France contributed heavily to the financing of world recovery, as did the United States. After this war only the United States will be able to export substantial amounts of capital. Britain, the world's banker throughout much of the last century, has sold the greater part of her foreign holdings to finance the war, and incurred overseas debts amounting to several billion dollars.

It is true, of course, that our own swollen national debt, and the continuation of high taxes may limit the amount of capital

that we can export. However if we succeed in maintaining our national income somewhere between the war level of over \$150,000,000,000 and the pre-war figure of half this amount, there is little doubt that we can afford regular capital exports of at least one billion dollars annually. There is by no means any certainty, however, that we will be prepared to accept interest, amortization and dividend payments in goods on long-term loans and investments of this magnitude. That crucial question, discussed in the following chapters, will in the long run determine whether we can successfully play the role of world banker now thrust upon us.

## 5. Made in America

Our chief stake in the world economy has long been thought to be exports. For this reason we were said to have a "favorable balance of trade," because our exports were invariably more than our imports. If, in spite of our tariff walls, our imports increased, an outcry was raised against the prospect of an "unfavorable balance of trade."

We have thought this way because we have been made "producer-minded." Producers naturally want to export goods they cannot sell at home, and they therefore favor low tariffs in other countries. But fearing the competition of what they unpleasantly call "cheap foreign goods," they heartily support high tariffs for the United States.

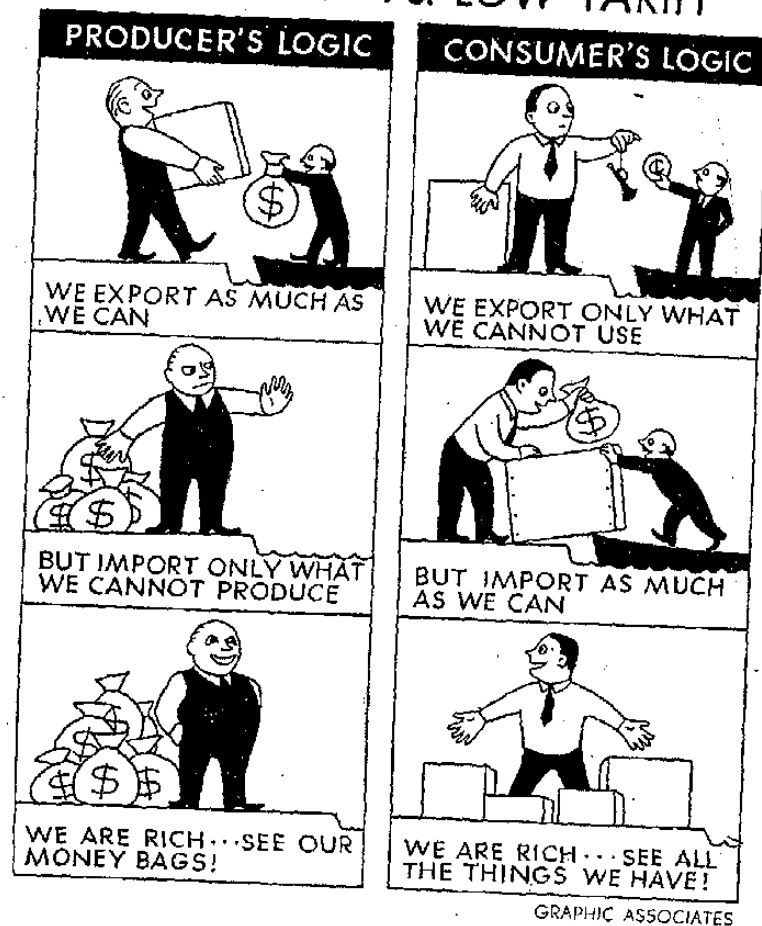
If we were "consumer-minded" we would think quite differently about exports, imports and tariffs. We might even assert that our standard of living would rise if we imported more "cheap foreign goods" and exported nothing that we needed at home. This thought has been expressed in the following equation:

What we have = what we produce + imports - exports.

Both of these ways of thinking about our foreign trade are possibly a little on the simple-minded side. For example, the producer or high-tariff view overlooks the fact that the competition of foreign products in the United States would tend to prevent the growth of monopoly, would keep prices down and bring useful articles within the reach of more people. The extreme consumer or free-trade view, on the other hand, may



## HIGH TARIFF VS. LOW TARIFF



underestimate the dislocations in our own economy that would follow a total removal of customs duties on foreign goods.

### BASIC FACTS ABOUT OUR EXPORTS

There are several basic facts about our exports which help to explain their prominence in our thinking. Historically we had to export for two reasons. First, through much of our history we were dependent on foreign countries for a large volume of imports, particularly manufactures, and we could pay for such essential supplies only by exporting. Second, until World War I we were a debtor nation and had to export more than we imported in order to repay foreign lenders and investors. These reasons have lost much of their substance, but we haven't changed our views on the importance of exporting, and for important elements of our economy exports are essential. For example we still raise more cotton than we can consume at home, and hence the South needs foreign markets if it is to prosper. Moreover modern technology has enabled us to produce more goods than under our present economic system we have purchasing power to buy. For the "surplus" goods our industries produce, therefore, we seek foreign buyers. If we cannot find the buyers, factories close and hard times ensue.

For these reasons we are concerned with the prospect of finding foreign markets after the war, at about the time that UNRRA is folding its tents. In view of the world's needs, the shattering of enemy economies, the wide range and excellence of our products, and the eagerness of our exporters, we might expect a highly flourishing export trade.

Whether this expectation is realized or not will depend on many factors. Among them we may consider what the foreigner wants from us, his ability to buy American goods and the trade practices and policies of other nations.

### WHAT WILL FOREIGNERS WANT TO BUY?

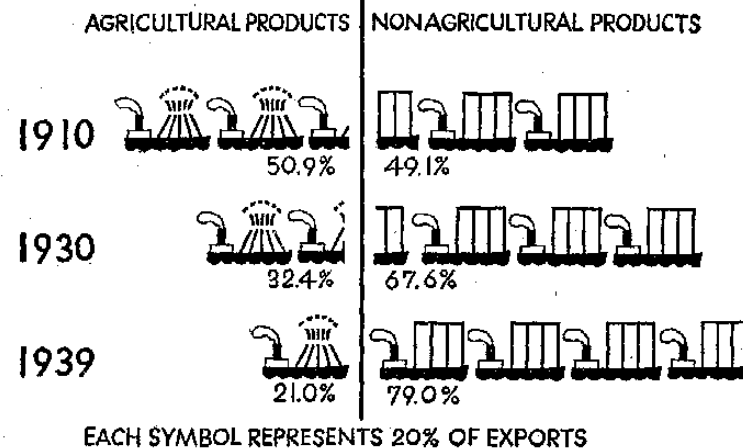
What foreigners will want to buy in the United States can be only roughly forecast in the light of pre-war trends and probable effects of the war on their needs. In general it may be said that there is likely to be a declining demand for our traditional agricultural exports such as cotton, wheat and pork, and an increased demand for essential industrial products, such as machinery.

The trend against our agricultural exports has been visible for forty years. In 1922-24 farm products still constituted almost one-half of our total exports, but by 1937-39 they had fallen to one-fourth of the total, and their value dropped from around two billion dollars in the 'twenties to less than one billion in the 'thirties. The Hull trade treaties opened up a few minor outlets for American agricultural products after 1934, but the outlook for greater agricultural exports after the war is not bright. In fact we may be faced with new competitors as a result of increased war acreages in other countries, and emphasis on agricultural production in rehabilitation programs.

### UTILIZING AGRICULTURAL SURPLUSES

It seems likely, therefore, that some restriction of unnecessary agricultural production will be called for after the war. For example it is improbable that we can dispose of a billion bushels of wheat yearly after war and transition needs are met, yet this is the forecast of our 1944 yield. However so long as people are underfed, the early New Deal device of plowing under wheat appears a short-sighted solution of "over-production." Two later New Deal measures may be worth recalling as possible models for international consideration. The first was the Ever-Normal Granary which provided for the storage of surplus grains against a succession of lean years in the United States. Financed by all

## TREND OF OUR EXPORTS



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nations, such a storage scheme on a world scale would utilize a portion of our surplus production, and protect about a quarter of the world's population against recurrent famine.

The second New Deal measure along this line was the Stamp Plan by which the government financed the use of surplus foodstuffs in school lunches and a relief program for the families of the unemployed. The Stamp Plan was a limited solution of the farm problem, but it combated undernourishment at relatively small cost, utilized regular trade channels of distribution, and enjoyed general support in the communities where it was in operation. Whether a similar scheme could be carried out on an international scale is an interesting question. If we maintain our own national income at well over 100 billion dollars, we shall have little need for "surplus" farm products to meet relief needs

in the United States. But this is not likely to be true of many other countries, and as producers we would benefit from an international stamp plan that carried our farm products to the underfed abroad. The objection that has been raised to our running an "international milk-route" would not apply to a plan that was largely financed by the recipient nations. Such a plan may in fact be a necessary measure if "freedom from want" is to be given any meaning in fact.

#### INTERNATIONAL COMMODITY AGREEMENTS

In any case agreement between the great producing nations will be necessary on production and prices of such staples as wheat and cotton. Otherwise there is every prospect of a cut-throat competition with the livelihood of millions of farmers at stake. Furthermore the competition invariably becomes political, since governments enter the ring by subsidizing exports in order to undersell other nations. Since, however, there is always the danger that producing nations will attempt to overcharge the consuming nations, it is essential that the latter participate in the negotiation of commodity agreements. It will be recalled that the Anglo-American oil agreement of August 8 provided for the eventual participation of both producers and consumers in a genuinely international arrangement.

#### INDUSTRIAL EXPORTS

The second main category of our exports comprises the products of American industry, and here the prospect is much brighter. Undoubtedly the trend toward industrialization in other countries, including some of the Latin American republics, will change the nature of foreign demands. But American machinery and machine-tools, as well as engineering assistance, are certain to be

needed wherever industrialization is in progress. Beyond these basic products, it is probable that we could increase the volume of our industrial exports if we reduced their cost through simplification and the elimination of gadgets.

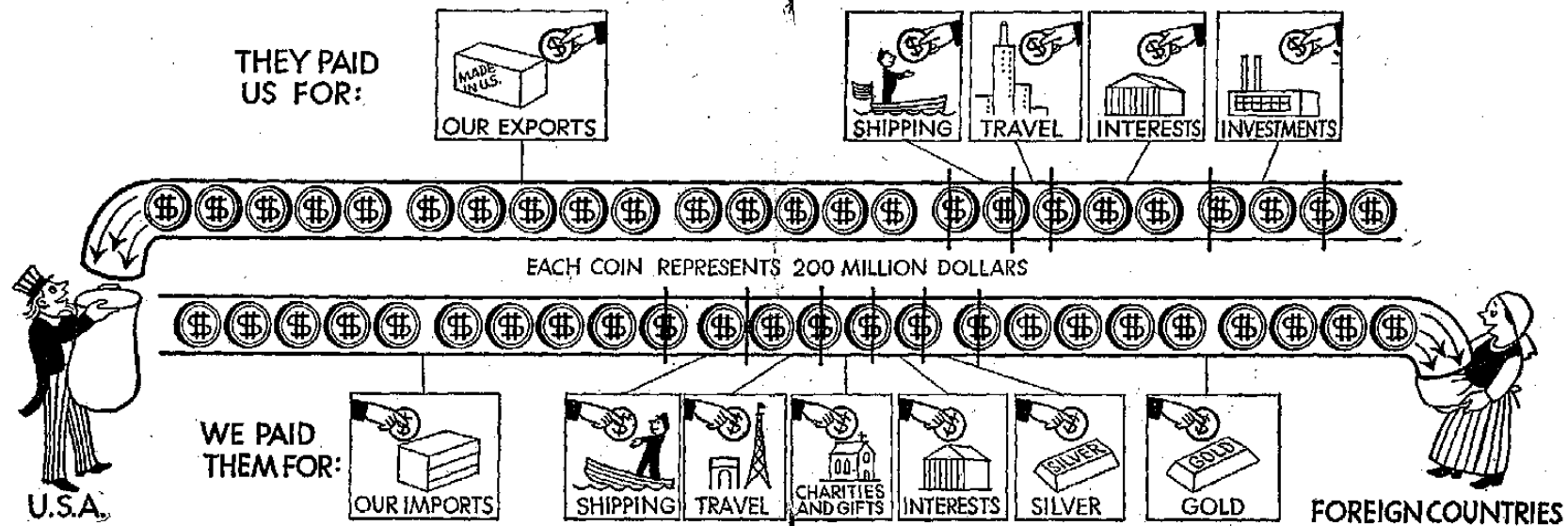
This point is worth a moment's attention. Our own national income and standard of living are so high, relative to the rest of the world, that we cannot expect to export many goods that are priced for the home market. Indeed many of our staple industrial products, such as automobiles and refrigerators, sell at a price which greatly narrows the foreign market. Even our "low-priced" cars are designed to look like high-priced ones, especially on a bill-board or in a full-page ad in a popular weekly. The car is basically no better for its innumerable gadgets and appearance of luxury. In fact it may run fewer miles per gallon of gas because of its mere size. But the consumer has to pay for the appearance as well as for the car.

If we really want a large foreign market for our automobiles, we could undoubtedly have it by mass-producing a 4-cylinder, 1,000-pound car which lacked a cigar-lighter but sold at \$225. Such a car would come within the purchasing range of citizens of other countries whose income was perhaps less than \$1,000 a year.

#### DOLLARS TO PAY FOR OUR EXPORTS

But whether or not we can sell goods abroad will depend on other factors than price. This brings us to the second question, namely the ability of other nations to get hold of enough American dollars to pay for the American goods they want. As already suggested, we have a natural reluctance to accept pounds, rubles, escudos or yuan for our products. These currencies would have some curiosity value in the United States, but would not pay our

# BALANCE OF INTERNATIONAL PAYMENTS—1938



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bills unless we could exchange them for dollars. This we could not do unless we needed the foreign currencies to spend in the country of their origin as travelers or as importers.

Getting hold of enough dollars, in fact, has become a dreary theme-song of the world economy. As is made clear in the previous chapter, the ability of other nations to buy from us is determined by the following factors:

1. The extent to which we buy their goods or employ their services, and
2. The extent to which we supply them dollars by means of loans and foreign investments.

For lack of dollars, other nations have sent us gold, and our willingness to sell dollars for gold undoubtedly explains the increase of world gold production from \$400,000,000 in 1929 to \$1,400,000,000 in 1939.

#### DOLLARS AND THE INTERNATIONAL MONETARY FUND

The proposed International Monetary Fund is intended to facilitate the supply of foreign exchange, including dollars, to member states. But other nations cannot get more dollars from it for purchases in the United States than are supplied by us. If we become a member of the Fund we will be expected to supply 2.75 billion dollars, and the Fund could increase this amount by selling us gold or even by borrowing dollars from us. But if year after year the world demand for dollars is greater than the dollars we supply by lending money, buying goods abroad, and paying for the services of other nations, the Fund will be unable to bring dollar supply and demand into balance. Temporarily, as is suggested in the preceding chapter, this problem will be solved if we maintain a regular outflow of loans and investments, which themselves supply dollars for foreign use. The problem

will be permanently solved however, only if our level of imports can be raised to a more dominant position among our foreign economic transactions.

#### CARTELS

The third factor to be considered is the effect of various trade practices and policies on our export trade. To begin with we may spend a moment on cartels. Agreements between warring nations providing, for example, for the exchange of prisoners, have long been termed cartels. By analogy the term was later applied to agreements between rival producers, usually manufacturers, who hoped to get around the unpleasant features of competition. Cartel arrangements can do this by fixing production quotas and prices and by assigning each member of the cartel market areas where he can sell his wares at a handsome price, unembarrassed by the rivalry of his fellow cartellists. Cartels may be national or international, but they cannot succeed on a world-wide scale unless virtually all important firms making any one product are brought into the cartel agreement.

In this country cartels have been met with varying degrees of approval or condemnation. E. S. Mason notes in the July *Foreign Affairs* that cartels have been identified with monopoly, fascism and treason on the one hand, and with orderly marketing and the elimination of ruinous competition on the other. It has been evident for some years that the Nazis were using German cartels to further political aims and establish Axis footholds in Latin America and elsewhere. During the same period German cartels were establishing close working relationships with British and American corporations with a view to getting hold of military patents and specifications, as well as jacking up prices. In some instances this last purpose was productive of extremely happy results from the producer's point of view. For example,

a cartel agreement between the great Krupp corporation of Germany and General Electric drove the price of tungsten carbide from \$50 to more than \$450 a pound, according to C. D. Edwards of the Department of Justice (*American Economic Review*, March 1944).

#### CARTELS AND PEACE

With the collapse of Germany, one of the most difficult problems of the peace will be the untangling of Europe's economy from the complex of German cartels under which it has been kept functioning for the Axis military machine. Even more difficult will be the establishment of a new economic order in Europe, for we have not yet found a satisfactory compromise between economic chaos on the one hand and private monopoly on the other. The economic vice of cartels has been their willingness and ability to gouge the customer. Their major virtue has been a high degree of cooperation in the interests of order. What is perhaps needed is a new economic institution which gives adequate voice to the consumer, and thus permits the development of production and distribution in the interests of an expanding market and lower prices.

It is clear that cartels as they stand are an obstacle to an expanding world economy, and that efforts should be made to solve the problems they raise. The Department of Justice has listed some 179 cartel agreements of which 109 include American firms, and has instituted proceedings against 37 of them. In September 1944 President Roosevelt wrote Secretary Hull a letter which forecast international consideration of the problem. He implied that a world agreement was needed to protect consuming nations against cartel monopolists, as our own anti-trust acts were intended to protect the American consumer against monopolies at home.

The outcome of international discussions is in some doubt. Our own traditional hostility to monopolistic practices has not been widely shared in Europe. Nor has our hostility to monopoly been especially effective in checking the long trend toward the concentration of economic power in the United States. If the outlawry of cartels proves to be impracticable, however, it may be possible to bring their more outrageous practices under control.

#### LOWER TRADE BARRIERS

To turn now to government policies as they will affect our exports, it will be recalled that in various documents, such as the Atlantic Charter and the master Lend-Lease agreements, we and other nations have pledged ourselves to attempt to lower trade barriers after the war in the interest of an expanding world economy. By trade barriers were meant not only tariffs, but every governmental device which obstructed imports during the 'thirties, such as quotas, bilateral deals, and exchange controls. These measures in general have given effect to "economic nationalism."

Official statements of good intentions will have little effect on world trade unless they lead to specific action. Before World War I international trade was relatively free of national barriers. After the war governmental obstructions to trade rose, even during the prosperity of the 'twenties. These became almost insurmountable during the 'thirties as state after state turned to "economic nationalism" as its solution for the depression. The question now is whether after World War II, the earlier trend toward watertight national economies can be reversed.

#### HULL TRADE PROGRAM

Between 1934 and the outbreak of the war, the United States attempted to combat this trend by means of the Hull Trade

Program. Through reciprocal trade agreements with some twenty other countries the government brought about some lowering of foreign tariffs in return for reductions in our own. Although our imports were not appreciably affected as a result, our exports to agreement countries expanded much more rapidly than to countries with which we had negotiated no reciprocal agreements. The increase between 1934 and 1940 was 87% to the former group, 32% to the latter; and the difference is in considerable part a result of the Hull trade agreements. The failure of the program to make more dollars available by increasing our imports will be considered in the next chapter, but the Hull program appears a serviceable, if limited, means of opening foreign markets to American goods.

#### ECONOMIC POLICIES FOR RECOVERY

The United States could probably go much farther than tariff-bargaining with individual states to open up the world economy. By taking the lead we could possibly get international agreement to eliminate some of the more discriminatory and restrictive trade practices of other nations. Just as the Lend-Lease agreements have already committed the principal United Nations to work toward the elimination of such practices, the peace treaties might well stipulate economic policies for the enemy countries which would contribute to world economic recovery. This assumes of course that the peace settlements will not impose economic penalties on the enemy countries which will force them to adopt policies of self-sufficiency.

Finally the world's colonial peoples constitute a vast potential market if and as their per capita income rises above the present extremely low level. Since the ruling country tends to monopolize the markets in its own colonies, the principle of equal economic opportunity, embodied in the League of Nations man-

date system, should be widely extended. This will not be particularly difficult to accomplish in areas detached from the enemy, such as Japan's island holdings. It will be more difficult to accomplish in the colonies of the victorious Powers, but every effort should be made to increase self-government and economic opportunity within all colonial areas.

#### OUR FUTURE EXPORTS

Any prediction of our future volume of exports would be at best an informed guess. The Department of Commerce recently suggested that under favorable conditions the United States might expect annual exports of six or seven billion dollars worth of goods. These figures are well above the five billion dollar level of 1929, and more than double our exports in the 'thirties. If they are attained, our export trade will contribute significantly to the country's economic well-being. But among the favorable conditions the Department of Commerce had in mind was a more hospitable attitude toward imports than we have shown in the past. To this question we now turn.

## 6. The Crucial Question: Imports

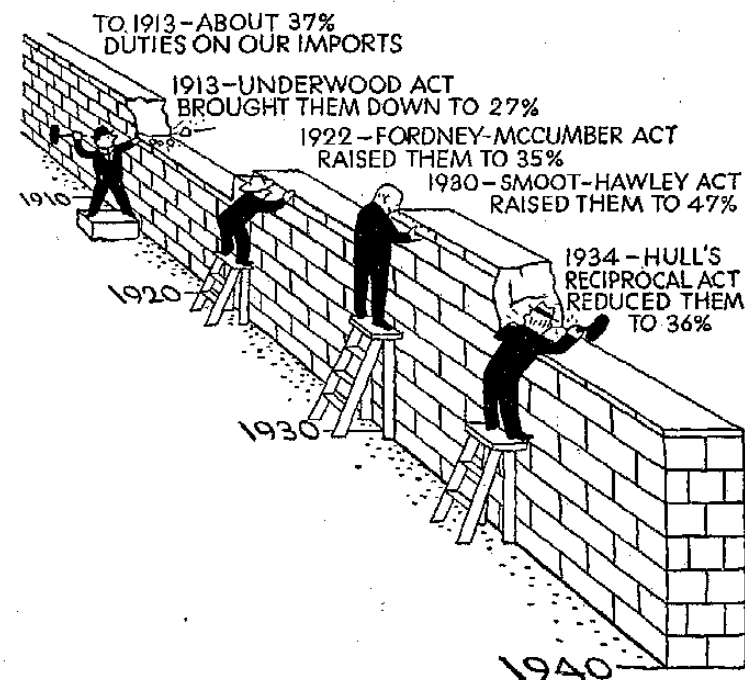
The bad repute which imports enjoy in this country applies of course only to foreign goods which compete with our own products, and not to commodities of which we have an inadequate supply or none at all. Possibly because of our tariff wall, the bulk of our imports consists of non-competitive commodities which are on the free-list (i.e. pay no customs duties) and which are essential to our economy. For example, in 1937 rubber comprised 8 per cent of our imports by value, coffee 5 per cent, newsprint 4 per cent, and tin and silk 3 per cent each. In 1940 65 per cent of our imports were on the free-list.

### TARIFFS AND RECIPROCAL TRADE AGREEMENTS

On the other hand, commodities which would enter into competition with American producers are in general excluded by our tariff. Since the Civil War almost every tariff act has imposed new customs duties and raised old ones against foreign competition, largely as the result of special interests exerting pressure on the Senate. Temporarily this trend was reversed by the Underwood tariff of 1913, which President Wilson hoped would "set the business of the country free from those conditions which have made monopoly not only possible, but easy and natural."

The Underwood tariff lowered the average of customs duties from 37 to 27 per cent of the value of dutiable imports, but the barriers were soon raised. Tariff measures of 1921 and 1922, and particularly the Smoot-Hawley Act of 1930, bricked up the wall to an average of 47 per cent. A new attempt was made to check

## OUR TARIFF WALL—1900-1940



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the trend toward economic nationalism in 1934. Congress then passed the Reciprocal Trade Agreements Act, which authorized the Secretary of State to reduce customs duties on any import by as much as 50 per cent, as a means of obtaining corresponding tariff reductions from foreign countries.

In the process of negotiating some twenty trade agreements under this act the State Department has in fact brought our



average customs duty down from 47 to 36 per cent—about where it was before Wilson lashed out at the lobbyists and pushed the Underwood tariff through the Senate in 1913. In other words, we still have a high tariff wall, as is witnessed by the fact that Secretary Hull's trade agreements increased our exports, but failed to influence imports to any marked degree.

If we want a prospering export trade after the war, we shall have to lift our imports well above the four billion dollar level of the late 'twenties and far above the two billion dollar mark of the 'thirties. As we shall see presently, this is a possibility if our industrial production is maintained at a higher level than during the boom of the 'twenties. But it is probable that the Reciprocal Trade Agreements Act and Secretary Hull's exercise of the powers it gave him have not yet brought our tariff into line with our national interest, and that our trade policy is still fundamentally unfriendly to the development of an expanding world economy.

#### RESULTS OF RECIPROCAL TRADE

Imports have not increased under the Reciprocal Trade program chiefly for two reasons. To begin with, a prohibitive tariff may be reduced 50 per cent and still be prohibitive. It is relevant here to point out that a foreigner attempting to compete in the American market has the initial handicap of shipping costs, and that even a low tariff may exclude him entirely. In the second place, Secretary Hull, himself once a Senator, has been reluctant to risk the continuance of the Reciprocal Trade program by making bold use of the powers Congress gave to him.

On the political side Secretary Hull's caution has been well rewarded for Congress has re-enacted the program every three years. In 1943 for the first time both major parties supported the measure. It is true the Republican party platform of 1944 demanded that any tariff reduction made under the Trade Agree-

ments Act be subject to the approval of Congress, a provision that would end the usefulness of the program. However Governor Dewey promptly gave his support to the Reciprocal Trade program in his first press conference. In other words, the program has won bipartisan support, and there is thus strong likelihood that it will be continued.

#### PRODUCER—CONSUMER INTERESTS

But the second result of Secretary Hull's caution is that few American producers, whether they are serving the public, or gouging it, need fear foreign competition. That is, our tariff wall remains a fairly effective barrier against "cheap foreign goods." A post-war tariff policy, based entirely on our own national interest, would take greater account of consumer interests than was done in the inter-war period. These interests would be served by more imports of articles that we cannot produce economically and of manufactures that are produced under monopoly in the United States. These imports would lower the cost of living and thus raise our living standard.

At present producers are better organized as a pressure group than are consumers, and Congress would therefore find it difficult to permit substantial downward changes in our tariff structure. It is possible, however, that Congress could be persuaded to allow drastic tariff cuts on such goods as are now produced by American monopolies. The Department of Justice wages a constant war against corporations which have eliminated or merged with their competitors, but the legal subdivision of trusts and monopolies is not certain to lower the price of their product. By the admission of foreign goods to compete with the products of American monopolies we should be assured of healthy competition. This would benefit the consumer by giving practical effect to the aims of the Department of Justice. At the same time, what-

ever imports we took in under this measure would make dollars available for exports, so that both the consumers of the imports and the producers of the exports would gain, even if a few monopolies fell by the wayside.

#### SHOULD WAR INDUSTRIES BE PROTECTED?

However, substantial tariff reductions of any kind will undoubtedly await the development of strong consumer pressure. In the meantime there is now in sight a movement to extend tariff protection to some of our makeshift war industries. This question has already been touched upon in general terms. The main argument for such protection is that our security requires that we remain independent of distant sources for strategic war materials. On this basis a case is made for excluding anything and everything for which we have found a substitute, regardless of cost. The most obvious example is rubber, and here the argument, quite apart from the security angle, is confused by contradictory statements on future costs and quality and by conflicting opinions on the rubber possibilities in Latin America.

If synthetic rubber can in time be produced at 10 cents a pound, instead of 40 cents, and if eventually the chemists can make it as satisfactory for all purposes as natural rubber, then the case for buying rubber in the Far East or in Latin America will be considerably weakened. The chief remaining argument against relying on synthetic production would be the added drain on our oil supplies. But if natural rubber continues to be both cheaper and more satisfactory, the case for protecting our wartime synthetic rubber industry by prohibitive tariffs will not excite much enthusiasm among 40,000,000 American motorists.

However, if we are chiefly interested in being better prepared for World War III than we were for this one, both synthetic production in the United States and natural rubber production in

the Amazon valley will rightly claim a hearing. It has been predicted that the pioneer work of the Department of Agriculture will result in high-yield, disease-resistant trees that will eventually produce 5-cent rubber in Latin America. If this prediction is correct then both the economic and security arguments would favor the Amazon valley as the principal source of our post-war rubber. At the same time, however, both economic and security considerations would argue strongly for continued research and experimentation, both in rubber-tree culture and in synthetic substitutes for rubber. Moreover, even if natural rubber returns to its former position in our imports, it would still be desirable to maintain pilot plants to develop new industrial processes suitable for the production of newly developed synthetic rubber.

The war experience will throw light on the cost of producing synthetic rubber and numerous other substitute raw materials. From the point of view of our own standard of living, as well as the cost of manufactures we would like to export, the argument strongly favors the cheapest possible source of supply. A critical view should therefore be taken of manufacturers of synthetics who demand tariff protection for their products by stressing only the security angle. By national and international stock-piling of strategic materials, and by the maintenance of experimentation and small-scale production, our defense needs should be adequately provided for. In any case World War III should not be allowed to dictate our national policies until it is clear that we have failed in our task of winning the peace by constructing world order.

#### IMPORTANCE OF A PROSPERING ECONOMY

Whatever is done about tariffs, and whether they are raised or lowered, the fact is that the volume of our imports is fundamentally related to the level of our economic activity. In the inter-war period our imports rose and fell almost precisely as

our industrial production rose and fell, and this is understandable since more than 70 per cent of our total imports were used by American industry as raw or semi-manufactured materials.

The moral of course is that the most effective means of insuring a large volume of imports after the war will be to maintain our production at a much higher level than prevailed in the 'twenties and 'thirties. No proposals for attaining this condition will be made here, except to point out again that our best actual and potential market is the United States, and that large productive capacity would be required to meet basic American needs that have not been met in the past. Empire-building nations have spent billions trying to turn cannibals into customers while their own people have lacked adequate nourishment, decent housing, and medical care.

#### U. S. A.—BUYER AND SPENDER

If our own production can be maintained after the war, our position in the world economy will be strengthened not only by substantial imports, but by other types of American expenditures which supply dollars to other nations. Travelers are seldom thought of as doing a good turn to our balance of international payments, but in the 'twenties we as tourists supplied foreign countries with enough dollars to pay for more than \$3,000,000,000 worth of American exports during the decade. After the war tourist expenditures will vary of course, not only with our own national income and tax level, but with the state of political order or disorder abroad. Although personal remittances from Americans to foreigners have declined as immigrant ties with Europe have weakened, they averaged almost \$200,000,000 yearly during the 'thirties, and institutional contributions, largely missionary and philanthropic, added a small but fairly regular debit item to our balance sheet.

A prospering economy at home would thus bring the United States into the world economy both as a buyer and a spender; and this in turn would enable us to enjoy a prospering export trade and act like, as well as be, the world's leading banker. If in addition, we can make further reductions in our still-formidable tariff walls, we shall have gone even farther toward utilizing our new economic strength to the mutual advantage of other nations and ourselves.

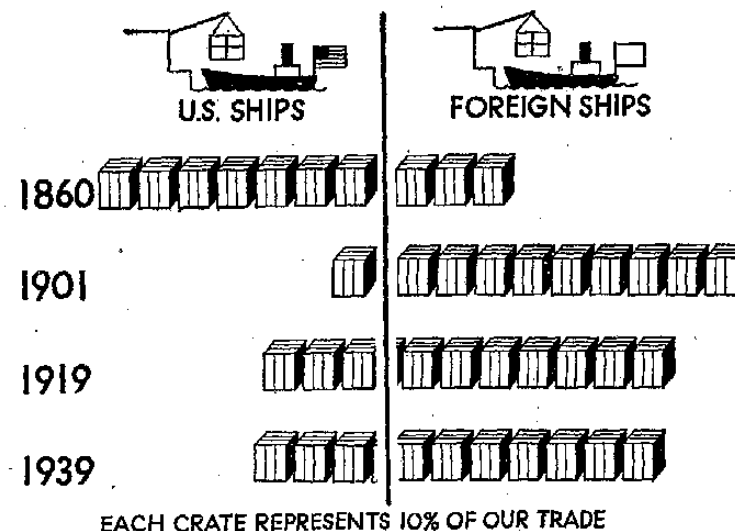
## 7. The World's Greatest Merchant Fleet

As a consequence of our remarkable record of wartime shipbuilding, the United States will possess at the peace the largest merchant fleet the world has ever known. What we shall do with this aggregation of merchant vessels, estimated as high as 50 million tons, has become a question of concern to ourselves and other nations. If we decide on a career of "maritime imperialism" and are willing to pay the price in subsidies, we could probably keep other maritime nations from recovering their position in shipping after the war. In fact, something of this sort, expressed less bluntly, has been proposed, and argued as a necessary security measure. Or, at the other extreme, we can scuttle our wartime tonnage and become a fourth-rate maritime nation with a stagnant shipbuilding industry and eventually an overage merchant fleet badly in need of replacements. That was in fact virtually the state of affairs when the Japanese struck in 1941.

### WILL A LARGE MERCHANT FLEET PAY?

On purely economic grounds, our best interest lies in scrapping most of our merchant vessels at the end of the war, and paying Britain, Norway and the Netherlands to carry the bulk of our overseas trade. For our shipbuilding costs are about double theirs, and our operating costs are roughly 50 per cent higher. It was mainly for this reason that we scrapped a substantial part of our war-built ships after World War I and neglected the merchant fleet thereafter until 1938. The result was that our merchant tonnage was no larger in 1941 than in 1923 and the bulk of our

## WHOSE SHIPS CARRIED OUR TRADE?



GRAPHIC ASSOCIATES

trade between the two wars was carried by foreign vessels at a saving to ourselves and our customers. The accompanying chart shows the declining proportion of our trade carried in United States ships, since the Civil War.

Thus the basic economic argument against our continuing in the shipping business after the war is that other nations can carry our foreign trade more cheaply than we can do it. The second point is that the maintenance of a large merchant fleet would require large government subsidies. What they would amount to is difficult to say, but half a billion dollars in the form of construction and operational subsidies between 1928 and World War II failed to improve our status materially as a shipping nation. The third point is that even if we decided to tax ourselves what

was necessary to keep our merchant ships afloat, the effects on our own international economic position would be unfortunate. We have already pointed out that if we are to enjoy a prospering export business, and also be the world's banker, foreign nations will need more dollars than they were able to get in the past. Between the two wars we supplied them with several hundred million dollars annually in payment for their shipping services. If we insist on slashing this debit item in our balance of payments, it is obvious that we shall be injuring rather than furthering our interests as an exporting and lending nation.

#### A LARGE MERCHANT FLEET FOR SECURITY?

These economic arguments appear convincing, but against them it is being asserted (1) that we now have the world's largest merchant marine and it would be a shame to scrap it, and (2) our national security requires the maintenance of both an active ship-building industry and a giant merchant marine. In particular it is stressed that a large Navy needs a large merchant fleet to provide it with auxiliaries.

When the war began our ocean-going ships totalled less than seven million gross tons, and we ranked somewhere around third or fourth place among the maritime nations in merchant tonnage. By the war's end it is possible that the merchant fleet will have expanded six or seven times, although many of the war-built ships such as the Liberties are slow and inefficient. Yet there is a tendency to feel that this enormous fleet—our own remarkable creation with a fine war record—should, like our greatly expanded Navy, be maintained in service, whatever the cost.

The sentimental case for saving our battle-scarred merchant fleet omits any reference to our national interest and fails to undermine the economic arguments for scrapping a considerable part of it. On the other hand the security argument for maintaining a

large merchant fleet cannot be ignored. It is said that we had great difficulty in finding ships even to carry our little expeditionary force to Australia in 1942, and that we must not be caught short again either in our shipyards or in our merchant tonnage. In this connection it is emphasized that, if we are to have a merchant marine adequate to help the Navy in time of war, it will be necessary for us to maintain a merchant tonnage of at least 20,000,000 tons. This figure has in fact been mentioned as our goal by Rear Admiral Emory S. Land, War Shipping Administrator as well as Director of the Maritime Commission.

Now security considerations must be allowed greater importance than economics in the formulation of national policy, as even Adam Smith admitted. But it is possible that maintaining the world's greatest merchant fleet will not in fact guarantee our security, and may even contribute to the international anarchy we seek to terminate.

#### SUBSIDIES MAY INCREASE INTERNATIONAL FRICTION

If we determined to keep 20 or 30 million tons of merchant shipping afloat, we could do so only through government subsidies borne by the taxpayer. Such subsidies would be necessitated by the simple fact, already mentioned, that other maritime nations, such as Britain and Norway, can carry goods much more cheaply than we. But subsidies can be one of the most insidious expedients of economic warfare, as the Axis powers clearly demonstrated, and subsidy wars contribute much more to world disorder than to world order.

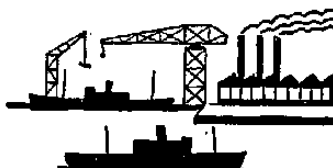
Even if shipping subsidies did not increase international friction, it may be doubted that we could in fact achieve security single-handed. If there is any lesson to be learned from World War II, it is that really important goals in world affairs can be attained only through international cooperation. Therefore our post-war

## SHALL WE KEEP OUR EXPANDED MERCHANT FLEET?

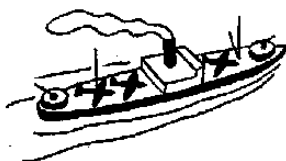
YES, BECAUSE...



IT'S A SHAME TO SCUTTLE SHIPS—EVEN ONE

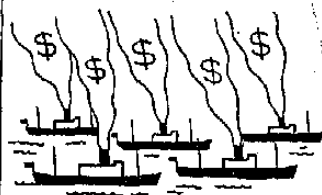


THEY WOULD KEEP OUR SHIPYARDS BUSY

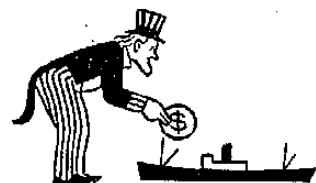


THEY WOULD COME IN HANDY IN ANOTHER WAR

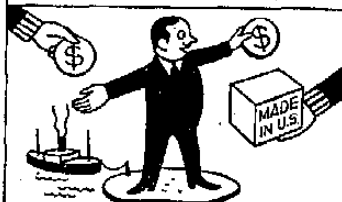
NO, BECAUSE...



THEY ARE EXPENSIVE TO OPERATE



THEY WOULD NEED GOVERNMENT SUBSIDIES



FOREIGN COUNTRIES NEED SHIPPING PROFITS TO PAY FOR OUR EXPORTS

GRAPHIC ASSOCIATES

shipping policy should be directed toward achieving a durable peace, in agreement with other nations, rather than getting our boys to Bataan in World War III. Actually the perpetuation of our subsidized supremacy on the high seas would injure exactly the Powers with which we shall have to cooperate to construct a durable peace.

What has been said thus far would by no means eliminate a substantial American Merchant Marine, so long as other nations recognized that we were cooperating with them in building world order, and that our subsidies were not a device of maritime imperialism. But the crux of the matter would be the size of the merchant fleet we should subsidize. As already suggested the more shipping we keep in operation, the more it will cost us both in subsidies and in income from the export of goods and capital. From this point of view, therefore, we would be better off with a merchant fleet of 10 million tons than one of 20 or 30 million tons. Such a tonnage would permit our Allies to resume their roles as economical carriers of the world's trade, to our own advantage as well as theirs. In fact, an expanding world economy after the war, would result in greater demand for shipping than before the war. Our own merchant fleet would doubtless continue to enjoy a monopoly of American coastwise carriage, and would in addition carry a substantial proportion of our foreign trade as formerly.

The crucial question is whether a merchant marine of 10 million tons is adequate to the responsibilities for world order we are to assume after the war. In turning again to the security problem, this time on an international basis, it is obvious first that the tonnage of shipping that adequately serves the world in peacetime never meets the needs of war. Owing both to the extraordinary demands of transport and to ship losses from planes and submarines, there is certain to be a shipping crisis whenever there is

a war. Therefore it would be absurd to attempt to maintain a merchant fleet large enough to meet the needs of another world war.

#### A MERCHANT FLEET WHICH CAN BE EXPANDED

However as a security measure integrated with the post-war structure of policing and precaution, it is important that the United States maintain shipyards and a merchant fleet which can be rapidly expanded if, in spite of the common effort, we find ourselves again on the road to war.

Between the two wars we allowed our merchant marine to become obsolescent for lack of replacements, with the result that our shipyards generally closed down, except for naval building in the 'thirties. Our present shipbuilding industry has of course expanded far beyond any possible peacetime need. In fact it has been estimated that with our present capacity we could meet five times the replacement needs of the world's combined merchant fleets. We should continue enough of the industry, however, to keep our merchant fleet, whatever size is agreed upon, at the highest efficiency, not only by replacements but by constant modernization.

#### POST-WAR RESPONSIBILITIES, AND OUR MERCHANT FLEET

A second consideration in determining our post-war shipping needs for security, as well as our naval needs, is the tonnage of other nations and our agreed role in world policing. The war had already reduced Germany to naval and maritime impotence by 1943, and it may be confidently expected that Japan will have reached a similar position by the end of the war in the Pacific. Similarly our Allies have taken tremendous losses at sea. Usually when one nation's merchant marine and fleet are expanding, other Powers are keeping pace with it. In this case our war and mer-

chant ships have attained unprecedented tonnages and our only competitor is the graveyard at the bottom of the sea.

The commitments we may make to police the Atlantic and the Pacific should help determine how large a Navy we shall need after the war, and how much merchant tonnage will be required to permit the Navy to meet its responsibilities. By some sharing of these responsibilities and by employing air power to maintain world order the American taxpayer may be relieved of having to support the world's greatest merchant fleet when its present work has been accomplished.

If, with these points in mind, we formulate our shipping policy in close cooperation with other maritime powers, and set as our primary goal world security and order, we shall have made a first-rate contribution to the common aim of winning the peace.

## 8. Freedom of the Air

At the end of the war every self-respecting nation will want its own civil aviation establishment, even if it consists of only a few second-hand planes cast off by a rich neighbor. In the technically advanced nations we may expect something more ambitious. The aircraft industry will no doubt join hands with the airlines to get more adequate subsidies; "disinterested" experts will assert that air-power is the modern determinant of history; for reasons of prestige and power the government will help the airlines obtain bases in remote places and establish global sky-routes; and the common earth-bound man will foot the bill as taxpayer.

This contribution the common man can well afford to make if the result brightens the prospect of peace and prosperity. This indeed should be the result of aviation's spectacular development since the first international air services were inaugurated in 1919. Toward the achievement of an expanding economy as well as world order and security, the airplane is technically prepared to make an outstanding contribution.

Unfortunately there are political and economic factors bearing on the future of international aviation which may interfere with full utilization of technology's creation. Indeed the importance of the airplane as an instrument of national power and prestige might easily result in a new imperialist conflict, marked by a competitive struggle for bases, air-routes, cargo and passengers, and carried on without side-lines or referee. Unregulated competition doubtless has its uses, and the consumer frequently profits

from it briefly; but unrestrained national competition in an international medium like aviation is unlikely to serve the common interest.

### "CLOSED-SKY" DOCTRINE

The international character of commercial aviation was recognized immediately after World War I in the Air Convention of Paris (1919). This convention committed its signers to observe uniform rules of the air and adequate standards in licensing pilots and planes. This was a good beginning, but neither this convention, nor subsequent experience, has made any headway against the principle that every nation enjoys full sovereignty of the air over its territory. This "closed-sky" doctrine has handicapped the free development of international aviation since it has forced airlines or their governments to negotiate for every operational right in foreign countries. By 1939 the active rivalry of some twenty airlines in Europe alone, backed by as many governments, had led to the conclusion of a hundred separate treaties embodying a variety of mutual rights and privileges. Hitherto Pan-American has obtained its operational rights abroad by direct concession obtained from the government concerned.

### POSSIBLE MODIFICATIONS

Bilateral agreements and concessions have thus served to whittle away the obstacle to aviation embodied in the closed-sky doctrine, although bribery, diplomatic pressure and even coercion would appear to be called for at times. Moreover a single power, such as the U.S.S.R. or the United States, might block a direct international route by persistently refusing to grant rights of passage or refueling. For this reason the proposal has been made that an attempt be made to modify the sovereignty-of-the-air principle through general agreement. The minimum modification required



for the free development of civil aviation would be the universal right of free passage on specified routes along with the right to refuel. The maximum modification would include in addition the right to discharge or take on freight and passengers, whether their destination was within the country or beyond it. The concession of all these rights would of course end the closed-sky era and usher in the age of full freedom of the air.

Against the freedom of the air principle, it may be justly contended that commercial aviation will not deserve such extensive rights and privileges until it ceases to be an object of national ambition or private profit, and becomes a genuine international public utility, run and regulated in the public interest. With some such thought in mind, the French delegation at the Disarmament Conference of 1932 proposed that civil aviation be internationalized and operated under the League of Nations.

#### AN INTERNATIONAL AIR AUTHORITY?

Between the extreme nationalist and internationalist positions, there are several solutions which would lead to the rapid development of civil aviation on a world-wide basis without imperilling world peace. For example the national development of aviation is by no means incompatible with the operation of an international air authority charged with enforcing minimum standards of performance and safety and approving new international air routes. It is unlikely that such an international authority would have adequate powers, when first established, to eliminate all nationalist frictions. But new regulatory bodies seldom begin with adequate powers, and they have to prove their usefulness in minor matters before they are given adequate authority to carry out the purpose for which they were created.

#### INTERNATIONAL DISCUSSIONS

How far the nations are now prepared to go in the direction of making aviation an international public utility has already been partially answered. During the past spring and summer the State Department carried on discussions with Great Britain, the Soviet Union, China and Canada on post-war air problems. The discussions revealed considerable agreement on certain of these problems though apparently no enthusiasm for delegating any real authority to an international body. Nevertheless on the basis of this agreement invitations were sent to fifty nations to attend a world air conference in the United States in November 1944.

The urgent need of reaching agreement with the other air powers was dramatically brought to public attention in June 1944 by Chairman L. W. Pogue of the Civil Aeronautics Board. At a press conference Mr. Pogue stated that the Board had worked out twenty tentative routes for American air operations abroad, totalling 140,000 route-miles; that the Board had before it 100 applications from American airlines for foreign operations; and that, in spite of the lack of clarity in our own post-war air policy, the Board was going ahead to consider the applications.

Since the twenty designated routes girdle the world, it is obvious that they will remain tentative until specific agreement can be reached with the Powers whose territory they propose to cross. If it is possible to get general agreement on the elementary rights of passage and landing for fuel, the problem will be greatly simplified. But it is still not at all certain that these rights will be conceded except through bilateral bargaining, and at a price.

#### GREAT BRITAIN AND THE U. S. A.

Between ourselves and Great Britain, the post-war use of leased bases has presented an interesting problem of rights. Primarily for

our own national defence, Britain gave us 99-year leases on military air bases in Bermuda, Trinidad and Jamaica, but the use of these bases by civil aircraft has been closely restricted. After the war the sovereignty will remain British, so that according to present international law, our planes could be denied air-passage to and from the bases. But the bases will remain in American control, and therefore, we could deny the British the use of them. Since with the end of the war, there will be no further military reason for denying the use of the bases to commercial planes, an Anglo-American agreement opening the bases to general use would appear highly sensible. This suggestion assumes of course that neither Great Britain nor the United States is seeking exclusive privileges, either on Empire airfields, on bases built by Lend-Lease funds, or on our own territory.

#### INTERNATIONAL AGREEMENT ESSENTIAL

After bases, the problem of subsidies is of almost equal importance, particularly in our relations with Great Britain. If British, American, and other airlines are to fly the same world routes, there is bound to be competition for the payloads. Some public gain might conceivably result if the competition led to low rates without any loss in safety. But the elements of national power and prestige are likely to make the competition political as well as economic with the result that the flag is kept flying, whatever the cost, by means of government subsidies.

Against this danger, an agreement between the United States and other flying Powers is needed to preserve the advantages of competition without risking a subsidized struggle for mastery of the air. Such a struggle would keep civil aviation from becoming a useful instrument of peace, and would imperil other efforts to bring order into international relations.

## 9. Our Foreign Policy and Peace

In this last chapter we shall begin with a résumé of our general theme, that our economic policies can be shaped to make a durable peace possible. We shall then consider some of the difficulties attendant upon the formulation of American foreign economic policy, and finally discuss the likelihood that our national policies will contribute to world peace after the war.

Almost everything that has been said so far rests on these three propositions:

1. A lasting peace is the most important of our national long-term post-war objectives.
2. This objective is not likely to be attained unless world economic conditions are more favorable to peace after the war than they were before it. At least, a new world depression will weaken any and all political arrangements designed to keep the peace.
3. The policies and practices of the United States in its economic relations with other nations will be influential, if not decisive, in determining what economic conditions in fact characterize the post-war era.

#### IMPORTANCE OF OUR ECONOMIC POLICIES

In the past we have tended to ignore or underestimate the international effects of our national economic decisions. Actually from the Civil War onward the United States has been playing an increasingly important role in world history, and its economic policies in particular have had far-reaching consequences around the globe. For example, our policy on immigration, which was

first friendly and then unfriendly to foreigners, has undoubtedly had both economic and political consequences for many nations. Our financial operations, first as a borrower, then as a lender, then in the 'thirties as neither, have been an important factor in world history since 1900. Our tariff policy, by gradually closing the world's best market, has tended to encourage the trend toward economic nationalism abroad and thereby cut us out of the world economy.

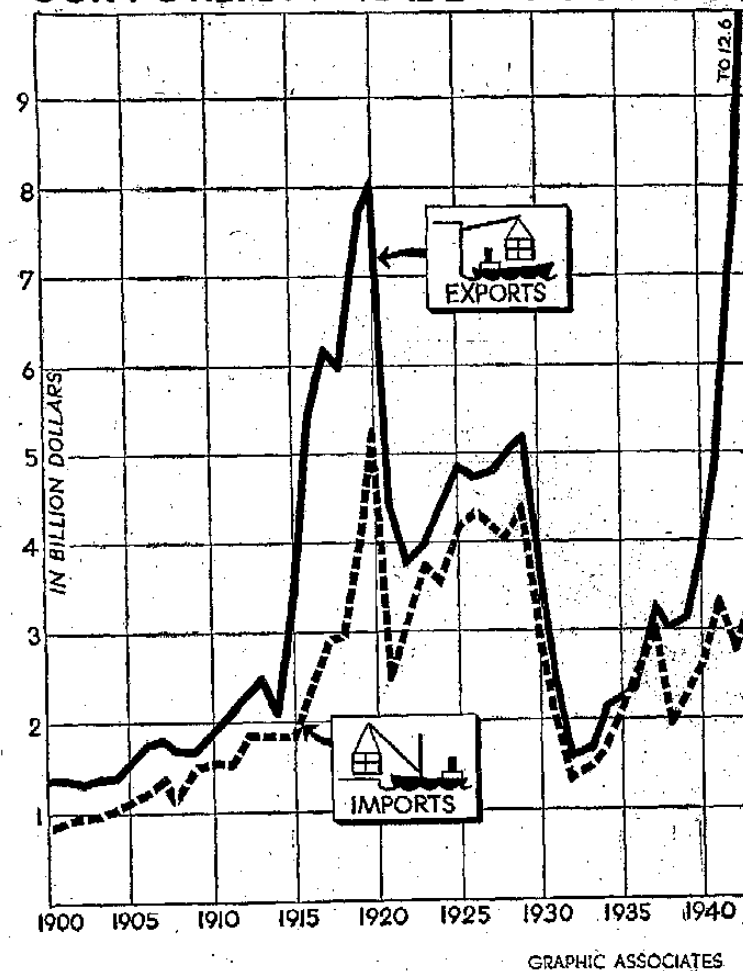
At the end of World War II, our economic power will be substantially greater than it has ever been, both in absolute terms, and in relation to the economic power of other nations. More than ever, therefore, our major economic decisions will be of the greatest importance to us and to the rest of the world—in the actual economic situation and as they may affect international order and future peace.

#### WHO MAKES OUR ECONOMIC DECISIONS?

If these decisions are so important, it is worth asking who makes them, and on what basis they are made. In the past, except in wartime, the nature of our economic relations with other nations has been largely determined by traders and bankers, and the government has given its aid and blessing to their operations without raising unpleasant questions about the consequences, either for ourselves or other nations. This procedure was in accordance with the still respectable theory that the government should confine its actions to political matters (such as winning elections), which it understands, and that economic matters (such as trade and banking) should be left to the practical judgment of the businessman.

It is true that in practice business interests have frequently demanded the government's assistance. Manufacturers have sought prohibitive tariffs against foreign competition, bankers

### OUR FOREIGN TRADE : 1900-1943



have expected diplomatic support in the collection of foreign loans, and exporters have often sought protection by their government of American lives and property. Nevertheless, in spite of a degree of cooperation, there has frequently been a sharp contradiction between the government's policy and the businessman's practice in our relations with other nations.

#### BEFORE PEARL HARBOR

The best example of this contradiction can be found in our relations with Japan from the time Japan seized Manchuria in 1931 until the attack on Pearl Harbor. During this period with one hand we sent sharp admonitory notes to Japan, warning it that its aggressions against China clearly violated treaties to which both Japan and the United States were parties. But with the other hand we were supplying Japan with the necessary instruments and materials of aggression. Ambassador Grew kept Washington well informed on the progress of Japan's military preparations. Yet in 1940 we supplied Japan's war machine, with petroleum worth \$54,600,000, iron and steel worth \$37,956,000, copper worth \$24,621,000 and metal-working machinery worth \$23,321,000, to mention items of later significance to our forces. It has indeed been explained that an embargo on oil would have forced Japan to take over the Netherlands East Indies. But this explanation, even if valid, does not account for the other items. In any case the steady contradiction between our diplomatic notes and our business policy may have made the Japanese think we were talking only for the record.

This division between economic and political matters has been a source of serious weakness in our relations with other nations, and the national interest has suffered in consequence. World War II brought a speedy end to the division, and for the duration our foreign policy and practices are exhibiting a high degree of

unity and strength. For example, in our dealings with the European neutrals there has been harmony between what we told them and what we sold them.

#### GOVERNMENT REGULATION ESSENTIAL

After the war the contradictions inherent in the theory that government is government and business is business may again influence our foreign relations. But if we intend to play our part in keeping the peace, there can be no doubt that the government will be obliged to assert greater authority over our foreign economic activities than before the war. One instance will suffice. Any international plan for preventing aggression will undoubtedly rely in some degree on the weapon of economic coercion. In meeting our obligations under it, the government will have to be able to curb our trading instinct swiftly and decisively whenever necessary, regardless of the economic losses involved.

It is probable then that after the war the government will not only formulate our economic policies, but will also keep our business practices in line with them whenever the issue is security and peace. But the government is made up of several parts, and many agencies are concerned in the formulation of decisions on foreign economic matters. In fact it is not always a simple matter to discover precisely where in Washington our policies are made.

#### WHAT BRANCHES OF GOVERNMENT ARE CONCERNED?

In theory our decisions on economic foreign policy, when we make them, are a joint product of the Executive branch and the Congress. Generally the Executive takes the initiative in framing policy, and then requests the Congress to enact the laws and appropriate the moneys necessary to give it effect. Congress, however, may enact legislation on economic matters affecting

other countries, and by so doing may in effect determine our policy on trade, finance, shipping and aviation. For example, our pre-war neutrality policy which prohibited American loans to belligerents and kept American ships out of war zones gave effect to the views of the Congress, rather than to those of the Administration. Recently, identical resolutions introduced in both houses proposed an Air Policy Commission which would virtually deprive the Executive branch of its authority in formulating national policy on aviation. When the two branches of the government are working in harmony, our foreign policy has the virtue and strength of being based on the special information and considered judgment of the Executive branch and at the same time satisfying the national interest as Congress sees it.

But even if we confine our search for the economic policy-makers to the Executive branch, we shall find that the State Department is by no means the only agency dealing with foreign economic matters. This is somewhat odd, in view of the State Department's jealously-guarded prerogatives in the field of foreign affairs. The explanation is that before the war, aside from the Reciprocal Trade Program, the State Department was only mildly interested in economic matters; and it was staffed by officials whose training and interests were in the main political. When the approach of war and the war itself urgently called for economic decisions and controls, it seemed necessary to create new agencies.

In July 1941 the Economic Defense Board was established. With the outbreak of war in the Pacific, it became the Board of Economic Warfare and later still the Foreign Economic Administration. The Executive Order setting up the Economic Defense Board indicates that the new agency was intended to be almost a second State Department in the economic field. For the Board was charged with "developing and coordinating policies, plans

and programs designed to protect and strengthen the international economic relations of the United States in the interest of national defense."

#### REORGANIZATION IN THE STATE DEPARTMENT

The State Department found collaboration with the new agency difficult and embarrassing, but one important and probably lasting result came out of the struggle for jurisdiction that developed. This was the growth of economic functions in the Department of State. Division after division was created in the Department to deal with the diverse economic problems that the war made urgent. In line with this trend the Department's recent reorganization gives new prominence to permanent offices that will cope with such matters as aviation, shipping, financial and monetary affairs, commercial policy and petroleum. The traditional political offices still occupy the central position on the Department chart; but the Department as a whole has been forced by the war and by the pressure of the war agencies to move towards a fusion of politics and economics in the performance of its functions.

This is not to say that the State Department will be able to guide us safely into the post-war world with the aid of its stockpile of memoranda on post-war problems. Like all foreign offices, the State Department has its blind spots, prefers the status quo, and collaborates stiffly. Herbert Feis, until recently the Department's adviser on international affairs, wrote in a *Foreign Policy Report* of April 1:

In this matter of foreign economic policy for the United States, coherence among its elements is essential. . . . The development of a coherent pattern will require working unity . . . under direction that possesses energy, understanding and sufficient authority. This remains to be achieved.

#### NEW METHODS

The Department has recently made noteworthy attempts to broaden the base for the performance of its duties. The first of these sought a "working unity" with the Congress as a means of strengthening our position in negotiations on post-war objectives, and of increasing the likelihood of subsequent Congressional approval. The second sought to give our foreign policy a bipartisan base even during the heat of the presidential campaign, by means of conferences between Secretary Hull and John Foster Dulles, who represented Governor Dewey. The third was an official invitation to the public to take a more active part in expressing its views on foreign policy. Last January, in the course of a series of radio talks intended to explain the workings of the State Department, the question was asked: "How can the average person help guide American foreign policy?" The Department spokesman made the following reply in wholly undiplomatic language:

Anybody who wants to play a part in forming our foreign policy has merely to sit down and write a letter to his favorite editor, or write to his Congressman, or his Senator, or to the President, or the State Department, and say what he thinks. Furthermore almost every individual belongs to some group, whether it's labor, business, agricultural, church, or educational group, and through these or similar groups, he can make himself heard in an effective way.

#### THE U. S. A. AND THE PEACE

We now turn to our final topic, a brief consideration of the question: Will our economic strength in fact be thrown on the side of a durable peace? In spite of the fact that we can today only guess at the answer to this question it is possible to examine some of the factors that will help to determine our role in the post-war world economy.

We and our Allies have attempted to improve on the methods that failed to bring international order after World War I. Last time there was no real attempt made to win the peace until after the war was won; then people everywhere looked to the peace-makers at Paris to emerge from their deliberations with a brave new world. But the wreckage and dislocations of four years of war are, under any circumstances, poor material from which to build a brave new world. In 1919 the nationalist aims of the victors and the atmosphere created in Paris, made the difficulties of the task almost insuperable.

This time we have at least begun earlier and we are not attempting to do everything at once. Not only are we now farther along the road to international cooperation than at any time during World War I, but there appears today to be a greater determination to construct a world order that will work—in spite of the difficulties we now know we shall encounter.

On the other hand the preliminary steps that have already been taken have not yet carried us far beyond the starting line. Moreover, the remarkable measure of agreement that has been exhibited in the international conferences held to date may rapidly decline when our common enemies have been defeated. Serious differences may later develop between the United States and Great Britain, or between the United States and the Soviet Union, or between the Great Powers and the lesser Powers. Such differences would immediately put international cooperation to the acid test.

#### AFTER THE WAR IS OVER...

The possibility of effective international organization may be weakened, also, by our own attitudes. When the war is over, we may wish to stop thinking in world terms; and the fact that our enemies have been disarmed may encourage us to attend exclusively to problems at home. Or our great armed strength at the

end of the war may persuade us that we can achieve security by the unaided efforts of our own Navy and Air Force. In this case we might embark on a career of "armed isolation."

On the other hand, our military strength may suggest empire-building and tempt us to try to dominate the world "for its own good." An official of the Aeronautical Chamber of Commerce recently declared that the United States now is in a position to follow in the footsteps of the Greeks, the Romans and the British. These peoples, he said, gave the world three eras of peace.

Now, with this great air power of ours, we have the opportunity to impose a fourth great era of peace. With this power in the hands of a peace-loving people and with maritime power to back it up, we can see the possibilities of this era of peace.\*

#### INTERNATIONAL COOPERATION: OUR COMMITMENT

Glamorous as world domination may appear to some, we as a nation have committed ourselves to another means of achieving world order: cooperation with other nations. This commitment has been made by the Executive branch of our government and by the Congress. Both parties supported it in their platforms; and opinion polls have shown the American people to favor it. We have already begun to meet the commitment as with other nations we are attempting to shape the foundations of a world structure.

Whether we continue along this road, however, will depend on many unknown factors. One of these, and an exceedingly important one, is the degree to which we as citizens sustain our determination to achieve peace and give it practical expression through an active understanding of the conditions essential to

\*Eugene E. Wilson, chairman of the board of governors of the Aeronautical Chamber of Commerce, speaking at a conference of sixteen aircraft manufacturers with Army, Navy and government officials in Washington (New York Times, September 10, 1944).

peace. If enough of us can keep our minds on these matters, even when no war is in sight, there is considerable prospect that we shall make a substantial contribution to the common problem of achieving world order. Such contribution may be sufficient to weight the scales on the side of peace.

## FOREIGN TRADE AND FULL EMPLOYMENT

by Howard P. Whidden, Jr.

As victory over the Axis comes closer, more and more Americans are thinking about the problem of reconverting our wartime industry to the needs of peace. What worries us particularly is how full employment can be maintained once the demands of war have ceased. Is there a way out, as some of our leaders seem to suggest, in a great expansion of American exports? Or is there a danger that this approach will lead us to think of exports simply as a means of providing employment and that we will be led into a blind alley? The reader of this volume of the *Headline Series* will hardly be misled in this way, but perhaps it is worth while to examine, even if rather broadly, the relationship of foreign trade to the problem of employment.

According to the traditional theory of international trade, a nation exports and imports in order to take advantage of the international division of labor. Its exports are the means of paying for its imports. We import coffee, not because we cannot produce it in this country, but because it would take too much labor to do so. Even coffee beans could be grown in hothouses. They are obtained, however, with much less effort in the automobile factories of Detroit, so long as automobiles can be exchanged for coffee. Thus, foreign trade is a means of saving labor and raising living standards by taking advantage of the international division of labor.

This theory, which was considered basic to the nineteenth century trading system, had not been followed, of course, by the "mercantilists" of the seventeenth and eighteenth centuries, and it came to have less and less meaning in the years following World War I. According to the mercantilist doctrine, a wise nation pursued a policy which gave it a "favorable" balance of trade—that is, an excess of exports over imports. In this way it accumulated gold and became prosperous. During the inter-war period, on the other hand, when unemployment was widespread, there was a tendency to use exports not to acquire gold, but as a means of providing employment, although certain countries—notably the United States—accumulated gold in the process.

If we examine the relationship between foreign trade and employment we can see why nations sought to expand their exports—or to reduce their imports—as a method of solving their unemployment problems. From the point of view of employment, the process of foreign trade is that of substituting one kind of employment (that "given" by exports) for another (that "taken away" by imports), with the purpose of gaining a net increase in productive efficiency from the substitution. But if the trade is out of balance, if imports exceed exports or exports exceed imports, the process of exchange either takes away more employment than it provides or provides more employment than it takes away. Of course, a balance of exports and imports creates neither employment nor unemployment, but leaves the situation unaffected. This means that a nation which is suffering from unemployment will seek to maintain an exports surplus, since this creates a net addition to employment. Or, if it has an import surplus it will seek to change its position since an import surplus involves a net loss of employment.

The results of maintaining or promoting an export surplus in a less than fully employed economy are striking. It is obvious, in



the first place, that some men will be at work producing goods for export instead of being idle; but even more important is the fact that these men now have wages to spend and their expenditure will augment home demand for consumers' goods and draw into productive employment additional men who would not otherwise be employed. Economists have called this the "multiplier" principle. If 1,000 men are put to work producing goods which make up an export surplus, these 1,000 men by spending their wages give employment to, say, 600 more. These men will then buy the products of another 360, products which would otherwise be unwanted. If we follow this process to the end we might find that by putting 1,000 men to work on additional exports perhaps as many as 1,500 men will have been given jobs producing for home consumption. Thus, an export surplus—even if it were given away or sold on a credit which was never paid back—benefits a nation by stimulating employment and prosperity at home.

A nation which finds itself in the midst of depression can be expected, therefore, to seek a means of escape through a policy which would be almost fantastic for a fully employed country. It will take measures to keep out real wealth (imports) offered by other nations and to send its own real wealth (exports) to the rest of the world. A country enjoying full employment and active demand, on the other hand, will view exporting simply as a means of paying for necessary imports, and will restrict imports only when it does not have the exports to pay for them. In other words, it is interested in saving labor and increasing its standard of living by making use of the international division of labor.

Recent history records the fact that nations have acted very much in this manner. During World War II, when the United States and Britain have been threatened by a shortage of labor, they have not been anxious to force their exports on other coun-

tries or to keep out imports. Even before the outbreak of war in 1939, the Soviet Union and Nazi Germany were eager buyers of imports, and limited their demands merely because of their inability to export enough to pay for more imports. But in the 'thirties, and to a lesser extent in the 'twenties, the capitalist democracies—both large and small—made determined efforts to restrict imports and expand exports, and this largely because their economies were under-employed.

As we have seen, a depressed economy acts rationally when it pursues such a policy. But it is a strangely limited sort of rationality, and one which in the end is bound to be self-defeating. It is limited because there are other ways of creating home employment—public works, for example—which do not benefit one country at the expense of others. And it is self-defeating just because it is a "beggar-my-neighbor" policy. For the inevitable counterpart of one country's export surplus is another's import surplus, and if that other country is also in a depressed condition, its own depression is deepened to the same degree by which the surplus country's depression is lightened. This means, of course, that the second nation will take measures to cut its imports and expand its exports, perhaps through a combination of higher tariffs to restrict its purchases and export subsidies to help its sales. This was the pattern of frustration which blocked the channels of world trade in the 'thirties.

During the inter-war years the United States appears to have been as guilty of exporting unemployment as almost any other nation. True, our export surplus was not something which we simply chose to have, any more than other countries' import surpluses were something they chose to have. It arose out of the economic development of this country, particularly as it was accelerated by World War I. But, although we recognized by the 'thirties that our position as a creditor nation called for an increas-

ing ratio of imports to exports, the government could do little about it. Measures to increase imports faster than exports—such as a substantial reduction of tariffs—were impossible because they would have added, at least temporarily, to the unemployment problem in this country. Steps to reduce the flow of American exports were out of the question for the same reason.

With these considerations in mind we may wonder what effect the desire for full employment may have on American foreign trade in the years after World War II. The tendency will be for the United States to continue to have a heavy export surplus not only because the world's need for American goods will be greater than our need for foreign goods but also because other countries will not have products of their own in sufficient quantities to pay for the goods which they will want from us and we will be anxious to sell. Moreover, during the reconstruction period many other countries—certainly those in Europe—should be enjoying full employment and active demand and should not fear the employment effects of an import surplus. Under these circumstances a large export surplus from the United States, financed by extensive foreign lending on our part as described on page 29 ff of this issue, will not be unwelcome to the rest of the world. And it will undoubtedly contribute substantially to the maintenance of employment in this country during the reconversion period.

Other countries are not likely to borrow heavily from us, however, unless they feel reasonably sure that this country will accept their exports. Otherwise they will be mortgaging themselves with no prospect that they will be given the opportunity to pay off the mortgage. But, this is where the rub comes. If we are to be paid for our exports and for our loans, we will have to accept a large volume of imports and at some point be prepared to accept an import surplus. And this means that we cannot, at one

and the same time, attempt to provide employment by an expansion of exports and by restricting imports.

Much has already been said, for example, about protecting our expanded textile industry in order to safeguard the capital and labor now employed in it. But at the same time, we are confidently expecting to provide employment for many men by exporting machinery, motor vehicles and a host of other products in which the United States has a competitive advantage. We cannot do both, at least not for long. In other words, as we plan our reconversion employment we must be prepared to sacrifice some employment opportunities if we expect to gain others in our export industries. This is not simply because we must buy foreign goods in order to provide other nations with the dollars to pay for our goods, and ultimately with the dollars to pay back our loans. It is also because other nations—with the exception of the economically backward countries—may have unemployment problems as their economies are reconverted from wartime to peacetime production or after they have recovered from war devastation. Under these circumstances, they would want to reduce the import surpluses which are the counterpart of our export surplus or even to encourage an export surplus as a stimulus to employment. As a result they would take measures to cut imports and force exports. This would reduce our exports and if we still feared unemployment we would pursue the same policies. Thus the vicious circle all over again!

This does not mean that it will be contrary to the best interests of the American economy and the world economy for the United States to depend on its export trade to supply employment in the reconversion from war to peace production. It is entirely proper that foreign markets should be counted on to absorb some of the surplus production of our war-expanded economy. Indeed, an

expansion of American exports which helped to maintain production and employment in this country would of itself provide foreign nations with a large market for their goods. But our foreign trade program must be synchronized with internal adjustments designed to provide for our long-run employment needs. To conduct our foreign trade for any length of time with the intention of using an export surplus to maintain employment can only end in the breakdown of international commerce.

It seems clear that we should export those goods in the production of which we have a comparative advantage and import those in which other nations have the advantage. As we gain employment in the export industries we may have to give up some in industries which are now protected and unable to meet foreign competition. But to protect inefficient industries from foreign competition is similar in its economic effects to refusing to make use of labor-saving machinery. To take advantage of the international division of labor is to make use of a labor-saving device. Both increase productive efficiency and raise living standards. If we can solve our employment problem, and solve it without creating an employment problem for other nations, we can then export real wealth only in return for real wealth and our foreign trade will be put on a sound basis.

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# Skyways of TOMORROW

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No. 47

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Some service man will be interested in this. After you have read it, why not send it to your nearest camp or hospital library?

## SKYWAYS OF TOMORROW

Burnet Hershey

### Introduction

Early in June, 1944, the Chairman of the Civil Aeronautics Board, Mr. L. Welch Pogue, stood before a large world map in Washington and pointed to 140,000 miles of international air routes which had been selected as desirable for post-war operation by United States air carriers. On this map, in the simple terms of geography and stripped of all doctrinaire rhetoric or diplomatic phrases, was the basic draft of what the United States proposed to do in the field of international commercial aviation after the war. To the already existing 80,000 route miles had been added an additional 60,000 miles of air lines extending virtually to every important country in the world.

To those who followed the pointer in the Chairman's hand as it traced the lines of this global network it was apparent that the United States Government was taking the next step in setting up an American air policy. However, the CAB draft did not indicate that such a plan had yet been agreed upon or even evolved. Though the map was an important advance, it was left weakened by the absence of several political realities.

For one thing, many of the proposed routes could not be operated in the absence of agreements with the countries to which they would be flown. Acquisition of foreign landing rights was a problem left on the doorstep of the State Department, to be

decided *when, as and if* the Government emerged with a policy. Then, too, while the present law provides for competitive, private operation on foreign routes, it also requires that the CAB pass on the individual merits of each case, the final decision being up to the President. The question arises also whether any decisions will be reached based on the existing aeronautical law or whether Congress will clarify matters with a new law.

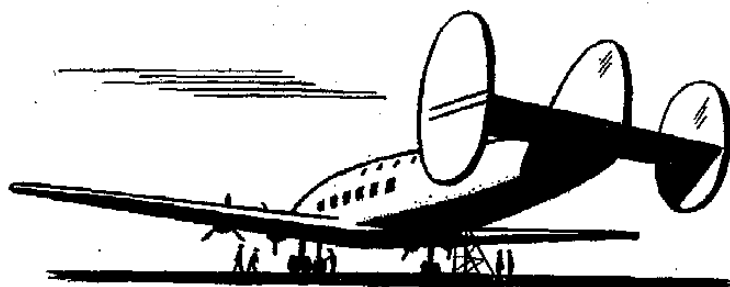
Questions of this nature, together with many other problems such as the technical possibilities of modern aviation, present and future ownership and operation of air routes, transfers of air bases and the future of aircraft as an instrument of power and international security—all these problems are coming out into the open for public examination. Behind the scenes of every Allied government a vast assembly job is going on with charts, maps, estimates and memoranda. Great Britain and the United States are in the forefront of this activity.

This brief, and necessarily incomplete, survey of some of the problems may give the reader a tiny notion of the task facing the policy makers and the negotiators. It is true that there is a disquieting delay in reaching solutions, but some feel that the delay has its advantages for all concerned. Very many of the almost innumerable facets of the aviation problem may resolve themselves better by practical trial and error than they could be solved, theoretically, over a green baize table. Since the plans should be made on a long-term basis, it would be better if they were entered into with greater deliberation and not hurriedly whipped up in the immediate post-war scramble. If our Government is not ready, there may be good reason for it.

On the other hand, American private aviation interests seem to be more than ready to take off on the great adventure of tomorrow's new world in the air. Technologically, the aviation business has made gargantuan strides. It should be remembered that the 80,000 miles of air routes being flown today do not take account of the many more thousands of miles all over the world which

American domestic air lines are operating under the Army Transport Command: Pan American Airways today is flying approximately 52,000 route miles, Panagra 9,000, and American Export Airlines 6,500. The remaining 12,500 miles of routes assigned to American flag carriers are temporarily not covered because of war conditions.

Just before this material went to press, the Government issued an astounding figure showing the extent of air cargo transportation today. Ten and a half million pounds of strategic materials worth \$31,000,000 were carried by air to the United States, Britain, and Russia in the first quarter of 1944. This three-month figure is said to have been exceeded in the second quarter due principally to preparations for D-day. These operations under the Army and Navy Transport Services are now averaging several hundred overseas flights weekly, and are sketching the pattern of a world-wide development of airways that will become available for civilian air transport needs after the war.



## 1. Technical Possibilities of Modern Aviation

*The technical possibilities* of aviation can be summed up in four questions: How Fast? How High? How Far? How Big? And the same answer can be given to all of them: Nobody yet knows. There are many theories as to the limit of speed, the ease or difficulty of flying in interstellar space outside the earth's atmosphere, and the dream of reaching other planets; but like all purely hypothetical cases, still-unknown factors may be found which will put all present theorists into wastebaskets along with their notions.

*The technical probabilities* are a different question entirely, because the answers can be based on the known results obtained to date. A standard fighter-plane, diving, has already passed the speed of sound. The exact figure has not been released by military censorship, but it is known to reach 800 miles an hour! The pilot suffered no apparent damage from this terrific rate. So, two factors have been established: the ability of the human body successfully to withstand that speed, and the ability of a propeller-plane to attain it with the aid of gravity. What practical application may be made of this knowledge for future civilian use is up to further experimenters and inventors.

"Rocket planes" are so-called because they are helped to push through the air by sucking the atmosphere from in front into an

internal explosion chamber where it mixes with fuel, combusts, and is voided through a discharge nozzle in the rear. Although during the war, until the "robot" bombardment of England, development of this type of plane was directed largely toward gaining greater speed, some designers expect its post-war use to help reduce fuel consumption, the nightmare facing the aviation industry. The threatening possibility that there is not enough oil stored away in the earth to fuel all the transportation we hope to build and use is stimulating scientific search for entirely new sources of motive power, as well as for greater efficiency in our present internal-combustion engines.

However, it is improbable that the full results of present war-time experiments along these lines will come into common, public use for some years—possibly fifteen or twenty—after the close of the war. It will take a long time for careful tests and comparisons and final decision as to the best new devices suitable for mass-production. A study of newspaper headlines reveals that it is always several years from the report of a "revolutionary" mechanical discovery, until the cash customer can plank down his dollars and take the new gadget home some convenient payday afternoon.

### HELICOPTERS

That is certainly the case with the eagerly-awaited helicopters. Theoretically, these aerial windmills are the perfect counterpart to the old family sedan. They jog along at a comfortable pace, under 150 miles an hour; they can make a straight-up take-off, climb at any angle, fly forward or backward, hover over a given spot, and operate from an area less than fifty feet square. Equipped with floats, they can land or take off—straight up again—from water. Designers are even now working on models of helicopters which have demountable wings, wheels for land-surface travel, and seaworthy bodies for plunging across streams in amphibian adventures. In the international field the helicopter may be usefully employed as a craft for "feeder lines."

Practically, certain mechanical "bugs" must be eliminated. These include a number of structural difficulties in the "wind-mill" overhead propeller, a tendency to "yaw" like a sailboat out of rudder control, and a rather involved set of controls requiring a high degree of skill, coordination, and experience on the part of any would-be helicopter pilot. Six years of continual effort have increased the official record of sustained flight by only 29 minutes—from 1 hour, 21 minutes in 1938 to 1 hour, 50 minutes in late 1943.

Most of the men now in uniform will almost certainly live to witness the era of the air flivver. Commuting range can be expected to extend a hundred miles or more from the centers of the largest cities. Air-taxi lines are already being promoted, although they still lack everything for operation except the desire, and the lowest rates likely for some time after the war are three cents per mile—about three times rail commutation rates. Already a half dozen airlines have filed applications to use helicopters in short-flight air-mail and air-bus deliveries. Other applications for operating permits are also steadily being received at the Civil Aeronautics Board in Washington, and are filed away without comment to await action at some undetermined future date. Helicopters have yet to convince the CAB of their commercial practicability.

#### PRACTICAL DIFFICULTIES IN THE "AIR AGE"

Prophets of the "Air Age" have been forecasting a vision of unlimited "progress and prosperity" for the aviation industry that would make the golden era of automobile profits look like a faltering dress rehearsal. That is simply false advertising without any reference to the facts, and every responsible person connected with aviation wants it corrected. As William Burden, Assistant Secretary of Commerce in charge of aviation, says, our aviation industry today is by far the largest single industry in the United States. It is five times as large as automobile manufacturing was

in the peacetime peak! Yet in 1939, aviation was only one-ninth of automobile production measured in dollars, and over seventy per cent of the 1939 production was in military aircraft. This figure from the last peacetime year is necessary as a gauge for any consideration of aviation in the coming post-war period. There is a temptation to compare aviation prospects of today with the automobile prospects of the year 1916 during the first World War. But the essential factors are utterly unlike.

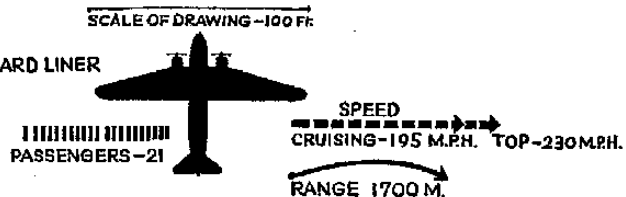
On the simplest possible basis, the difference between servicing an automobile and servicing an aircraft must be noted. It takes a total ground crew of 125 men to keep a fighting aircraft going. Half of those men actually work on the home field of the craft. The other half are reserves, all are technicians, of one sort or another. Every single mechanical detail of every plane must be inspected, tested, and *proved* to be in working order before it can be permitted to take off. This is imperative for commercial as well as for military flying. The staggering cost of so much upkeep, rather than any technical handicaps, is what will put a damper on popular enthusiasm for widespread private use of planes. In time the servicing process will probably be simplified and the cost lessened, but not immediately.

The actual land area required for commercial transport fields is an expensive factor which is sometimes overlooked. An adequate field occupies up to 2,000 acres, with concrete runways a mile-and-a-half long, and several millions of dollars' worth of hangars, machine shops, underground fuel storage, and so on. With the necessity for placing airports as close as possible to city centers, land values are high, running up to several thousand dollars an acre in most cases, and to scores of thousands in a few. In the summer of 1944, however, Assistant Secretary of Commerce Burden announced that the Civil Aeronautics Administration was planning to recommend to Congress the building of 3,000 new airports—the great majority of them to be small fields to be used largely for private flying.

## TYPICAL TRANSPORT PLANES TODAY

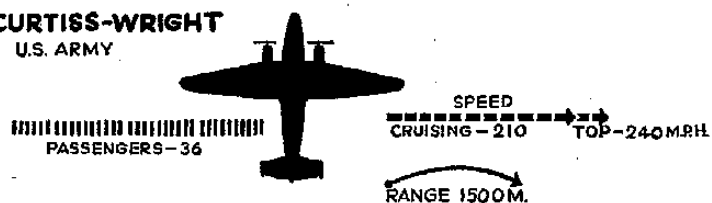
### DC-3

OUR STANDARD LINER



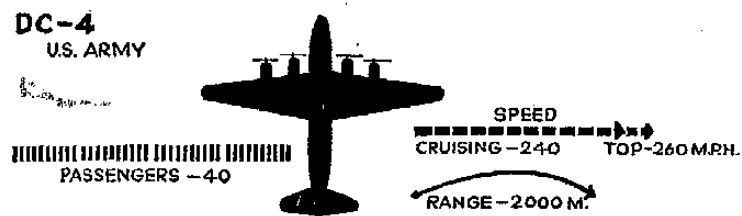
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U.S. ARMY



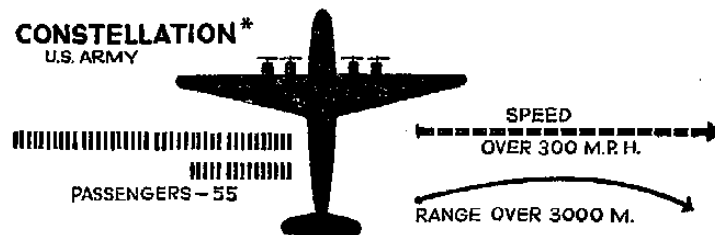
### DC-4

U.S. ARMY



### CONSTELLATION\*

U.S. ARMY

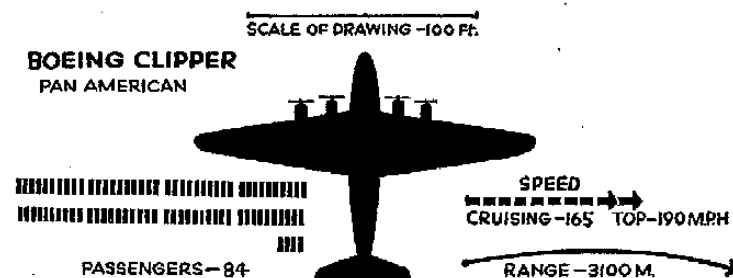


\*DRAWING AND FIGURES ARE APPROXIMATE

Operation of the field with its trained personnel, its lighting system, radio and electronic guides and signals, facilities for housing—and hospitalizing—passengers is a costly affair. Whether it is maintained as a municipal convenience, and paid for by the taxes of many who never use it, or whether it is run on a commercial basis of charging actual cost to each plane serviced, there is still the fact that it must be financed. Many see this coming about, in spite of the obstacles mentioned above, through increased private flying which can bear its proportionate share of cost in the same way private motoring has supported the infinity of roadside filling stations that stretch across the land.

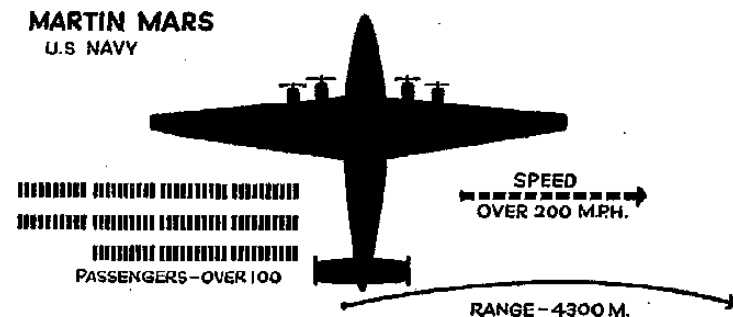
### BOEING CLIPPER

PAN AMERICAN



### MARTIN MARS

U.S. NAVY



#### WHAT WILL POST-WAR PLANES BE LIKE?

Wild prophecies have also been published about the size of forthcoming aircraft. Passenger planes to accommodate three and four hundred persons, along with baggage, express, mail, and fuel are said to be speeding off designers' drafting tables into the experimental stage. It is true that many designs have been drafted, and some experimental models made, for craft very much larger than anything that has yet taken wing, but it may be asked whether any of them will ever get into the air—except for some now unforeseen military purpose. The reason is that there is no practical purpose in operating such large planes. The whole value of aviation is speed. A traveller who wants to reach London, Paris, Cairo, Moscow, Chungking, or Manila quickly does not want to hang around three or more days until the next half-weekly plane takes off. Routine flights will take only 12 to 15 hours from New York to London. Planes leaving several times daily and carrying 40 to 60 passengers will probably be able to care for all available traffic, for some time to come, with much greater satisfaction to ticket-buyers than if giant craft made the trip more elegantly and less often. Larger craft would simply sacrifice convenience for the vanity of something "bigger." Unlike ocean-surface vessels, there is no greater safety through size in the air.

A great deal is being written about new types of flying craft, such as the giant Mars, and the "flying wing" which has no cabin but is flat and shaped like a skate fish, and distributes its storage for passengers and cargo inside the whole area of the craft. For military (including naval) purposes large planes like Mars undoubtedly have a use. It is more questionable whether they will fill any real need in ordinary commercial transport. Most freight goods can move slowly without any loss either to seller or buyer or consumer. A few luxury items, such as fine wild Italian strawberries gathered on the Appenines and rushed to Park Avenue within a day to meet a pot of Devonshire cream for some

gourmet's dessert, may be an occasional cargo that makes a headline on page one. But they are not the backbone of industry or commerce.

From present indications there will be little change in the appearance of post-war planes from those now in use. The transport planes used by the army are simply adaptations of the pre-war commercial models, and can be readapted with such improvements as the war has developed. Before the war the entire commercial air service of the United States—domestic and foreign—had less than five hundred planes actually in service. Since we are now turning out twelve times that many a month (of all types, of course), the air lines will have no difficulty getting a brand-new total flying stock.

Early in 1944, the Lockheed Constellation made its dramatic debut in the American skies with a record-breaking flight from Los Angeles to Washington in 6 hours, 58 minutes. In August, Pan American promised that as soon as military priorities and the course of the war permitted, it would put into service for long-distance flights several four-engine land planes twice as large as the present Clippers—these planes to be even larger than the Constellation, and technologically several jumps ahead of it.

#### SAFETY DEVICES

Safety devices, which have developed under war pressure, will be included in the post-war improvements. Thousands of army and navy fliers are now *Radar* experts, thousands more know *telearchics*, the various phases of electronic controls, and a dozen other highly technical subjects. All of these tend toward much greater safety in flight under conditions which were once considered prohibitive.

*Radar*, which everyone now knows stands for Radio Detecting and Ranging, was in its final experimental stage at the beginning of the war. Urgent necessity proved a hothouse for bringing it

swiftly to practical use. Long a military secret, it is now known to thousands of pilots and crewmen as the magic eye that guides through storms, fog, finds an enemy target, and gives warning of an unseen mountain looming just ahead. *Telearchics*—the remote control by radio of unmanned mechanisms—may have some startling advertisement before the war ends. Like all other devices, this is simply one application of the new science of electronics, child of radio and parent of television. Robot planes, guided by telearchic control, and containing television cameras, can be sent over enemy positions and flash back a running picture. However, the usefulness of this discovery is still limited to so short a range as to make it of very little practical military value. How quickly the range can be extended we will have to wait on events to discover.

#### AVIATION IS EARTH-BOUND

Prosaic as it may seem compared to the romance of flight, it still is a fact that aviation is earth-bound in a very real sense. So far as humans are concerned, it depends on safely leaving and safely returning to the ground. It is rather ironic that many of the techniques that will ensure take-offs and landings for post-war civilians, have been carefully worked out in the desire to preserve fighting pilots and fighting planes. The Government has two years and \$26,000 worth of education invested in every pilot and, naturally, tries to protect the investment.

Before the war air routes were marked by visual signals; rotating lights at set intervals, and other markings for day and night. Radio contact was maintained by all planes with scheduled fields just behind and ahead, and in bad weather blind landings were sometimes possible by flying in on radio beams. The immediate post-war period will show a vast improvement. Much has already been made, even in civilian flying today. Infra-red rays have been used to combat fog and other hindrances to vision and are constantly being developed further.

#### AVIATION AND MAP-MAKING

Availability of emergency fields for forced landings, proximity of fuel stations, everything on which a pilot must depend for safety is bound up in knowledge of the terrain over which he may fly.

Little enough has been published about the change in map-making that complete air-coverage of the globe has brought about, but it is one of the most astounding human achievements in recorded history. As late as 1939 there were few comprehensive maps of the South American continent, one of the best being a set in possession of the German General Staff. This set had been made by various German colonists in South America, and had been coordinated through photographs taken by German commercial air lines and the German airship Graf Zeppelin.

Today, not only South America, but Africa, much of the Pacific Ocean with its islands, the Atlantic, and the Polar regions are photographed and, wherever possible, data obtained on the surface has been incorporated in the resulting chart. For the first time it will soon be possible for anyone to know the whole surface of the globe. The necessity of this for air pilots is obvious.

The function of aviation is to enable human beings to meet face to face, and see with their own eyes, and with the least expenditure of time out of what is, individually, a short life. Its possibilities are literally infinite. No one knows the limit where still-unknown conditions may halt a traverse through the sky. As Colonel Harold Harris, chief of the Plans Division of the United States Army Transport Command, says: "All our development so far is simply a window on the future."



## 2. Probable Routes of Commercial Transport

Mankind's earliest travel routes—whether for hunting, war, or trade—naturally followed paths of least resistance. Rivers always led to the easiest pass through mountainous country; animal trails guided surely to water holes in arid lands; for mariners, islands were charted where fresh water and meat and fruits would relieve the scurvy of early long sea voyaging. All these routes had one thing in common: landmarks along the way by which the traveller could determine whether he was heading in the right direction and along the proper path. From the very earliest times sea-borne transportation was subjected to taxes, more properly ransom and blackmail, levied by whatever nation happened at any one time to have the most advantageous ports, straits, and armed navy. Freedom of the seas was first proclaimed as an international "right" by the United States as the reason for the War of 1812 against Great Britain.

This is the most important historical precedent for judging the probable course of air routes in the immediate future, because air travel, even more than sea-borne, depends on relative freedom of passage for its development and effective operation. In addition, although there are no natural route-marks possible except "avigating" by reference to the position of the stars, aircraft must depend upon established depots for fuel, the effective profitable

range of commercial craft between fuel-stops being roughly one thousand miles at maximum. It has been contended that with a post-war plane having an over-all range of 5,000 miles and a practical range, fully loaded, of 3,600 miles, matters of sovereignty and "stepping-stone" bases would almost disappear. A trip from New York to London would be a one-hop affair. To Scandinavia, only one stop would be required, and only six stops would be necessary for such a plane to go, fully loaded, around the equator.

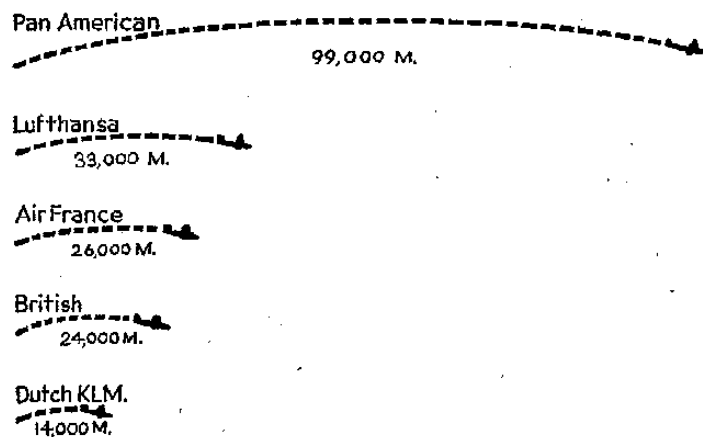
### THE GREAT INTERNATIONAL AIR HIGHWAYS

During the war the air routes established by American and British civil companies under military direction cover both great oceans, and, since the Allied invasion of Europe, penetrate every continent. For all practical purposes these constitute the only great international routes now operating. In Africa the remains of that once flourishing French company, Air France, now known as Réseau Aérien Français (RAF!) has been strengthened by American help and is an important link in Allied air transport throughout the French African possessions and colonies. Also, the Belgian Sabena Line, the only successful privately owned major air line in pre-war Europe, orphaned by the fall of Belgium in 1940, refused to give up, and from new headquarters in the Belgian Congo has made a steady contribution to Allied efforts. Before the war the Dutch KLM had an excellent service to its possessions in the East Indies and the Caribbean. This line has maintained its identity and charter by operating between Miami, Florida and the only remnants of the Netherlands not overrun: Curaçao and Surinam. Respect must be paid to the representatives of these three nations for the courage and determination with which they have kept their air flags flying.

But the total air-hours and miles flown is not important in a general survey of wartime aviation as a guide to peacetime possibilities. That these companies will be restored to a respectable



## SCHEDULED ROUTES BEFORE THE WAR



*Approximate route miles operated by principal international airlines*

position in the world's air fleets goes without saying, but how soon that will occur must depend upon conditions in their homelands when they have been cleansed of invaders.

Even before the war broke out the world total of scheduled routes barely added up to the total flown regularly by United States Pan American's craft in 1941. At its top, in round numbers, the German Lufthansa had approximately 33,000 miles of air routes; Air France had 26,000; the British had 24,000; the Dutch KLM had 14,000. Pan American had 99,000! The superior knowledge of global air routes thus attained by American aviation has been increased during the war to an almost complete photographic coverage of most parts of the globe.

At the war's end, it has been estimated there will be nearly one million qualified fliers who have had experience in some areas

outside the continental United States. Probably there will be just about this same total in the rest of the world put together. Added to these must be several millions more who have been transported by air on long or short missions and are conditioned to air travel as the best means of going from place to place. This is the basis for some of the extravagant prophecies made about post-war aviation. But the reality may be much less glamorous.

In 1939 the United States in domestic and overseas service had a total of 265 commercial planes. Only a scant score of these were capable of transoceanic flights. Yet those few could have carried as many passengers *per year* to Europe as the average total of first-class steamship passengers. Unless travel should be increased ten or twelve fold there simply will not be passengers enough to pay for maintaining schedules more frequent than once a week—about the same schedules in fact as those formerly operated by luxury liners. The difference in capacity between a steamship serving, say, a thousand passengers, and a flying craft accommodating only a hundred is more than made up by the difference in time of passage: four days or ninety-six hours as against fifteen hours to Great Britain.

The chief worry of many leaders in the aviation transport industry is this same question of the available travelling public, and whether the very speed with which it can be taken to its destinations by air will not quickly exhaust the potential number of travellers who can afford both time and money to go abroad.

W. A. Patterson, President of United Air Lines, has estimated that even if one applies to trans-Atlantic air travel a faster rate of penetration than has occurred in the domestic field, the potential increase in total overseas travel (trans-Atlantic) will not exceed 13% per year. He also points out that 15 airplanes each carrying approximately 100 passengers and 5,000 pounds of mail and cargo could handle the entire North Atlantic business in the first peacetime year. Basing his figure on the requirements for the number of passengers travelling during the peak month of the year (Sep-

tember), Mr. Patterson further estimates that 43 such airplanes would be required to handle the business for 1948.

Although the history of transportation proves that every increase in speed and facility has tended to lower the cost per passenger-mile, because the number of patrons has vastly increased, it is also true that this has occurred only when there has been a minimum of artificial barriers to commerce and travel, such as high tariffs, onerous passport charges and red tape. All these factors must be taken into consideration in estimating the probable extent and direction of post-war air routes.

#### THE AIR TIE TO THE UNITED KINGDOM

Travel, of course, follows trade, and the biggest trade of the United States has always been with Great Britain and Canada. These two English-speaking countries have, on the whole, practically the same standard of living as exists in the United States, which means that almost all foods grown or goods manufactured in any of them are familiar and useful in all. Moreover, these two nations are most likely to emerge at war's end less materially damaged than any other large nations, and with their commercial structures in better shape to resume peaceful trade. This seems certain to result in Great Britain and Canada being the first post-war objects of full-time aviation schedules from and to the United States.

As a by-product, this will probably cause the virtual abandonment of the Foynes Airport in Eire, formerly chief United States lines terminus in the British Isles. The Irish naturally will continue to use Foynes as their chief international port, but the great bulk of traffic will no longer pass through it as a junction point. Although attempts may be made to criticize this development in Eire as a political penalty for Ireland's neutrality in the war, it would occur sooner or later under any practical administration of commercial air traffic.

#### CANADA—AIR CROSSROAD OF THE WEST AND NORTH

Friendly cooperation of the United States with Canada is of paramount importance in the development of United States aviation. Geographically, the Canadians are in a much better position to control world trade air-routes than is the United States. The short lines around the curve of the earth from North America to much of Asia and Northern Europe pass through the Arctic Circle. As has been pointed out by all the geographers, and demographers, most of the population and trade activity of the world centers north of the equator in a band that lies roughly between the equator and 60° N. That makes routes over the North Pole the shortest distance between the great areas of consumption and production, and such routes from the United States must cross through Canadian air.

Already this fact has been recognized by our military. In building the air defenses of Alaska, the assistance of Canada was necessary to provide air ports, ground facilities and transportation. The Alcan surface highway, which parallels Canada's Pacific coast, must be used to supply our Alaskan planes with fuel, our Alaskan garrisons with food, and in turn our outposts in Alaska are Canada's first line of Pacific defense. The same situation exists on the Atlantic seaboard, where the great-circle air routes from the United States to Britain, Scandinavia, East Europe must pass through Canadian air. In Newfoundland we have built, and are maintaining, as fine airport facilities as exist anywhere in the world. This was done as an essential act of warfare against our European enemies; without such facilities in that locality the American Atlantic seaboard might have suffered damaging enemy raids from Halifax to Washington.

Obviously, neither the United States nor Canada can afford to let this essential defense base fall into neglect. Nor would it be either fair or proper for the total continuing cost to be borne exclusively by either party. It is necessary for the defense of both

nations equally; and common sense opinion in both will certainly insist upon its maintenance as a joint effort.

Canada is destined to be an example and constant reminder to the United States that international co-operation is an essential basis for prosperity in the present air-age. No wisecracks about "globaloney" can laugh off the reality presented by a navigator's globe: the fact that Canada has shorter air-routes to the trading centers of the globe than has the United States—except as our planes can go through Canadian air. Furthermore, much of British Commonwealth air activity has been centered in Canada during the war. Canada has most of the basic materials that go into planes—coal and iron for steel production, magnesium, aluminum, vast forests for plywood. Likewise, Canada provided training facilities for pilots and crewmen of all the various Royal Air Force units of the Commonwealth. Many of the methods used later to train United States Army airmen were initiated by Canadians in 1940 to instruct their own youngsters and those from Britain, Australia, New Zealand, and South Africa. In aviation Canada has only one need that the United States must supply: the great body of manpower necessary to secure our mutual continent against invasion. Recognition of this fact will overcome such partisan prejudice and political chicanery—on both sides—as would bring mutual disaster.

Pre-war reciprocal flying relations between Canada and the United States were on a sound business basis. Four aviation companies did the actual pioneering; two of each nationality. On the east coast American planes of Colonial Airlines served a territory between Boston Bay and the Gulf of the St. Lawrence. Later followed the United States Northeast Airlines—a pretty small-time outfit back in the 1930's when it was started by the late Amelia Earhart, Paul Collins, and Sam Solomon. But for some time it was the only international air transport to Canada, and it jumped into full status of global operations in December 1941. With only twenty-four hours notice, Mr. Solomon—who had

been trying for four years to get approval for extension of his route to include Newfoundland—was ordered to establish a line to Northwest River. It took several frantic hours of telephoning between Northeast's operations office in Boston and its head office in Washington—and finally the Army Ferry Command had to be called in to disclose that the new terminus was way beyond Newfoundland. It was on the coast of Labrador, and even that was to be only a way station en route to Greenland, Iceland, North Ireland—and Great Britain itself.

However, the route has since been flown by at least three other American lines under direction of military authority, and whatever right Northeast acquired by its readiness to act in an emergency will have to be judged along with all the other problems when time comes to reassign all aerial franchises.

#### AIR-STATIONS ALONG THE ROUTES—THE BASES

There has been a great deal of misunderstanding about the retention of air bases acquired from Great Britain or other nations in 1940 and subsequently. Debate about what will happen to the bases which the United States leased for 99 years is as futile as it is silly. Nobody but a fool would assume to say what defense lines this continent may need in 2039 A.D. It is only necessary to look at the crumbling "forts" along the Florida Keys, and even in some of our biggest harbors to realize how the necessities of defense can change in much less than a century. There is also a great deal of energy and breath wasted in discussing the peacetime disposition of the chain of airports built by Pan American Airways across Africa. This tremendous achievement was undertaken as a military-supply measure. It was part of American defense, and has been an important contribution to the defeat of our enemies. It could be charged off as having fulfilled the purpose for which it was planned. However, it is not necessary to weigh ethical pros and cons as to our rights in Africa. The big question about any peacetime air route is, and will continue to

be, whether or not a given route serves enough economic purpose to become self-sustaining. This is the great distinction between air routes and railway lines. Eighty years ago new country could not be opened up until a regularly scheduled transport line was ready to serve the incoming settlers. In those days it required the laying of permanent rails, acquisition of a right of way over property of some kind, and maintenance of the installations.

It is true that in maintaining an air line, surface transport must also be installed as an auxiliary to insure constant supplies of fuel and so on for the landing fields. But this can be done much more quickly today, and it can follow instead of preceding the opening of new territory by air. From all indications at present, in the writer's opinion, there is little probability that Central Africa will become so populous or so productive as to warrant more than an occasional—perhaps a weekly—scheduled flight from coast to coast. Local schedules, for use by incoming settlers, are not in the province of international air lines. They will be adequately filled by the now-operating Sabena, Air-France, and British lines.

Just what the British lines will be is as uncertain as any other part of the international air picture. Up to 1939 most of the Commonwealth and international air service was provided by Imperial Airways, Ltd., later called British Overseas Air Corporation, with the inclusion of various air lines in Great Britain and overseas. BOAC was a government monopoly, not as in the case of the German Lufthansa a weapon of aggrandizement, but simply a subsidized enterprise to extend commerce where a private corporation could not have afforded the loss both of capital and maintenance costs. This system, to some extent, made the various member nations of the Commonwealth dependent upon the home country for air communications with the rest of the world since the headquarters of the BOAC was London. Now, however, there are indications that the Dominions may go their several individual ways in the air, making treaties and contracts for reciprocal air services with the United States, Russia, Great Britain, the Netherlands, or fellow-Dominions as best suits the possibilities of trade.

Canada has several groups of investors preparing to launch all-Canadian air lines via the unsurpassed Arctic routes to destinations in Europe and Asia. Men now in the South African Air Corps are making their plans to continue flying for commercial purposes, linking their Dominion with Belgian and French Central Africa, and with direct routes to South America, the East Indies, and their fellow-Dominions in both Hemispheres. For such purpose, the ground installations made by United States lines during the war will undoubtedly be of value, if the cost of maintaining them should not prove too great. Upkeep is the big problem in aviation just as in other transport enterprises.

#### THE MEDITERRANEAN—AIR LINES, LIFE LINES AND PIPE LINES

But there is one possibility in regard to air lines across Africa that must not be overlooked. That is the rising importance of the Middle East as the probable future crossroads of the world—the big market corner. There is nothing new in this situation. Since the very earliest historical times the caravan routes through what are now called Iran, Iraq, Trans-Jordan, Palestine, and Egypt have been tremendously profitable to commerce. Only during the nineteenth century, the industrial coal era, did these routes appear to be sinking into secondary place, and even then the Suez Canal was the chief artery which replaced camel-borne cargoes with shiploads of merchandise.

The present era of aviation, however, promises to restore this ancient area and raise it to a more commanding position than ever before. Oil is to this age what coal was to the last. Maintenance of a world-round system of communications and cargo carriage by air and sea demands immense quantities of fuel. Today's fuel, both for air and surface craft, is oil, and there are tremendous oil reserves in the Middle East. Political factors also enter into the rise of the Middle East; and these have firm roots in history. Some Americans appear to be surprised that the United States should suddenly engage in what has been called "imperialistic" projects in these regions. But the entry of the United

States into the political and economic life of the Arabian states is neither sudden nor "imperialistic."

Two things are necessary for even a superficial understanding of the American position in the Middle East, and why this will deeply affect American aviation. One is the background of our relations with the peoples of the region; the other is a study of an air map on the North Polar projection.

The map shows that the Eastern end of the Mediterranean is the focal meeting place between the vast populations of Asia and the great production centers of Europe; it is also the corner where friction between Russia and Britain existed for the past hundred years. The local peoples and governments were about equally in fear of both Britain and Russian dominance. Leaving out Levantine adventures of France and Italy, which will not likely affect the situation again for another generation at least after this war, the only neutral great power not suspected by either Britain or Russia has been the United States.

Americans have, during the last eighty years, built up a vast capital of confidence and good will toward the United States among the peoples of the Middle East. Today, this privileged position presents us with responsibilities, as well as promising profits.

Common-sense respect for our own security demands that we reserve as much as possible of our irreplaceable national oil resources for use in case of war from outside our borders. Common-sense business practice also requires that fuel should not be carried as cargo, but obtained at the destination for the return voyage—a fact even more essential to success in aviation than in maritime operation. The United States now has these oil supplies in the Middle East, which together with our political balance-of-power in that region may make imperative some regular, frequent air communication.

Iran is the historic battleground of Russian and British struggle for control in the Middle East. But Iran looks to the United States to hold the balance between the two, and act as Iran's staunch

friend in the post-war era. The importance of Iran in the air future depends upon the ability of American interests to cultivate their commercial opportunity there, and so gain the confidence of the Moslems throughout the Middle East. American technicians have installed a new railway line from ports on the Persian Gulf to the borders of the Russian Caucasus. This was done as a war measure to rush Lend-Lease supplies to the Soviet Armies. Nevertheless, it is bringing about a complete reorganization of Iranian economy and government administration. The Iranian Army and Air Force are being trained under United States officers; archaic agricultural methods are slowly yielding to the use of American farm machinery, soil study, and seed selection; Iranian finance—which Americans have frequently been asked to unravel—has been established on a sounder basis than ever before; trained public health officials—from the United States—are busily eradicating sources of contagion and infection which have existed since the dawn of history.

It is logical to expect that this potentially wealthy nation (in oil) of 15 million people, newly trained in American machinery and methods of living, will be kept in close contact with its economic tutors. Equally, it must be assumed that both Russia and Britain will include Iran in their schedules of aviation; suspicion of each other's motives, and of those of the United States, may eventually die out, but the next generation at least in all three nations will keep wary eyes on what is happening in the air over, and on the ground of, Iran.

#### THE AIR ROUTES TO INDIA

Air routes to and from India will depend in part on how quickly and how thoroughly the 526 divergent units of that sub-continent manage to solve their exceedingly complex political and religious jealousies. Since they have never been solved in six thousand years of recorded "Indian" history, it seems rather presumptuous to prophesy that they may be within the span of the next generation.

However, it is very interesting to study the effect that aviation

has already had on this variegated population of more than 380 million peoples. The Indian Air Corps is a voluntary body with a Civil Aviation auxiliary, to either of which admission can be had only on taking oath that caste regulations and tabus and partisan politics will be ignored, and pilots and technicians are trained without regard to anything except their individual aptitude for mechanical education. So far, the numbers enrolled are less than a hundred thousand. But the influence of this pioneer group may prove to be greater than its proportion to the whole. Out of a hundred-odd different "Indian" languages, likewise, only one is spoken in the classroom, at the airports, or in the pilot's compartment. Generally, indeed, English is used as a purely practical matter for explaining mechanical operations which are difficult or impossible to translate. So aviation may prove the unifying force which can override the age-old divisions that afflict India.

#### AEROPOLITICS AND THE RACES

But it may be another generation or two before India figures prominently among the principal air routes. That will be because, at present, the laws of many nations including the United States, forbid the entry of Hindus—or other Indians. As information gradually seeps down through economic castes to the least-educated, this situation will become increasingly a matter for resentment, and even tourists may not find India a pleasant place to spend an air-borne week end.

All this may seem more political, or historical, than one expects to find in a survey of future air routes. The fact is, and it becomes clearer the more the subject is studied, that air routes *are* political, as well as commercial, and military. These three potentialities are indivisible. They exist whenever a plane leaves one country to land in another. Barring hostile action a plane can go anywhere—unlike ships and land craft. To find where planes *may* go in considerable numbers all these factors must be taken into account, including the basic human factor of antipathy or sympathy be-

tween any two differently-colored or religiously disposed groups of human beings.

The question of race-prejudice will be a factor in the speed with which aviation attains its logical position as a super-national means of constant swift contact for all mankind. If there were no such prejudice, the normal course of air-routes would certainly be directed toward China and India, where nearly one-half the human race is eager to share in the profits and comforts of industrial mass-production.

#### CHINA NATIONAL AVIATION CORPORATION

China already has a trained nucleus for commercial aviation, and by the end of the war with Japan, doubtless will have the beginnings of a whole aviation industry from raw materials to plane factories, fuel plants and airports. The China National Aviation Corporation, 49 per cent of which is owned by United States Pan American, has vastly expanded since 1941. This company, called by the Chinese themselves "The Middle-Kingdom Space Machine Family," was a lifeline to China's embattled millions from the time of the Japanese invasion in 1937, and even more completely after the fall of Burma. In 1943, when the Trans-African Ferry service, pioneered by Pan American under United States military direction, was absorbed by the Air Transport Command, those men of Pan American who did not accept army commissions were sent to repeat over the Himalayas and the trackless Chinese hills what they had achieved over African jungle and desert.

The wartime service of these Americans in the CNAC will pay tremendous dividends to the United States in Chinese goodwill, although they have been there purely as civilian auxiliaries to the carrying out of our military plans. But courage commands respect, and the CNAC planes fly unarmored and without guns in constant danger of attack from Japanese raiders. These frail ships have hauled everything from new-born babies to tanks and cannon over the toughest flying routes that exist anywhere. Along

with General Claire Chennault's pilots of the old American Volunteer Group, the CNAC has made the first accurate maps ever charted of all China. How the Chinese regard the AVG and the Americans of the CNAC was summed up in the "remark" that was inserted on General Chennault's honorable discharge as Commander of the AVG. The honorary Commander, Mme. Chiang Kai-shek, wrote on the back of that document: "He achieved the impossible." History has no parallel citation.

The majority of the CNAC is Chinese. Organized in 1929 by the Nanking government, it was one evidence of Chinese determination to occupy the position in a modern world to which China's size, her great culture, and her long record of honorable commerce with other nations entitle her. As an industrial nation, China was starting from scratch. Twenty years of civil war, on top of four centuries of backward, isolationist Manchu rule, had exhausted most of China's reserve capital and had produced little beyond a new spirit of enterprise in the youth. Another difficulty was that in spite of her great territory, nearly one and a half times larger than the United States', and the biggest population on earth—about one-quarter of all humanity—there was no transportation! The bulk of the population was jammed in the highly productive bottom-lands along the three river systems of the Huang-Ho, the Yangtze, and the Si-Kiang. All of the wide hill areas to the west and north, which hold most of China's vast mineral wealth, were relatively unpopulated, and completely unpoliced. No railroads penetrated this district; no highways existed for vehicles faster than an ox-cart. Methods of agriculture and ways of life had hardly changed from those of five thousand years ago. Suddenly this area became of the utmost importance to the invaded Chinese, when, pushed back from the coastal settlements by the Japs, millions of refugees had to find a resting place.

From 1937 on this process of resettlement has continued, largely in the two provinces of Yunnan and Sinkiang. Yunnan borders Burma; Sinkiang, Soviet Siberia. As Wendell Willkie reported

in *One World*, Sinkiang is twice as big as France and, before the great immigration, had less than 5,000,000 inhabitants although there is considerable fertile land. Yunnan, adjoining on the south, likewise is a wide rich land. Together their territory is almost four times as great as that of France, but because of the lack of transportation, until the present they have supported less than one-third as much population. In the foothills of the Himalayas, separated by the towering heights of Thibet, the rivers are broken by falls and are too swift for navigation.

#### AVIATION AND RESETTLEMENT

Aviation has made the area available. Lacking navigable streams, with the land too mountainous for quick construction of surface roads across the innumerable canyons and up precipitous cliffs, the habitable valleys have been linked together by air. CNAC's airport at Kunming is the entry port to China from the outside world. Plentiful waterpower is being developed—with equipment flown in—and at Kunming there is already the nucleus of heavy industry; a tin smelter, high-test steel mills, textile factories, and an arsenal, all operated by hydroelectric power. Here for the first time in several centuries the Chinese is his own master on his own land, developing it for his own benefit. In some ways this area resembles the district around Chicago in the period after our Civil War. The resemblance will increase when China can turn all its energies loose on providing its half billion people with the modern conveniences of industry they are learning to desire.

For aviation this new frontier may be all-decisive. Under a free government of their own selection the 450,000,000 citizens of China will be the world's greatest undeveloped market. They are at present very sympathetic to Americans from the United States partly because of their contacts through CNAC and the AVG. Where there has been close association, the relations have been excellent, without race-consciousness, and with mutual respect and genuine liking between individuals of equal skills

and levels of intelligence. Access to China by air presents fewer problems of routes through foreign sovereignties than any other great market open to the United States since only the Pacific lies between us.

#### GOOD NEIGHBOR ROUTES

In South America, since 1940, a large and chiefly nationalistic boom has occurred in aviation. Prior to the war—that is, from 1920 to 1939—many South American routes were owned by German companies, subsidiaries of the *Lufthansa*; or by the Italian *Ala Littoria*. These were taken over, in a dramatic series of diplomatic and commercial *coups* in 1941 by companies organized in the various Latin-American Republics. Nearly all of the nations south of the Rio Grande now have laws restricting operation of foreign-owned air lines in the national air. This has not been a barrier to Pan American and its affiliate Pan American-Grace, since the local operations of those companies have been carefully left in the hands of local representatives, with the United States carriers simply advising, supervising, and coordinating schedules into an efficient system.

How long that arrangement will continue is uncertain. It seems safe to assume that in Colombia, Venezuela, Brazil, and Uruguay the present friendly and mutually advantageous agreements will remain in force and even be extended as industrial growth increases in these regions. Mexico has been most co-operative in its air policy, as have Cuba and most of the Central American nations. But in some others, notably Argentina and Bolivia, the air unity which existed during 1942-1943 seems to be disappearing along with the threat of possible danger from Axis invasion.

Extensive plans are blueprinted for routes from the United States to all Latin-American countries. Early in August 1944, Pan American announced a program of low-cost, high-speed, mass air transportation between the United States and Latin

America. It promised rates as low as  $3\frac{1}{2}$  cents a mile compared to the present average of  $8\frac{3}{4}$  cents. Cargo and air-express rates in the new Pan American schedules would be cut from an average of 80 cents a ton-mile to  $25\frac{1}{4}$  cents. These plans would increase Pan American's passenger-mile capacity in Latin America more than 100 times and enable it to transport more than five times as many passengers as travelled between the United States and Latin America by both air and sea in the best pre-war year. In the time and fare schedule proposed by Pan American, a trip from New York to Buenos Aires would cost \$190.50 (as compared with the present fare of \$561.35) and could be made in about  $21\frac{1}{4}$  hours. It is certain that other American air lines will seek, if they have not already done so, to compete with Pan American in offering low-cost air travel.

What was almost a Pan American monopoly could turn into a free-for-all scramble if the CAB granted even a part of the requests for routes now piled up in Washington. Competition will have to be met, too, from Canada which can reach the Southern continent without need of permission from United States authorities by flying over undisputed ocean. British lines will expect to have a fair share of the European traffic; and what remains of Dutch KLM already has footholds in Dutch Curaçao, Surinam, and Venezuela. Quite probably the Australia-New Zealand air interests will make a bid for trans-Pacific routes via British islands to the west coast of South America. A representative New Zealander is already in the Caribbean area—Lowell Yerex, the go-getting president of TACA, chief independent (upstart, the more conservative air lines call it) air-carrier in Middle America. A majority of the TACA stock is held by United States investors.

In spite of war, lack of planes, and nearly every other handicap, Yerex had built his company—*Transportes Aéreos Centro Americanos*—from one broken-down aircraft to one of the world's largest carriers of commercial freight by 1943. Then he besieged



the CAB for a United States charter and landing rights for his BWIA (British West Indies Airways), which he obtained over strenuous protest from all other interested parties—chiefly Pan American and American Airlines.

One very active competitor with Yerex' TACA and BWIA is likely to be American Airlines, now merged with American Export Airlines. American, in 1943, built a "luxury" airport in Latin America at Monterrey, Mexico, as a permanent junction for its lines from East and West in the United States on down to Mexico City. While the resulting traffic was largely in competition with the Mexican government's nationalized air line, and was chiefly for tourist and business travel, it did alleviate the terrific strain on the main Pan American routes from the United States through Mexico to the Canal Zone and farther South, which were loaded with priority war traffic.

The competition between these two extends as far south as Brazil, where TACA's *Aérovias Brasil* is well established, and is seeking the right to fly into the United States under the Brazilian flag. American Airlines has done considerable promotion work also in Brazil, and is supplying the present personnel for the former German "Condor" air-line company which was taken over and reorganized as a private Brazilian company when the Nazi plan of aviation control in South America was blasted.

#### BRAZIL

Brazil, in a good many ways, differs from the rest of Latin America. It stands apart. For one reason, its language is Portuguese, not Spanish like nearly all the rest of the Continent. Its cultural background, also, has less colonial and more national character than any of the others, except perhaps Argentina. This is because Brazil for twenty years was the seat of government of Portugal, with the King, the Queen, and the whole court residing at Rio de Janeiro. When Their Majesties went back to Europe, Brazil had ceased to be a colony and had become an

Empire in its own right, with one son of the Portuguese monarch left to reign and rule. Brazil did not have to fight for its independence from the motherland; nor did the Brazilians have to do much more than hint to have the Empire replaced by a republic. The result has been a national unity to a rare degree. There is no racial cleavage, in spite of as mixed a population as can be found anywhere. Religiously there is an extraordinary merger of devout European Catholicism, some African animism brought in by slaves, all colored by bits of Indian superstition and blended into a vigorously growing civilization.

Brazil has done wonders during the war. The health of the population, dragged down by centuries of inherited European ills and by malaria and fevers from the mosquitoes of Brazil's jungles, is being seriously taken in hand by a nation-wide government campaign. Tremendous industrial and economic projects are being undertaken, with many of them well along toward actual mass-production. Agriculture is being studied, and information about experimental growths is being exchanged, not to compete with products of which there is already a world surplus in normal times, but to develop new materials.

Larger in extent than any other nation in either North or South America, Brazil has less than 50,000,000 people in a territory that could easily support at least four or five times that number with lots of room to spare. Brazil has historically been faced with two problems: how to protect the health of settlers in the hot, damp valley of the Amazon which covers over half its area; and how to provide transportation through a maze of rivers, swamps, and tropic vegetation. Only aviation has been able to provide the answer to transportation with the speed and efficiency required by modern demands; and the results obtained with air transport, under the necessity of war, are almost incredible. There are maps now, taken from the air and checked in many instances by ground crews of practically all Brazil. Surface roadways have been built for thousands of miles, under guidance from

the air, and on a practical purposeful plan that would have delighted that master roadbuilder Julius Caesar. Machinery, and much technical advice for all this, has come from the United States under Lend-Lease arrangement. But the work has been done by the Brazilian government, or the local authorities of the various Brazilian states. A comprehensive system of airports and aircraft signals has been laid out and is under construction. With the help and full co-operation of that able pioneer, Pan American Airways, Brazil has its own domestic lines, and facilities for foreign craft. All these installations will put Brazil in the forefront of post-war American aviation. They will also be beneficial to all the other American nations. Brazil has much to sell, and much need to buy. Aviation is the most effective transport for buyers and sellers in Brazil. The result will be routes into Brazil from all parts of the hemisphere within the next ten years at most. If the fare from New York to Rio is to be reduced to \$175 and the time cut to 20 hours, that prospect seems even nearer.

#### EUROPA

The Second World War, through its tremendous dislocation of industry and its actual destruction of material resources, will probably retard aviation in Europe for twenty-five years or more. France will, of course, make strenuous efforts to rebuild its air line for communication with French Africa, and whatever territories are restored in Asia.

Switzerland, which promises to come out of the war with its homeland undamaged, and is in a strategic geographical location for a Central European air terminus, may become a real factor in European civil air transport. It is dependent on other countries, of course, both for planes and for fuel since it has no facilities now for building, and no oil wells. Still, Italy once managed to create an international air line without good supplies of any raw materials.

If Russia exercises control in the Balkans, as seems most

probable, whatever aviation exists in these industrially backward regions will inevitably be linked to Russian aviation, with planes built in Russian factories, and schedules timed to coincide with routes to and from the Soviet Union.

Spain may attempt to establish some routes, particularly to Spanish America, but lack of raw materials, industrial plants, and sources of fuel will tend to make Spanish aviation a small factor in the international air.

Portugal, as is seen in the following chapter, has an excellent bargaining position for making advantageous contracts for air-service, without the responsibilities of building an aviation industry of its own.

Holland, as has been mentioned, still has the organization for its fine air line KLM. Also, it must maintain contact with its Pacific and Caribbean settlements, which provide much of the world's oil and rubber. The Dutch cannot be regarded as a minor item in world aviation; their planes were equal to the pre-war best, as were their pilots and their record of service.

Belgium might conceivably center its air-efforts in Africa, maintaining only communications between the Congo and the homeland, and depending on some mutual Belgian-Dutch air merger for its local and European service. That would be practical, since neither Holland nor Belgium alone are wide enough to warrant purely domestic air lines.

Poland, after the war, will have great difficulty in trying to create any kind of transport service on an international scale. The loss of two-fifths of its territory to Russia, even though compensated by annexation of East Prussia, will entail such confusion among the resettled populations that a generation may go by before the Poles can find energy enough to do more than clean up the debris left behind by the German slaughter and demolition squads. Rebuilding of factories and houses for domestic use alone may take the Poles twenty to thirty years, and the plunder of natural resources, such as their forests, cannot be recovered in centuries.

It must be considered, too, that in the whole of occupied Europe the energies with which to meet the post-war chaos are going to be far less than was the case in 1919. Not only has the present war dragged on longer than the First War of Germany against the World, but German plans for decimating its conquered victims have been more precise and more ruthlessly imposed. The reaction, after Germany's defeat, may be a dreadful lethargy covering all Europe from Gibraltar to the Dniester. The immediate future of aviation will not depend upon, or center in, continental Europe.

#### THE BEAR THAT FLIES LIKE A BIRD

Russia, from every point of view, has the strongest air position in the world. It is impossible to exaggerate the influence which Russia could, if it desired, have on international aviation. From the outset the Soviets have pursued a closed-air policy. Until 1944 with few exceptions only planes piloted by Russians were permitted to fly through Russian air. Geographically, there was no need for Russia to change this policy. Without permitting foreign flights through Soviet air territory, Russia can still do business by air with China, Japan, Afghanistan, India, Iran, Turkey, Rumania, Bulgaria, Poland, Norway, Finland, Sweden, Denmark, Germany, Canada, and the United States. In each case only a Russian border and the border of the country with which the business is being transacted need be crossed. Added to this is the fact that Russia comprises the greatest single land mass under one government—one-sixth of all the land on earth, and that it has every material within its own borders to make, fuel, and service aircraft.

There is an indication that Russia's pre-war policy of excluding foreign aircraft may be changed some time in the near post-war future. From the Russian point of view this is not only logical, but good hard governmental and business common sense. It has less to do with political ideology than with commercial

judgment. True, Russia will need a few articles from the outside world; still it has the materials, and has gained the skills, with which it can produce everything needed to raise the standard of living to as high a point as anywhere else on the globe. Whether the Soviet Union will accomplish this is neither here nor there for the present purpose. It has the means to do so, without calling in outside help. But it must solve several purely domestic problems before it reaches any such desired end.

The first Russian problem is the necessity for uniting all the various peoples in the Union into a nation. Great—almost miraculous—progress in this direction was made by the rigorous plans of education imposed by Stalin from 1929 to 1940; and later under the nationalistic resentment against German invasion. The satisfaction which will follow Russia's victorious united effort will, doubtless, also help weld the country into a unit. But there will remain the actual physical size of the Union which must be overcome in some such manner as has been done in the United States or Canada. Aviation is the only quick way of knitting this far-flung empire together. It would take generations—if not centuries—to build railroads, or even motor roads, which could reach into all the hamlets, and tented nomad camps that stretch from the Arctic Ocean to the Japan Sea. Domestic air lines alone, in Russia, might conceivably equal in total mileage all the other air lines put together over land routes in the world. Until a certain minimum of these domestic carriers have been soundly established, with all the necessary ports, supply lines, fuel storages, and other installations, Russia is not likely to look beyond its own borders.

Yet, the Soviet Government realistically must be aware that without Russian co-operation world aviation cannot develop along natural geographical lines. The mass of Soviet territory lies squarely athwart global air routes. Any glance at the world globe shows this to be a fact, and the Russians have repeatedly indicated that they are aware of their advantage. Several times

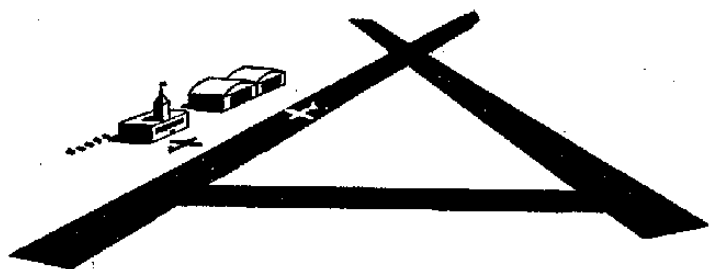
from 1925 to 1939 the Kremlin tried to bring about some general agreement on international aviation routes and practices. That these suggestions generally were openly to Soviet advantage does not destroy their sincerity.

The Russian position in this matter was candidly stated by General Baranov, head of the Red Air Force, in 1927:

"In the countries of vast open spaces and poorly developed communications systems, such as Siberia, Canada, Central Asia and Africa, air communication is not only the most desirable, but often the only kind possible. Russia with her vast undeveloped territories has, therefore, the greatest interest in pushing the development of a network of new Soviet airlines. By means of their own airlines the capitalist nations are reinforcing their hold on colonial and semi-colonial countries. It is one of the most powerful methods in the struggle for new markets. In order to exclude all outside influences, Russia will insist on the most rigid interpretation of the doctrine of national sovereignty. We do not hide our intention to profit by our favored geographical situation. The political and geographical position of the U.S.S.R. which is located at the crossroads of the world's major airlines, makes mandatory an intense development of our civil aviation, which holds promise of great benefits for us in the future. We recognize, moreover, all the danger present in letting the world's airlines run through our skies."

On August 14, 1944 Secretary Hull announced that a preliminary understanding on post-war air had been reached with Moscow; but it was emphasized that it was of an "exploratory" nature with no commitments on either side. On various occasions the Kremlin has issued statements that Russia was "not averse to international collaboration in the air," but these have always been qualified by the frank admission that such collaboration could only be considered if it yielded "huge benefits" to the U.S.S.R. Except for purely military purposes, there has been no sign of relaxing this rule, even under the stress of war.

Although Russia, Great Britain and the United States were fighting on a supposedly unified plan against Germany from January 1942 on, British and American planes for delivery to the U.S.S.R. were not permitted to be flown by British or American pilots over any part of Soviet territory until establishment of Allied bombing bases in Russia for the Continental invasion in the spring of 1944. Planes destined for the Red Air Force under Lend-Lease, and scheduled for delivery via Alaska and Soviet Siberia, were taken over by Russian pilots *in Alaska*, for the fifty-mile run across the Bering Strait. Diplomatic procedure might have dictated such precaution, since Russia was at peace with Japan, and "incidents" would have been easy to create.



### 3. Air Bases

Without a general system of international security the safety of any nation will depend on its possession of well-supplied and constantly watchful air bases. The first object of this air defense must be to intercept an approaching enemy in the air as far as possible from the home territory; and certainly before the enemy has had opportunity to destroy ground installations, or to drop paratroopers. A vigilant defending air force, curiously enough, can secure a small area more easily than it can guard an extensive frontier. These were the contrasting lessons taught by the battles over Britain, and those over the long borders of Russia.

In America, the life and liberty of every citizen—whether American, Canadian, Mexican, or whatever his nationality—is going to depend upon how well the governments of the Western Hemisphere remember this fact. Europe from now on will be ten hours away; Asia less than twenty-four. An attack can be made without any more notice than that. These are going to be basic facts of life.

#### POSSIBILITIES OF INTERNATIONAL AIR BASES

In an ideal world—which may one day evolve—it would be possible to keep the international peace by creating a globe-girdling chain of bases for an international aerial police force. These

bases, many located on islands in the great oceans, would serve both commercial and military purposes. Rescue and salvage of aircraft downed at sea will become of increasing importance to aviation, and fast surface vessels will need fueling stations at strategic points on the earth's watery surface. Likewise, for air passengers and crewmen, and perhaps eventual private pleasure craft, the bases would offer all the conveniences of the very best roadside filling stations in pre-war America. But these far-flung oases would have to do more than that. Each would need to be equipped with comprehensive medical supplies, and adequate first-aid practitioners. Also, each would need large stocks of the heavier repair parts, fuel, and—above all—the munitions which would be the safeguard of the world's peace.

There is no military secret about where such bases could be located to effect this purpose. Any fair-sized world-globe, a pair of dividers set to mark off radii of 500 miles, and you can choose your own set of bases.

From each base a regular patrol craft would fly out constantly on its beat, reporting by radio every aircraft sighted, and over the seas every surface vessel. At each, naval units of an international patrol could be stationed; and on continental bases, motorized riot-squads would be ready for any emergencies. If there were a system of international law, to which all important nations voluntarily agreed, there would not necessarily be any more "militarism" about such international police control than there is about the activities of the familiar traffic cop in any ordinary town—or in the peacetime labors of the United States Coast Guard.

All this would be fairly expensive, though not nearly so expensive in a year as a single day of war. But its efficacy would depend upon its acceptance by the majority of the world's populations. It could not succeed in its purpose where many millions believe—rightly or wrongly—that they are oppressed and seek to throw off the oppression by force of arms. It would not suc-

ceed unless frontiers were mutually acceptable to the great majority of those living close to them on either side.

#### DEFENSE OF THE WESTERN HEMISPHERE

Since such an idyllic condition does not seem likely to be realized in the immediate future, it is the duty—for his own self-preservation—of every American to look into the matter of air bases which will assure the safety of the Western Hemisphere. One fact, taught by the present war, is that America's air base against Europe is the British Isles. The Britons, as they have demonstrated, are fully able to defend that base themselves; but it should never be ignored as a primary necessity that North American safety depends upon the maintenance of Britain.

Canada and the United States must be regarded as a unit, when it comes to defense. It would be exceedingly difficult to defend the United States if a hostile power managed to entrench itself in our northern neighbor. It has generally been recognized that the United States would defend Canadian territory against any enemy. It is also a basic concept of the joint United States-Canadian Defense Commission. The northern frontier of America is particularly vulnerable to air attack. Air routes across the Pole, as we have seen, are the shortest from both Northern Europe and Asia to America. The bleak Polar wastes are practically uninhabited and offer almost unlimited opportunity for infiltration by sizeable expeditions whose members have been selected and trained for operations in arctic regions. Only constant patrol of this area can secure us against the possibility of unannounced assault.

#### ROUTE TO ALASKA

Canada has many islands around the American coastline of the Arctic Sea. Most of them are impracticable as sites for bases; but enough can be selected for use by particularly hardy aviators to maintain this all-important guard. On the two corners of the

continent the maintenance of air patrols is somewhat less rigorous—as to climate. Alaska, on the west, seems destined to be the chief United States territorial contribution to mutual defense. Immigration of settlers into this territory—which may eventually become a State—is almost sure to follow the war, and pioneers are traditionally a vigilant lot.

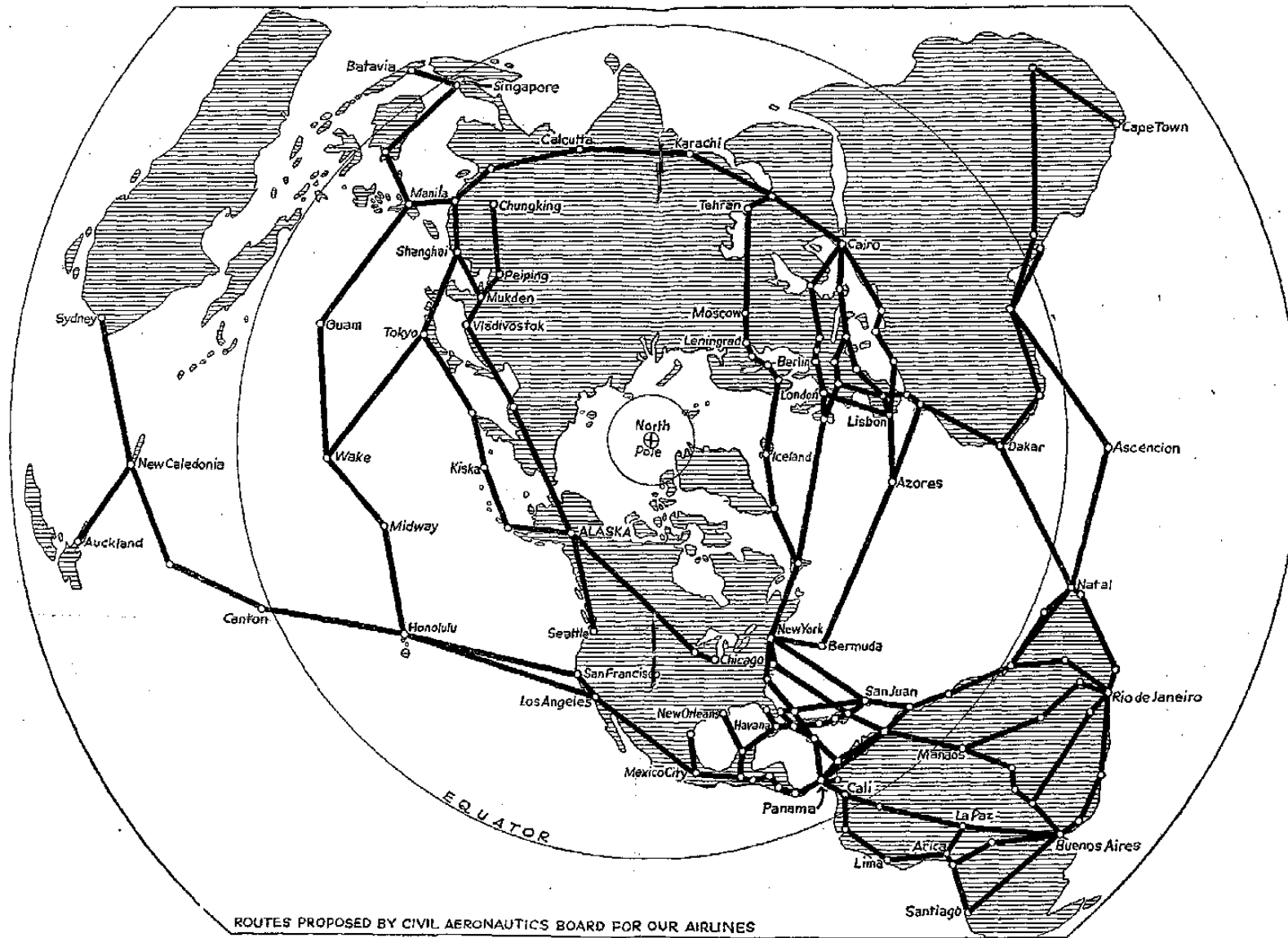
Alaska's great drawback as a place to live has been the difficulty and time involved in getting back and forth with supplies and produce. Aviation overcomes that difficulty, putting Fairbanks within a day's flight of Seattle, instead of a stormy two-week trip by sea. During the war this line has been routed over Canadian territory to permit the use of the comparatively small twin-engine transports used in the area for the national transport services. The Canadians are just as interested as the Alaskans or the citizens of Washington State in protecting the route and the forests, farms and cities that are under it. This protection must center in Alaska, with outlying observation posts in the Aleutians and the Pribilofs. Before the war Pan American pioneered in the operation of an "all-American" route from Seattle to Alaska which did not involve flight over Canadian territory.

#### PACIFIC SECURITY

Just as essential to the security of the Pacific coast of North America is a firmly-knit network of island bases in mid-ocean stretching clear across to the Philippines and connecting with the Dutch East Indies and Australia. If the Philippines regain and keep their independence, they will permit—indeed, they will urge—us to establish and keep on constant alert a forward air base in those islands.

Friendly collaboration with China for peace in the Pacific will do much to keep down the dangers in that area. But China is a continental power, and we must never again forget that for many years to come—until a new generation has grown up in

# POST-WAR AIRWAYS



Japan—the Japanese nation, whatever may be left of it, will be a potential enemy of the United States.

In 1940 we, and our present allies, had plenty of bases in the Pacific from which to control Japan. Pearl Harbor was as good as any other in the world for fighting ships, land troops, and air squadrons. Singapore, the British bastion, and Hong Kong offered—on paper, and geographically—assurance against almost any assault by land, sea or air. The great error in regard to all of these was in overlooking the fact that an air base is quite useless all by itself. It needs the support of a whole network, each of which must be protected against espionage and sabotage by the probable enemy.

No one in a responsible naval or military position had any doubt about Japanese intentions. *The Congressional Record* in April 1940 discloses the fact that our Senate Naval Affairs Committee was fully advised by Admiral Taussig of what Japan had planned for us. This frank statement of what was going to occur only twenty months later, earned for the Admiral an official reprimand from Secretary of State Hull and the late Secretary of the Navy Knox in the shape of a “diplomatic disavowal” to the Mikado’s government. The following day Representative Hamilton Fish, Jr., of New York rose in the House to denounce Admiral Taussig as a “naval propagandist.”

We all now know that Admiral Taussig’s statements were true; we know they were ignored. We know that the Philippines, Guam, Wake were not strengthened. We know they fell. We also know why they fell.

#### “TIME IS OF THE ESSENCE”

That old legal phrase: “Time is of the essence” was never more true than in matters of military aviation. From 1931, when Japan first invaded Manchuria—in fact, from 1919, when Japan was given the Marshall and Caroline Islands with the blessings of the United States at Versailles—the whole Western world has had

warning after warning of Japan’s growing aerial might, and her steady development of bases from which it might be launched. Failure to admit to ourselves the truth of what was plainly before our eyes permitted Japan’s success. The casualty list of dead, wounded, missing and those who died in Japanese prison camps is a blame shared equally by every American, Briton, and Frenchman who preached non-fortification in the Pacific for fear of “irritating” the Japanese.

French Indo-China is a difficult area to hold, because of the non-fighting traditions of its peoples. Yet, in 1941, General Catroux, then Governor-General, begged the United States for just two hundred fighter planes with which to hold off the Japanese air forces, and prevent occupation by Japanese ground troops. In China, the then Colonel Chennault with far less—in fact, with hardly a tenth as many planes—had kept the Japs at bay. The whole story of what we—and our allies—did *not* do in the Pacific is familiar to everyone. It is a dismal story, but it should not be neglected on that account. It is a very important story, because nearly everything we failed to do from 1915 to 1941 is exactly the thing we should have done. It will cost millions of good lives, and hundreds of billions of dollars, and our victory will have been in vain unless we now take and hold the bases we should never have given to Japan.

#### CONGRESSIONAL PLANS

Various plans for Pacific bases are under consideration by Congress, at least one of which is sponsored by the House Naval Affairs Committee in collaboration with the Navy Department. This particular plan leaves responsibility for maintaining the bases with the Navy because, it is stated, first: our Pacific bases (Pearl Harbor, Wake, Guam, etc.) were paid for mainly out of Naval appropriations; and second: the Navy has had seventy-five years experience in estimating and executing the responsibility of policing the Pacific. That is true as far as it goes,



and no American doubts that the United States Navy would discharge its responsibility with seamanlike efficiency. But the question of bases is not only a departmental matter. The mention of Naval appropriations recalls the fact that the Navy itself is a creature of the Congress; and Congress sometimes responds to public whim. Naval appropriations can be cut down to nothing, as they were from 1922 to 1936; and all the heart-breaking effort in the world on the part of the Navy cannot supply the material and munitions denied it by an apathetic electorate.

#### TREATY BASES

Maintenance of these Central Pacific strongholds, and patrol of the Ocean by air police squadrons is not solely a concern of the United States. The safety of a good many other countries depends on it. Canada, Mexico, Central America, Chile, Peru, Ecuador, Colombia in this hemisphere are vitally interested; even more closely involved is the existence of Australia, New Zealand, and the Netherlands, French, and Portuguese Indies. Each of these has no less than some portion of its national safety at stake. It would be irresponsible and unjust for the United States to claim supervisory rights in the Pacific, and then leave the execution to changing public opinion. Both the dignity of the United States and proper regard for its own future safety, require that its duties in maintaining air and naval bases should be defined and limited by treaties with the other interested nations. That is the only businesslike procedure for a business people. The treaties would bind us to certain performances, and in turn would assure us of exactly how much support we might count upon in case of need. Only by such clear, unequivocal agreements with our geographical partners can the United States avoid the resentments which followed our petulant withdrawal from the world in 1919.

In the South Pacific, no less than in the Middle, there is need of bases. Islands, in this greatest stretch of water, are not so

thickly scattered as along the road to the Philippines and China. We have some islands, which we hold jointly with Great Britain, and on which the Stars and Stripes and Union Jack float side by side, with alternate garrisons and air crews. We likewise have some temporary bases, acquired and held "for the duration only" in the Galapagos chain, belonging to Ecuador. Continued use of these islands for this purpose is an essential safeguard to the security of Southern Mexico and Central America, including the Panama Canal. Below that, along the narrow seacoast of Chile, no islands exist that would be particularly useful either as defense bases for this hemisphere, or as points from which an enemy could assemble air fleets for attack. This is one reason for the often-repeated statement that no attempt should be made to defend South America below a line drawn across the continent westward from São Paulo in Brazil, roughly along the line of the Tropic of Capricorn.

#### BASES IN THE ATLANTIC

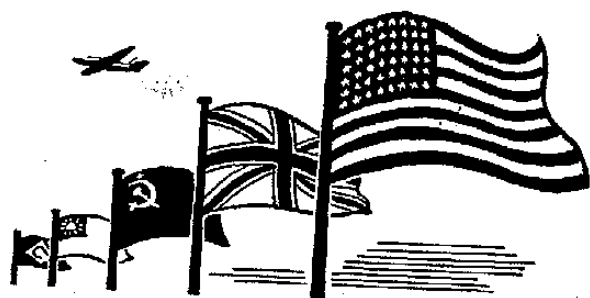
On the Atlantic frontier of the Americas, events of this war have shown the necessity of holding bases between Canada and Britain in the North. We have, "for the duration only," excellent facilities in Labrador, Greenland, and Iceland and, "for 99 years," on Newfoundland. Newfoundland and Labrador, as parts of the British Commonwealth and inevitably tied to Canada, must be maintained either by the Canadian Government or under some joint-expense agreement. They are an essential for our mutual defense. Iceland, as a newly independent republic, is more of a problem. We were invited but not welcomed in Iceland, and we have remained there only on polite sufferance. Whether or not the fiercely independent, democratic Icelanders—whose Parliament is the oldest in the world—can be brought to join willingly in a defense system which would be for their own protection, is a question only the future can answer. The same holds true of Greenland, that icy Danish possession.

The only other considerable islands in mid-Atlantic are the Portuguese Azores and Cape Verdes, and the Spanish Canaries. The Azores are an indispensable bastion for the air defense of the Western Hemisphere, and the safe patrolling of the mid-Atlantic. These islands were a fueling ground-fall on the pre-war and present Pan American route to Europe via Lisbon. Since 1943, they have been used jointly by Anglo-American air and sea forces as a supply and patrol base. There is every reason to hope that such use may be extended, under definite treaties, into the era of the peace.

Portugal, with its possessions in the Atlantic and Pacific, but without either an air or sea fleet, has depended upon Great Britain's Royal Navy for the past three hundred years. England has been faithful to this trust, and Portugal naturally wishes to continue the association. Moreover, the Portuguese Cape Verdes are on the line between Natal, at the tip of Brazil, and the logical attack-points on the tip of West Africa, at Rio de Oro, or Dakar. As has been stated, the relationship between Portugal and Brazil is close, and use of the Cape Verdes for a buffer-base in Brazilian defense would not likely be denied.

Natal, of course, is the chief Atlantic air base on the Southern continent of this hemisphere. Jutting out into the ocean, it provides a vantage point from which to survey the whole northeastern corner of South America. Likewise it commands the air approaches to the Caribbean, lying on the flank, and is in much stronger strategic position to repulse an air threat to that area than are the string of bases we have hastily put up on the Virgin, Leeward and Windward Islands. Actually our "bases" in the Caribbean are simply supply dumps from which we would hope to replace such munitions, matériel, including planes, fuel, and personnel, as might be needed on the front air lines. Except for a desperate last-ditch defense, however, these Caribbean and Bermuda bases are too near our own continental coastline to avert serious damage through invasion—or rocket-propelled

bombs. So long as they are vigilantly maintained there is little chance of any enemy air fleets getting over them in force. But vigilance must include maintaining distant sentry air-posts. As in the Pacific, if we had held all the islands between Hawaii and the Philippines, Pearl Harbor could not have been bombed. So, in the Atlantic, if we have allied watchers from Iceland to the Cape Verdes and Natal, our enemies coming from Africa or Europe will be met over mid-ocean.



#### 4. Aviation in International Law

The most important task for the victorious nations in constructing a peaceful world will be the formulation of rules to govern international civil aviation. Nothing else governments can do, or may leave undone, will have so direct an effect on the lives, the prosperity, and the freedom of every individual human being for the next fifty years. That is a very strong statement. It is intended to be. The facts fully warrant it. Whether the next half-century is to be one of peace and increasing understanding between peoples of different nations depends on finding a common-sense, liberal, plan for co-operative use of the trackless air-highways on which political frontiers cannot be marked.

##### AIR AS "NATIONAL PROPERTY"

Agreement for common use of this surrounding atmosphere, under proper safety rules applying equally to aircraft of every nation, is of far greater moment than the demarcation of borders between any nations on the globe itself. During the forty years since the Wright brothers first lifted a "flying-machine" into the air by mechanical power, only one legal theory about air travel has been universally accepted. This is a relic of surface-borne travel—the doctrine, enforced by all nations today, that *air is national property*, just as is the earth inside of national bounda-

ries, and the ocean water within twelve miles of the national shoreline. The theory, in legal phrase, is that "the national sovereignty extends infinitely into the heavens along the contours of the national frontiers."

This doctrine was adopted at the Versailles Peace Conference in 1919, to the great disappointment of President Woodrow Wilson. Mr. Wilson had hoped that the air would be equally free to all men, of all nations, at all times for peaceful travel. This hope was one of his fundamental concepts of a peaceful world with all treaties and transactions between government being discussed and agreed upon with the full knowledge of all the peoples involved ("open covenants, openly arrived at") and with communications unhampered by censorship or customs barriers. He believed that the ease and speed of air travel, free of artificial hinderances, would break down the misunderstandings of isolation and ignorance, and destroy the mental seeds of wars.

##### NEED FOR SAFETY-CONTROL

Theoretically, a plan of this kind would be perfect—but only if all men and all nations were men and nations of good will. Those who advocate complete Freedom of the Air overlook, or deliberately ignore, the essential facts of aviation. Air transit is not only the swiftest and most efficient means of transportation yet devised, nor is it only the most terrible weapon yet developed for killing human beings and destroying civilization; it is also an increasing hazard to innocent life and property. Without any intentional malice a single aircraft, out of control and following the law of gravity alone, can do considerable damage; a large number of craft, constantly flying without strict regulations and the most careful inspections, could pile up a tremendous total of accidental destruction. For this reason alone aviation presents a problem of safety-control unlike any other in legal history.

#### WHAT IS FREEDOM OF THE AIR?

Freedom of the Air must be distinguished from Freedom of the Seas. The two slogans sound alike, but the implications are dangerously different. No country claims sovereignty over the open sea. A peaceful ship, moreover, on the high seas, three miles away from an inhabited shore, cannot damage anything except another ship. Even after coming into port a peaceful ship lies moored to a dock, or anchored in the harbor. The ability of any unfriendly member of the crew is strictly limited as to hostile acts, or preliminary spying. Shore police can take care of any such individual evil-doers. The ship itself is incapable of penetrating the country beyond the shoreline, so that its ability to cause damage is limited by its own nature. Moreover, a harbor has seldom been so crowded with vessels as to be unable to shelter just one more.

On every one of these counts almost the direct opposite is the case with aircraft. Anything jettisoned from a plane will inevitably hurtle to the surface of the earth, whether it be a child's toy or a bomb. Ground facilities at airports simply are not great enough to take care of large numbers of unexpected visitors; nor is it possible for planes, running short of fuel, to wait patiently above the port, as ships may outside a harbor, until a landing berth has been cleared. Even more serious than these difficulties in regard to peaceful planes, is the ever-present possibility that aircraft may be deliberately used by an unfriendly nation for a sudden stupefying attack without warning, against which there is no sure defense, except to keep check on the passage of all aircraft through the global skies and to intercept immediately with aerial police any unidentified plane or group of planes.

#### OUTLOOK FOR INTERNATIONAL CONTROL

This will require an international agreement and an international control organization totally unlike anything ever yet perfected.

Theoretically, this organization need have nothing to do with politics of any kind. Its concern should be with the mapping out of air routes, all around the globe; the maintenance of great airfields on the principal routes, together with a global inter-communications system, and subsidiary emergency facilities of thickly-scattered fields for forced landings; rescue stations on land and sea, weather stations and radio-directions networks covering the land and water surface of the earth. Each of these posts must be kept supplied with motor fuel, with food and medicines, on many Pacific islands even drinking water will have to be provided artificially by import or distillation. The total of this in monetary cost is staggering, but it is the basic necessity for full development of aviation.

International details of such operations can be worked out by practical men. In time a method of financing the great expense will, also, doubtless be evolved. But none of this will be possible until an international legal agreement has gained support from the overwhelming majority of peoples. This support cannot simply be a formal acceptance; it must be an enthusiastic recognition of aviation as an entirely new way of life which will ultimately erase all geographical and racial barriers, or must lead to anarchy and a war era of human self-destruction. At present only the hope exists of some such ultimate plan. Although today (1944) Anglo-American air transport services are operating a nearly-global organization, it is solely for military purposes and may disintegrate rapidly under the fierce governmental rivalries of peace—the political tugs of war.

#### LEGAL STATUS

Prior to 1939 the legal status of aviation was a rather pathetic makeshift; an attempt to harness a powerful engine with a rope of straw. Practically every European government had its own official air line, so that at the outbreak of war the continent was crisscrossed by a tangle of air traffic, much of which served no

economic purpose whatsoever and only flattered political conceit. Due to national jealousy, these government lines seldom made good connections with lines of other nations, and in many cases made no connections at all.

Obviously this condition makes no sense. Air travel is not controllable by political boundaries—in many cases less than five hundred miles apart, but by the logical distance between great centers of commerce—often more than a thousand miles apart.

The chief legal difficulty rises from this fact that every aircraft, whether commercially, militarily, or privately owned and operated, has a much greater degree of public liability than is the case with any other vehicle. Every government is in duty bound to protect its citizens against unlawful or careless use of the air hazardous to life, limb or property beneath. Control of commercial and military craft is fairly easy, in normal peacetimes. Commercial pilots are carefully chosen and trained, and closely supervised; the exact locations of commercial planes are known almost from moment to moment. Obviously it will be far more difficult—if not impossible—to stretch such a system to cover a large number of private civilian planes.

#### METHODS OF CONTROL

Obviously, the surest method is control at the source by a rigid examination of planes and pilots before any licenses are issued permitting their use of the common air. In the United States, Canada, and pre-war Britain and Europe, this method worked rather well, but the total numbers of craft involved were exceedingly few compared to the numbers expected after this war.

The difficulties faced on surface highways in the United States with traffic violations of the automobile codes are good precedents for judging how much greater will be the problems of policing the air. Progress toward this end, however, is being made by quiet, practical study by representatives of the United States Civil Aeronautics Board, United States Air Transport

Association, and similar bodies in Canada, Mexico, Australia, New Zealand, Great Britain, and the exiled European nations which have Atlantic Ocean or Channel shorelines. The blueprints eventually worked out at these consultations will give a basis for efficient legislation, which it is to be hoped Congress and the various Parliaments will ponder seriously.

Some blatant oratory has already issued from politicians in various countries about "sovereign rights to dominate air currents." Most of these remarks have come from non-flyers, and have shown little knowledge of aviation facts, and even ignorance of political theory as it applies to aviation. Luckily for the world such mental laziness—about aviation at least—is not likely to endure much longer in any legislature. Certainly within two elections after the close of the war every legislature will consist of some men and women who have had personal experience with the unbounded reach of travel through the air. And those who know the air will be better equipped to make laws for it.

#### COMMERCIAL PASSENGER AND CARGO FLIGHTS

It seems probable at present that for several years, at least, immediately following the war international flights of privately owned aircraft will be legally restricted. Regional agreements, of a more or less experimental character, may encourage flying between countries in North America, and even some in South America, but large-scale flying of private planes is not likely during the reconstruction of Europe. Commercial passenger and cargo flights are another question. These will undoubtedly be resumed on a scale only dreamed about before the war. For such air traffic there is a legal basis which can be clarified without much difficulty.

#### RECIPROCITY AGREEMENTS

On the main trade routes in which two or more countries have dominant stakes, it is almost certain that the pre-war reciprocity

agreements on commercial flights will be maintained, at least for the first few years. So far as the United States is concerned our air picture is affected by only two such reciprocal agreements; the first with Great Britain, including the British possessions of Newfoundland and Labrador in Canada, and Northern Ireland; and the second with France. Both of these apply to routes over the North Atlantic.

The reciprocity plan provides for certain numbers of flights by the craft of each nation, with specified ports agreed upon for landings, and flight-schedules in both directions fixed legally, in advance of beginning operations. Equipment and crew-members of all such planes are inspected by their respective home authorities according to standards which have been agreed upon by both nations. This plan gave good promise of working advantageously for both parties, although flights had hardly begun to proceed on schedule before the war put a stop to commercial trans-Atlantic flying. But the experience even of those few months of commercial flight taught several valuable lessons. It established beyond further question the fact that aviation cannot be planned or controlled on a local basis.

The United States Congress has had the advantage of this practical knowledge in framing the forthcoming Civil Aeronautics Act, which is designed not only to make air travel safe over North America, but may also be used as a pattern for our national air policy in establishing international rules. Along with Canadian and British pilots Americans have now more practical knowledge of actual flying conditions all around the globe than any other nationality. This mass of knowledge, carefully assembled, will be of enormous technical assistance in post-war aviation operations. But because it has been acquired under war conditions of alliance with other nations which have temporarily waived all questions of sovereignty; and because military necessities take no note of cost, the war experience will not likely be of much commercial value.

#### POLITICAL CONSIDERATIONS

Still undecided is the fundamental question of isolation, co-operation with all other nations—provided also that *they* will co-operate with us—or partial co-operation with some nations as against other nations. All this is where our political decisions cannot be cut loose from our aviation policy, and where much of our economic future as well as our chances for peace depend upon what decision we will shortly make.

Under the reciprocal system before war began, the United States had agreements with Great Britain, Canada, Ireland, France, Portugal, Denmark, and Sweden. Except for Great Britain, France and Canada none of these nations had any commercial aircraft of importance. France as a signer of the Versailles Treaty, had a rigid code of aircraft regulation, and had harbored a number of official and unofficial air associations for the purpose of standardizing aerial traffic practice in the same general way that Lloyds' Maritime Registry in London helped to standardize rules of the sea for merchant shipping. France, apparently, hoped to occupy in the air the great role Britain has played on the surface oceans. Most of the European nations were members of these French-sponsored organizations. But remaining outside were the United States, the Soviet Union, China, and all Latin America except Argentina, Peru, and Uruguay.

#### PAN AMERICAN'S COMMERCIAL AGREEMENTS

Actually, as is intimated above, the only functioning reciprocal agreements made by the United States Government were those with Great Britain and France. American-flag ships had landing rights at Southampton; British-flag ships operated into New York and Baltimore. There was no question of specific reciprocity in our agreements with Eire and Portugal, since neither nation had a trans-oceanic aviation system. Practically viewed, the overwhelming proportion of United States pre-war agreements for international air transport were not the official acts of govern-

ment. With only a few exceptions most flying rights outside North America for American-flag ships had been developed by Pan American Airways as a strictly commercial proposition. These commercial agreements gave Pan American the rights to operate to, and through, sixty-seven countries and colonies. They were outright commercial franchises of the respective governments to a private United States corporation, which involved no granting of reciprocal rights by the United States in return for the privileges granted Pan American.

This practice had a great advantage. It avoided the dangers, implicit in official treaties, of embroiling the new industry in a maze of domestic and international politics. Without impairing the authority of the CAB, it established American aviation internationally. Indeed, it strengthened the position of the Board by saving it from being made subject to international pressure in the determination of its policies.

#### CIVIL AERONAUTICS ACT

Under the present Civil Aeronautics Act, the controlling law on the subject for the United States, any flight operators desirous of flying to the United States, must appear before the Civil Aeronautics Board at a public hearing and have their cases determined in the light of public convenience and necessity. The CAB's consideration of these cases is, and has been, based solely on the economic, industrial, and national defense factors involved. A further safeguard exists in the provision that any operating certificate granted for an international line must also be approved by the President of the United States. This is for the purpose of insuring that any agreements for operation that the CAB may make will not be contrary to the existing foreign policy of the Government. And before Presidential approval is obtained the Executive submits the specific proposal to the various Departments: State, War, Navy, Commerce, etc., for consideration and advice.

The pre-war policy in regard to official aviation agreements was particularly adapted to the war clouds that were gathering throughout the 1930's. Subjecting these delicate questions of international commercial rights to the fury of partisan debate could have served little practical purpose. Certificates for foreign operators from the CAB are, as appears here, granted only after the utmost precautions have been taken to safeguard the national interest. Yet, unlike treaties between nations, they do not require ratification by the Senate. All the agreements were plainly stated to be temporary, and were subject to sixty days' cancellation notice by either nation, or by the commercial company of either nation which was specifically authorized to establish a route. This tentative basis put the United States at considerable disadvantage, as all American carriers are private corporations in business for profit and could not invest large sums of their stockholders' capital in foreign ground facilities which might be taken away within any given sixty days. The foreign competition was, almost without exception, government-subsidized and prepared to defend its expenditures of tax-raised money with the whole weight of diplomatic support.

#### CIVIL AERONAUTICS AUTHORITY

Partly to compensate for this imbalance in foreign competitive dealings with American aviation, Congress set up the United States Civil Aeronautics Authority. The Authority is divided into two groups for reasons of efficiency. The one, the Board (CAB), has absolute power—granted by the Congress—to make regulations for the operation of aircraft over the United States and its possessions, including the elimination of uneconomic competition.

The law provides, however, that an appeal may be taken from any ruling of the Board to the Federal Court of Appeals. But in general the CAB can and must lay down the rules under which aircraft and pilots are examined and licensed. In wartime

it approves or directs amendments of schedules and rates for air passengers and cargo. One of its specific duties is to prevent any particular airway from becoming overcrowded and so dangerous to air traffic. A needed amendment has been proposed—one which would give it power to reach into any American home or business property near an airport, and to keep all approaches to landing fields clear of dangerous obstructions.

Under this amendment the CAB would be "authorized to require such conditions as will result in the protection of approaches to landing areas and the freedom of approaches and such areas from obstructions to air navigation." In plain words, the CAB would have the right and duty to inspect all buildings, smokestacks, powerlines, flag poles and every other construction or natural object sticking out of the ground near a landing field. If anything sticks up too high the CAB would have full power to order its removal. This may seem drastic and dictatorial, but it is rooted in common sense and the oldest legal precedent in the United States.

One of the first rules laid down in the infancy of the American Republic was that the Federal Government has complete authority over all navigable waters in the various states. In the Air Commerce Act of 1926, which was the first attempt to regulate United States air traffic, the fact was recognized that navigable *air* space is simply the greatest of all navigable *waters*, of common benefit to the whole nation, and therefore under the Federal control, not subject to local authority or private ownership. Two hundred years ago this power had to be used to prevent selfish, or cantankerous, individuals from building dams and other traffic obstructions in the rivers and streams which were the first highways in America. Today it must be reasserted to prevent the same type of local politician or property owner from endangering the lives or hampering the legitimate journeys of fellow citizens.

CAB rulings are administered by the other section of the

Civil Aeronautics Authority, the Administration, which operates through the Department of Commerce in order to co-ordinate, with a minimum of trained personnel, the enforcement of all Federal traffic regulations on land, water, or in air. Most of the duties of the Civil Aeronautics Administrator are, of course, domestic. But it also observes and carries out the international policies of the CAB, through our attachés in all our embassies and legations abroad.

In driving future post-war bargains with foreign carriers it now seems certain that every agreement will be based on the existing principle of national air ownership. Apparently the pre-war agreements with Canada and Great Britain are to be extended and possibly widened in scope. Canada has already entered into tentative air-treaties with Great Britain and Russia, and has proposed a very detailed outline for a general air policy. The exiled governments of Europe are attempting to re-establish their former air lines by operating from such colonial fields as were never overrun, or have been recovered from enemy hands. All these are signs that a violent struggle for air-space is expected which has within it the seeds of many "little wars."

#### THE ANZAC PLAN

But there are other indications that an earlier trend toward international organization instead of anarchy in aviation may finally be brought about. In January 1944 Australia and New Zealand signed a pact of co-operation which amounts to a challenge by small nations against imperialistic monopoly of the greater powers. For international civil air transport this agreement proposes an International Air Transport Authority which would be given by treaty "full control over all international air trunk routes, and would operate all air services over these trunk routes." Under this plan the International Air Transport Authority would own and operate all the aircraft and ground equipment, would employ personnel from all the member nations on



a "fair proportionate basis," and would set up international requirements as to safeguards, including surface rescue facilities, and landing and transit rights for all international traffic and the carriage of mails and cargo. Failing any such international organization, Australia and New Zealand declare they are ready to "install and support a system of air trunk routes controlled and operated by the various Governments of the British Commonwealth of Nations under government ownership."

The purpose of a joint Commonwealth Air Transport is intended to be more practical than political. It would avoid all problems as to different passport and customs regulations at the various landing fields throughout the Commonwealth; a unified system of communications, traffic signals and weather reports would be easy to install; surface auxiliary facilities could be supported by the various naval establishments of the Commonwealth Nations, all of which have been trained in the traditions of the Royal Navy or the British Merchant Marine. It would, in addition, have the advantage of a common language, and a common code of basic law. Most advantageous of all, naturally, would be the fact that such an association would, automatically, be provided with a globe-girdling series of landing fields without any problems of sovereignty, and with freedom to fly either across uncontrolled oceans or the membership territories of South Africa and Canadian North America en route. These advantages of the British Commonwealth would inure, for air transit purposes, to the common benefit of all members of an international association such as Australia and New Zealand propose. Very largely, the question of whether such an association will become a fact is up to the United States and Canada, to both of which the Pacific nations look for mutually helpful commerce in time of peace and support in time of war.

It has been stated that European nations with colonial possessions might eagerly join the Anzac association. From almost any practical point of view toward maintenance of peace its advan-

tages outweigh its drawbacks. But it cannot be established without a series of treaties on the part of the various governments, including the United States. Whether the United States Senate will have the courage to abate this much of sovereignty will doubtless be a deciding factor, and it may well be also the answer to the "how and when" of World War III. Many smaller European nations are equally reluctant to sacrifice the nationality and the prestige of their own air lines.

#### THE CANADIAN PROPOSAL

Canada, well aware that next to Russia she occupies the most advantageous geographical position for air commerce, has made a bold bid for the leadership to which she believes that position entitles her. Considered impartially, the Canadian plan appears to be the best yet officially sponsored by any important government.

Boiled down to its essentials, the proposal calls for "the right to be acknowledged by all nations of registered aircraft to innocent passage through any national air." International registration would be accomplished by setting up an Aviation Authority along the general lines of the United States Civil Aeronautics Board. This international body would also be empowered by the legislatures of the various member nations to apportion air routes "fairly and equitably among all the member-nations to meet the needs of the people of the world for efficient transport and so contribute to the establishment and maintenance of a permanent system of general security."

Under this Canadian plan, each member nation would retain full authority to decide for itself whether its air carriers in international service should be privately or State owned; and whether it should have one single company for such service, or should permit competition by several companies. Canada's idea of "the right of innocent passage" includes the automatic right to cross the territory of any foreign nation en route to a destination as

well as the right to land in any country for refueling and servicing, without having to obtain the specific permission of each government concerned. Abuse of this liberty would be controlled under general regulations laid down by the proposed international air authority.

For itself Canada announced that within a year after the close of the European war all Canadian railways would be required to dispose of their ownership in air lines, so that transport by air would be entirely separate from surface transportation. This policy is parallel to that of the United States Civil Aeronautics Board, and is a safeguard against transportation monopolies. The significant thing about the Canadian action is that Canada's largest transportation company—the Canadian Pacific—also has one of the best trans-Atlantic steamship services in America, and was preparing for extensive operations in the air. Furthermore, the Canadian proposal specifically exempts from international control all cross-border lines, such as those which have successfully been operating between the United States and Canada during the past fifteen years.

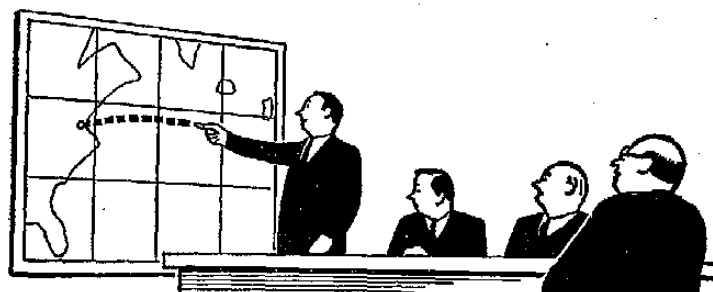
This last exemption will probably prevent the Canadian plan from being accepted in Britain, even as a basis for discussion, since it would weaken the Commonwealth position of offering all British nations as a unit in bargaining with other air powers.

#### OUR OWN ENLIGHTENED SELF-INTEREST

In the United States, the Canadian plan is privately acknowledged as a sound basis for post-war international co-operation. Officially, however, the whole aviation problem, involving as it must some relinquishment of sovereignty, is politically a most sensitive matter to tackle in the midst of war and domestic political crises. Yet it has been tackled, at first in "informal, exploratory get-togethers," and more recently, in Great Britain, at more "formal" conferences. The possibility of a United Nations' avia-

tion conference has not yet come up but, as has been stated officially by Mr. L. Welch Pogue:

"Our own enlightened self-interest and that of all other nations requires that, as a part of aviation's future international arrangements, a world charter be given to aviation now by granting generally this right of commercial air transit, facilitating the future establishment of commercial outlets at all points where future world developments may make them desirable."



## 5. Ownership and Operation of Commercial Routes

"Ownership" of international air routes today is a highly debatable subject. Establishment of routes means, practically, a system of landing fields, supply bases, a communication system, and other safety and service installations. With very few exceptions today there are no commercial air lines except those permitted by military authority. The United States has one route from New York to Lisbon, Portugal, and Foynes operated by its owner, Pan American Airways. Also, American Export Airlines flies from New York to Foynes. There are also two routes from Texas into Mexico, operated by American Airlines, the company which installed them. Pan American still operates its schedules from Miami to various points in South America. In Europe, outside of Hitler's Reich, Sweden manages to keep a few ships in the air, at rather interrupted intervals, to communicate with Britain, some points in Germany (Berlin being erased as an air stop), and Finland; Lisbon has been a regular airport for planes of the Lufthansa from Germany, and of the BOAC (British Overseas Air Corps.) from London. There is limited service between Lisbon and Madrid, and Switzerland, carried by a none too dependable Spanish air line. On each of these routes military priorities are necessary to get space, and travel is for official business only.

In North Africa and Asia Minor, the airports at Cairo and Ankara are frequently visited by planes with the markings of Réseau Aérien Français, Sabena from the Belgian Congo and BOAC generally loaded with official brass hats. But no regular schedules are maintained, all flights being under control of the military. The Lufthansa claims regular flights to Ankara from Germany via Bucharest, but that could hardly be called an "established air line" in view of what is likely to happen to German aviation.

Much of the territory served in pre-war days by the world's largest international air line—Pan American Airways—is now in enemy hands, or is a wartime part of the Army's Air Transport. Of the nearly 100,000 miles of route for which Pan American holds permanent operation certificates from the CAB, only the New York to Lisbon and Foynes, Eire, and the lines to South America and Hawaii are actually functioning.

The great trans-Pacific route, pioneered by Pan American via Midway, Wake, Guam, and the Philippines to Macao and China suspended operations on December 8, 1941. Pan American's affiliate CNAC is flying cargoes with civilian pilots in unarmed transport planes over the hump of the world from Assam in India to Kunming and Chungking in China. In March 1944 one of these pilots reported sighting (and nearly hitting) the world's highest mountain peak—hitherto considered legendary—a 31,000 foot height near the unexplored head waters of China's greatest river, the Yangtze Kiang. But even this is very clearly a wartime job. Much of the fuel, parts, and supplies servicing the B-29 Superfortress is carried under ATC auspices over this route.

Of the trans-African route, no Pan American planes or personnel remain, except those members who accepted commissions or ratings in the Air Corps and were placed on duty with the African division of the ATC. No American company has been given anything other than temporary permission "for the duration" to operate in Central Africa, or in French North Africa. Franchises for that continent are still divided among the remnants of air lines

which were established by the European nations having colonies: France, Belgium, Holland, Great Britain. Pan American still holds its permanent certificate for the northern route to Asia via Alaska, although this route—so far as is militarily possible—has been used by other lines and by the ATC.

The Ferry Command, predecessor of ATC, was an outgrowth of Pan American's War Department contract to build a supply route from America across to West Africa, and then to Cairo, up to Russia, down to India, and across the hump to China. Pan American's experience in dealing with nearly every kind of property owner, and in meeting every variety of climatic condition from fogs around the Arctic ice cap to the stifling miasma of tropical jungle fitted it for the job, and it undertook to train both American and British personnel.

Under the War Department contract, Pan American built, in its own name, forty-eight airports in fifteen different countries; and the full story of its development of aerial signalling, control of tropical diseases and other difficulties is one of the permanent benefits which will come from the war. But commercially, no American company has been given any permission to operate in any part of Africa. When hostilities cease, all rights and facilities revert to the British.

As for the Belgian Congo and French Equatorial Africa, Pan American holds permanent operating rights and has a certificate of convenience and necessity for its regularly scheduled services between the United States and those territories.

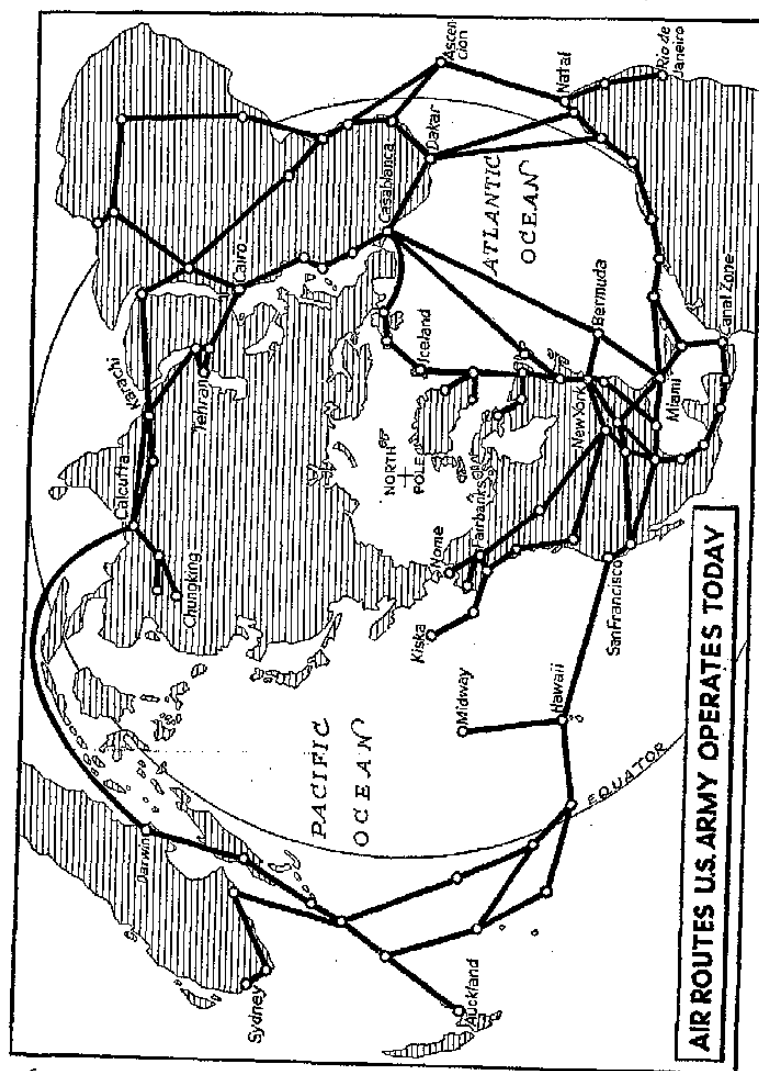
Pan American's unique achievement was in conceiving a method by which a private corporation, chartered under the laws of one nation, and subject to the regulations of that nation's Aeronautical Board, could deal with some forty-odd foreign governments so as to obtain, not only flying and landing rights, but full permission and authority to set up and operate communications systems, services of supply, hotels, and medical stations for its patrons. This is said without prejudice to many other, American, British,

Dutch, French, and even Italian and German air lines. There is enough credit to satisfy all. But although someone might have done this sooner or later in the normal course of aviation, the fact remains that the Pan American group did it. This pioneering job also was done without a single penny's worth of *direct* subsidy from the United States Government, and with no undue claim on the time or effort of any diplomat in United States Embassies and Legations. However, without mail contracts from the United States and other governments, it could not have been financed.

The moral, if it has to have a moral, is that aviation, properly presented as an instrument of commerce and mutual profit between nations, carries its own diplomatic punch and needs no officially-endorsed ambassadors. The war, however, may have drawn the curtain on what was once a free and easy procedure.

Competition, which Pan American had to meet in South America and in the Far East, came from European lines which were either owned directly by the various governments, or were subsidized by grants of money to cover all operating costs with an additional bonus of cash payments for carrying mails. To attract business away from these other lines, the American company had only one thing to offer—better service at the same or less cost. The first step toward that was development of better planes, and American designers produced the first four-motored transports—which were the forerunners of our best bombers today. This plane when finally perfected, was the Clipper, a type that proved equal to use on regularly-scheduled commercial passenger service for trans-oceanic flights.

Constant pressure of such competition brought out twenty-seven different new designs for various American-flag lines from the beginning of our international air traffic about 1930 to its suspension in 1941. When peaceful conditions are restored, the same initiative is to be expected. Already, Canada has announced that it expects to go into production with a new, and very much improved type of four-motored passenger transport based on



experience in building and flying military transports. This will give United States designers, builders, and air lines something to sweat over; and they will not be caught napping.

#### COMMUNICATIONS

Aside from the actual flying-stock, however, the American airline pioneers determined to build a service that could not be equalled at any cost. This entailed an elaborate communications system crossing a number of national frontiers, involving innumerable regulations concerning the use of telephone and telegraph wires and radio waves. Since the primary purpose of these communications was, however, to secure the safety and convenience of passengers and cargo in the air, and had no political connection whatever, the various foreign governments approached were sympathetic and co-operative in the great majority of cases. This is a most important point for the future, since those same governments might not be so receptive if they had to reply to an official request from another sovereign nation.

Communications are the life-blood of aviation. Today the greatest communications system on earth belongs to the United States Army. It literally girdles the world, and is eyes, ears, and brains for the United States Army Transport Command (ATC).

#### THE ARMY AIRWAYS COMMUNICATIONS SYSTEM

This Army Airways Communications System (AACS) not only serves the Air Corps. It also keeps contact with all flights by commercial planes, and is voluntarily queried by several of our allied air services. AACS is the perfect enlargement, on a global scale, of the initial pioneering done by American-flag lines to protect their paid charges. It has stations located in forty-eight states and fifty-two foreign countries and territories. In fact General H. H. Arnold, Commander of the Army Air Forces, tells us it is now possible for a plane to fly blind all around the world guided entirely by AACS radio navigational aids.

The first leg of the system connected all the airports along the northeast edge of South America from our great air base at Miami down to Natal, then to mid-Atlantic, on Ascension Island, and to the old Ferry Command's first African base at Accra. It goes across Africa on the north, the Mediterranean shore to Cairo and Tehran; in the center to Khartoum, Karachi and Calcutta in India, up to Kunming and Chungking in China, down in a great sweep across the Bay of Bengal to Darwin, Port Moresby, and across the Pacific—*island by island*—to Hawaii and San Francisco. Every new atoll wrested from the Japs immediately becomes the newest link in the chain. It covers all the air routes in the United States, Alaska, the Aleutians; and it guides all planes along the North Atlantic route via Newfoundland, Labrador, Greenland, Iceland, the Faroes, the Shetlands, and the Orkneys—to Great Britain. Look at the map! It's worth drawing a diagram with a red pencil.

This organization functions almost miraculously. It has aided in the development and perfecting of methods and communication-detection devices that would amaze the pre-war pilots. With less than 25,000 total personnel, AACCS keeps track of all planes in its orbit, guides each from station to station, advising of weather conditions along the route, and directing at what speed, and what level each shall travel. Take-offs and landings are executed on split-second orders from the control towers in busy ports. Approaching planes are warned to slow down if they are coming in at a crowded moment. Air levels are apportioned, and discipline is rigid if there is any disobedience. The system operates radio stations, air-base control towers, beacons, teletype systems, radio rangefinders and other communications facilities.

All this adds up to the fact that the much-advertised "international air-traffic control" is operating as a practical system for the safe flying of planes. The catch is that the system is American; it is functioning now in scores of countries each of which regards this useful service as quite possibly necessary as a temporary war-

time device, but since it is an official military organization of a "sovereign nation" it may be found diplomatically "intolerable" after peace to the governments which now welcome and utilize it.

#### A POST-WAR COMMUNICATIONS SYSTEM?

There is nothing hypocritical, or even surprising, about that. We Americans would probably be the first to resent and demand the ousting of a British or French or Russian army communications system set up on our sacred soil. We can hardly blame anyone else for feeling the same way. Yet it is obvious, and will be even more completely proved, that this kind of system is an essential to safe and sane flying on the international scale. It is also fairly evident that the only kind of communications system worth operating is one which is unified, with personnel trained according to a single standard of signals, and use of standardized devices. The logical answer is to constitute a non-governmental system of international ownership, or of a strictly commercial character which could charge each government for its services, on the basis of the number of planes registered by such government as fit to fly.

Already, it is known that some governments have made proposals to take over their "national link" of this communications system, to operate as an independent organization. Whether these suggestions are simply bargaining points in the larger struggle for position in post-war aviation will develop as the various conferences now in progress publish their proceedings. Communications can be agreed upon in some practical manner, following precedents for mail, cables, and similar problems which have been satisfactorily adjusted in the past.

#### COMPETITION VS. A "CHOSEN INSTRUMENT"

But the basic policy of how many planes a nation may authorize to fly through "foreign" air is a matter much more liable to create serious differences which may have a damaging effect on

all international aviation. For the present the question arises only in regard to commercial planes since the number of private planes crossing national borders is not expected to be very great in the immediate future. Tentative agreements exist between Canada and the United States on private aircraft, and it will be some time before small planes can make transoceanic flights. For the United States, the most important decision is whether it shall permit several companies to compete for business in a given foreign market, or whether United States aviation shall limit its service to one specific, authorized carrier on any one route.

The CAB has in general followed the traditional theory of American business in declaring for competitive operations by air carriers. Actually, this declaration has been only theoretical since there was such a brief period of operation in the international field before the war. The question is most pressing now that resumption of peaceful flights must be expected and prepared for in advance of actual peace; and in the United States it is complicated by our policy of reciprocal flights.

For instance, although at present we have no reciprocal agreements with Mexico and the five Central American Republics, let us assume we have. Let us assume, also, that the authorized United States carrier schedules ten weekly flights through these countries, with stops in each. That could cost the United States a total of fifty flights entering *this* country. Now if more than one United States carrier does business in a given area—the same area to continue the hypothesis—the number of reciprocal flights will be doubled or tripled or quadrupled by whatever number of United States carriers are scheduling flights. Practically, of course, the situation would not be pushed to absurdity, because the total available business would not warrant it.

#### UNITED AIR LINES DISSENTS

When in 1943 seventeen domestic air lines prepared to submit to the CAB a "Declaration of Policy on Worldwide Aviation,"

United Air Lines made a vain effort to insert in this Declaration the following provision:

"If it should be found on further study that our country's interest could best be served by joint or cooperative operation, the airlines are willing to give consideration to such a plan."

In explaining United Air Lines' refusal to become a signatory to the Declaration, Mr. W. W. Patterson, its President, pointed out that under the philosophy of the Atlantic Charter, an equal distribution of flying schedules could be expected and that the forty-three airplanes which he estimated would be sufficient to serve a possible 1948 passenger demand in the North Atlantic would be distributed equally among seven foreign countries and the United States of America, thus giving each country six airplanes! Mr. Patterson's views on this complex problem are pertinent. Divorced from the context of his overall summary, here is what Mr. Patterson wrote in the letter addressed to the members of the Civil Aeronautics Board:

"If more than one United States company is to participate in the United States share of the North Atlantic competition, no one United States company could be an outstanding success in view of such a narrow market without completely ruining its United States competitors, unless such competitors received a very heavy public subsidy to insure survival. Do we want to promote an international subsidy war imposing added tax load upon citizens already burdened by an unprecedented war debt? Such a promotion should not be countenanced under the American system of free enterprise."

#### SIXTEEN AIR LINES TAKE A STAND

This decision of Mr. Patterson threw the entire question of monopoly versus competition into even sharper focus. The sixteen air lines (still called the Seventeen Airlines Policy Com-

mittee although United Air Lines desisted) have vigorously opposed the suggestion that American interests in world air lines be operated by one company. They asked that the domestic air lines be permitted to do in peacetime what they are doing in wartime, with modifications to conform to trade conditions. Instead of presenting a solid front to the rest of the world, American air-line interests have divided themselves sharply into two opposing camps with both forces foregathering for a major test of strength. The target of the controversy appears to be the McCarran Bill, designed to set up the "chosen instrument" for the operation of American international air business.

In opposing such a governmental regulated set-up, the domestic air lines, through their Committee, appear to stand squarely on the following viewpoints: (a) That monopoly in any form should be avoided since it would lead to government ownership, thus jeopardizing America's leadership in commercial air transportation and aircraft production; and (b) that the universally accepted principle of air sovereignty should be liberalized but not abandoned.

This group directs attention to the fact that Europe's adoption of monopoly practices has been brought about by economic and political conditions that do not exist in the United States and therefore "cannot validly be offered in support of an attempt to foist off monopoly on the American public." To prove this contention, they point out that the growth of authoritarianism throughout the world "has brought in its wake various forms of government monopoly which, in the main, were actuated by military and political motives, and proven to be utterly deficient from a commercial or economic standpoint."

The Seventeen Airlines contend that in competition with the government monopolies of Europe a privately owned American monopoly "could unwittingly become the tool of any foreign state or states that might find it desirable to involve the United States company in a concealed effort to gain advantages or dis-

criminate against some other foreign country or countries." They also contend that several independent American companies would involve this government in a greater degree of reciprocity than a single monopoly company. The proponents of regulated competition hold that a United States monopoly company would not only be subject to full reciprocity by all of the leading countries of Europe, but that the authorization of such a company by the Congress of the United States would have the effect of "arousing the fear of practically every country in the world."

The "Seventeen Airlines," it appears, are determined to prevent any policy from being adopted by the United States government until they have had an opportunity in public hearings to air their views. They are determined to put up a stiff fight with the aid of certain agencies of the Government to prevent any opposing legislation from being enacted by Congress.

So much for some of the arguments of the group opposing the "chosen instrument" policy. There are a great many others; some that are sound and reasonable, some that are wild and even vituperative.

The limited examination contained in this discussion of the question cannot concern itself with all the pros and cons developing in this heated debate. An observer on the sidelines can only judge from the known and published facts. To this observer it becomes clear that unlimited competition for routes by various United States-flag lines would tend very strongly toward weakening the ability of any United States aviation company to compete in the world's air with the two great national aggregations represented say, by the British Empire and the U.S.S.R.

#### THE McCARRAN PROPOSAL

It was that realization which apparently led to the McCarran proposal of a billion-dollar American Civil Aviation corporation, with which to present a united bargaining agency. There may be real doubts as to whether such an enterprise should be under-



taken by Act of Congress, rather than as a purely commercial affair. The Russians are running their lines by government orders; the British say they are divesting their lines from government participation. The greatest practical success yet achieved in the air has been by a private American line. All these factors have to be weighed very carefully. But from the American point of view, it must be remembered that the outstanding success of the private American line was made when it faced no competition from within its own nation. Had there been a half-dozen American companies the story might not have been so favorable to us.

#### DANGERS OF COMPETITION

There are other dangers in multiple United States services being authorized for any one area, as this writer sees them. They lie particularly in the temptation that would arise of plunging such United States competitors into the political arena of foreign countries in order to outwit each other—manipulating currencies, slandering the technical repute of rivals, etc. Instead of making aviation an instrument of peace and understanding between nations, it would increase the commercial irritations and wounded governmental vanities that lead to international friction—and war. As these unrestricted American operators are driven to set themselves up under foreign flags, they will soon be discovered operating in and out of the United States beyond the controls, the taxes, the wage standards and the safety required of the American-flag operators. In very large measure the responsibility for keeping the air peace will rest on the United States. Our plane production capacity exceeds by several times that of the rest of the world. We do not have to mention that fact, the world already knows it. But it is up to us to exercise a little self-control. In order to maintain our production, we have to have customers. Irritated neighbors are not good customers. That may be "dollar diplomacy," as it was once contemptuously termed, but it is good commercial sense nevertheless.

#### INTERNATIONAL CONVERSATIONS

An international agreement on these regulations is already under consideration. Conversations have been held between Canada and the United States; Great Britain and the United States; and Russia and the United States. Sometime in the near future, these four nations, together with China, expect to draw up a permanent draft for presentation to the United Nations. This procedure was adopted because it was practical, and aviation is a practical matter. The governments of occupied European countries are not in a position to determine what will be the possibilities of their national aviation until reconstruction has been begun after liberation. The South American Republics have, as yet, not entered into the international field, except as between themselves and with the United States under conditions that were mutually agreed to at the Havana Conference of 1928. No violation of any existing agreements is expected to come from these conferences. On the contrary, they are to simplify and unify the regulations covering both national and international flying.

The conferees are well aware that simplicity and unity are essential when man moves at more than five hundred miles an hour. That is the speed of the air age.

#### AIRCRAFT PRODUCTION

It is generally acknowledged that the only nations now capable of producing aircraft on a large scale, with the expected elimination of Germany, and with the resources and trained personnel to organize and operate the kind of systems required by aviation are the British Commonwealth, the United States, and the Soviet Union. Of these, the British have had the longest—and on the whole the most successful—experience in operating international commercial enterprises with a minimum of friction; the United States has achieved the largest and most convenient commercial air lines in international service; and Russia has a potential that need yield to neither one, although as yet Russian civil air service

has been almost entirely an arm of the Soviet Government for use in official business.

#### OUR AIR POSITION

As has been shown, the United States has the weakest geographical bargaining position of any of the three. We need Canadian permission to use the short routes from our great centers to the great centers of both Europe and Asia; we need also the numerous landing rights mentioned, a very great number of which are located in British Dominions and colonies throughout the world. It is true that the British nations are our best customers. They need our products and materials; but we need their trade, and (with the possible exception of Canada) they have no geographical necessity for entering United States air, such as we have for using the British air. To a certain extent we are in the same position as regards Russia. As we have mentioned, the Soviets can do business by air with almost any nation, and without seeking leave from anyone other than the government of the intended customer.

In fact, our bargaining position with Moscow is even weaker than it is with London, since the Soviets have various alternative routes by which to cross the Western Hemisphere without using United States air. However, it may easily develop that these geographical handicaps are more than compensated by the undeniable fact that the United States has, overwhelmingly, the largest aeronautical industry, the greatest fleet of transport airplanes in the world and that, in both peace and war, we originate the vast majority of international traffic, whether on the sea or in the air.

#### THE U.S.S.R.

On the organizational side, the Soviets have, of course, no competition within themselves. The Russian air transport system will be a unit of the Soviet Government both as to ownership and operation. Profits, if any, will go into the general treasury. Losses,

if any, will be covered by the general tax. The policy and purpose of Russian civil aviation will be determined by governmental officials, holding office under the government and answerable, not so much to a general public for satisfactory service on the air lines, as to the deciding group within the Kremlin which directs the political, economic, and military policy of Russia as a single unit.

#### THE BRITISH COMMONWEALTH

The British Commonwealth is attempting, and may easily succeed, in organizing all the various potential aviation resources of the Dominions into a single unit. Proposals have been made that this should be governed by majority vote of representatives from all the members, and this appears to have been done at the London Imperial Conference. But whether the direction is democratic, as that would be, or is dominated by London, the fact would still be that the United States—dedicated to internal competition—would face two great and powerful foreign competitors, each of which had a unified policy.

#### AVIATION, ECONOMICS, POLITICS

It is to be seen from all the foregoing that there are differences of opinion on every phase of the international air problem. There may be even greater differences when wartime unity and controls give way to "free enterprise," competition and trade rivalry. The differences may become bitter—as in fact they already are—and the battle for the world's air will be on! There are some who contend that "natural law" would prevail, and that we would eventually come out with the same kind of competition we always had—tough, ruthless and hard-bitten, with each nation taking all it could get—and then some. This unpleasant prospect, however, is countered by the more optimistic view that wisdom will prevail, and that a liberal outlook will go hand in hand with realistic ordinary common sense.

The aviation picture of the world will then be an accurate reflection of the political and economic likenesses of the various nations, and should continue to reflect political and economic world changes with increasing affinity until, in a surprisingly short time, the interests of all three—Aviation, Economics, Politics—will be found to have become identical and indivisible.

## AIR AGE SCRAPBOOK—1909

Houston Peterson

Some months ago I dug out of an old box two bulky scrapbooks which I began to keep in the summer of 1909, while I was still in grammar school. I was trying to preserve a record of all the flights being made in the world, with clippings from any newspapers, magazines and almanacs that I could put my eager hands on. The two books, totaling nearly three hundred pages, are not very tidy jobs. The pasting shows more concern for permanence than elegance, and the chronology is far from perfect. As I did not then have a scholar's concern for sources, one cannot be sure whether the articles came from the *Times*, *Express*, or *Examiner* in Los Angeles, or the *San Francisco Examiner* or the *Fresno Republican*. And there is no clue at all for some of the illustrations! Nevertheless, those faded pages, with their happy headlines and personal anecdotes, bring back, as nothing else can, the incredulous excitement with which we followed the progress of aviation just a short generation ago—less than six years after the Wright brothers made their first flights at Kitty Hawk on December 17, 1903.

Our sense of wonder has been stunned so many times since then that we are now apt to take for granted those pioneer glories or think of them as merely amusing. In the Disney film, *Victory Through Air Power*, the early planes are all quaint, awkward, funny—and the men in them equally so. Of course, this caricature heightens the contrast to the modern monsters of the air but the effect is unfortunate. We who watched those early planes with bated breath saw nothing funny in them; to us their move-

ments were graceful, magnificent, and their pilots were heroes of a new dispensation. They soared not on metal wings or plywood as strong as steel, but in contraptions of spruce and bamboo, covered with silk, linen or canvas, supported by piano wire, and powered by uncertain motors with cylinder heads which had a proclivity for blowing out while in flight. The threadbare phrase, "he took his life in his hands," applied to those men more literally perhaps than to any other group in history.

On the first day of July, 1909, the Wright brothers were at Fort Myer, near Washington, preparing their biplane for government tests. Orville "completed three successful flights," one of 5 minutes, one of nearly 8, and one of 9½. A speed of from 36 to 38 miles per hour was attained and a height of 40 feet!

Two weeks later a serious "rival of Wrights" appeared in the person of Glenn H. Curtiss who made a circular flight over the Hempstead Plains, Long Island, lasting 52 minutes and 40 seconds. This was the best American flight of the year thus far and only about 40 minutes short of the world's record. "I came down," said Mr. Curtiss, "because my gasoline supply was running low and the wind was getting rather uneven." A crowd of enthusiasts tried to carry him on their shoulders, "but rubbing the particles of dust from his eyes, he broke away smiling, and said that he wanted his breakfast."

But this was nothing compared with the news that came from the white cliffs of Dover on July 25. Bleriot had landed at dawn in his tiny monoplane after flying the 25 miles from Sangatte, near Calais, in 37 minutes. "To the handful of people who had gathered to see him off, the spectacle of this man, hobbling on crutches, dreaming of a flight to England, had something awe-inspiring, even terrifying in it." He had stolen a march on his brilliant rival, Hubert Latham, who was sleeping near-by, unaware that weather conditions had improved. On hearing the news, Latham wept and then sent a telegram: "I hope to follow you soon." He did follow a few days later—and plunged into the

channel for the second time. Meanwhile Bleriot explained to reporters that there was little danger in his profession as long as one kept cool. "In case of accident I throw myself on one of the wings. That breaks the wing but it saves me."

Many newspapers saw that Bleriot's flight began a new epoch in the world's history. It meant that Great Britain was no longer an impregnable fortress. It meant, according to one cable, that "the vast expenditures for the navies of the nations are foolish, that armies are to be things of the past, and that the battles of the future are to be battles in the air."

Before we had recovered from the tremendous shock of Bleriot's achievement, the Wrights were ready for the first of the two crucial tests imposed by the United States government—the so-called endurance test which required a machine to remain in the air for an hour with two persons. Not until after six in the evening did the high wind lessen. Then the 1,200-pound biplane, with Orville Wright at the controls and Lieutenant Frank P. Lahm in the extra seat, sprang from the starting rail and began to circle the great drill ground at a height of 60 feet. President Taft and the rest of the crowd watched tensely, as lap after lap was completed—50, 60, 70, 74 laps, or nearly 50 miles in one hour, 12 minutes and 40 seconds. Orville had beaten by a full three minutes the world's record for a flight with a passenger made by his brother Wilbur the year before in France. "I was nervous at first," said Orville. "You know this was my first attempt with a passenger since last year." On that occasion Lieutenant Selfridge was killed and he himself badly injured.

On the last day of this "greatest month of aerial navigation" (according to *Popular Mechanics* of the time) Orville Wright undertook the second government test—a ten-mile, cross-country flight with passenger.

"He not only surpassed the speed requirements of his contract with the government but accomplished the most difficult and daring flight ever planned for a heavier-than-air machine.

Incidentally he broke all speed records over a measured course. His speed was more than forty-two miles an hour. He made the ten miles' flight in fourteen minutes and forty-two seconds. He went up nearly five hundred feet in his crossing of the valley of Four Mile Run, and his average altitude was about two hundred feet. President Taft arrived upon the parade ground at Fort Myer just in time to see the aeroplane land and to participate in the wild demonstration which welcomed the triumphant aviator."

Now the scene shifts to Rheims, France, where the first aviation meet began on August 19, 1909. On that day most of the aviators in the world, except the Wright brothers, were on hand tuning up their machines, and at sunset, "three heavier-than-air craft were maneuvering together for the first time in history. All were flying rapidly when suddenly Curtiss saw Dumanset in an Antoinette monoplane approaching at right angles and on the same level with him. Curtiss, realizing the danger, elevated his plane. His machine instantly shot upward and soared over the Frenchman. Spectators watched the maneuver with bated breath, but when they saw it was successfully and brilliantly carried out, they applauded the American wildly." (On August 22 nine machines were in the air at the same time.)

For several days the bird-men seemed to be only trying their wings and then—the record for distance was broken three times within seventy-two hours! First the daring Paulhan, in his Voisin biplane, covered about 83 miles in 2 hours and 53 minutes—20 minutes in a "heavy" rain and windstorm. Next Latham in his beautiful Antoinette monoplane flew 95 miles in the rapid time of 2 hours and 18 minutes—king for a day! Not Bleriot but young Henry Farman now challenged the hard-luck Latham. In a large box-like biplane of his own design young Farman rose to a height of 10 feet and then around and around the field he went for 3 hours and 14 minutes and a distance of 118 miles.

However the grand event of the meet was to be the race for the James Gordon Bennet trophy and a cash prize of \$5,000—20

kilometers (12.42 miles) or two laps around the course. Bleriot and Latham were the favorites, with Curtiss in his trim little biplane an outside choice.

"Curtiss stole a march on his rivals by getting away early. Finding the conditions favorable at ten o'clock in the morning, he decided to take no chances in the fickle weather and after a trial trip in which he made the circuit of the course in seven minutes fifty-five seconds, he started immediately on his attempt to win the cup. He handled his machine in masterly style. The first round, measuring 6.21 miles, was made in 7.57 2-5, and the second round was covered in 7.53 1-5, a world's record. This remarkable showing on the part of the American created consternation in the Bleriot camp."

Late in the afternoon Bleriot made a desperate attempt to surpass Curtiss' time but fell short 5 and 3-5 seconds. Third place was taken by Latham and fourth by Lefebvre. "Cockburn, an Englishman, ran into a haystack as he was maneuvering for the start, and did not cross the line."

After the many columns devoted to the Rheims meeting, we come across three short clippings about the young Brazilian living in France, Alberto Santos-Dumont. He was already well known for his small motor balloon. But now he casually makes a five mile flight across country at better than 55 miles an hour, in order to win a wager of \$200. His little plane, with the wide single wing, and diminutive tail, weighed, together with the pilot, only 260 pounds. Here indeed were commercial possibilities and Santos-Dumont at once received numerous orders. But he was only interested in advancing the art of flying and offered to all comers free use of his inventions, unprotected by patents—a generosity rare even in aviation.

While the Rheims meet was going on, Wilbur Wright reached Berlin and began a series of impressive flights in the presence of German army observers. On September 17 he attained an altitude of 760 feet, far above Latham's record of 508 feet.

Back in New York, brother Orville assisting in the Hudson-

Fulton celebration, on the morning of September 29 ascended from Governor's Island and flew majestically around the Statue of Liberty. This was supposedly a direct challenge to Curtiss who had first suggested such a flight. "From now on, it is expected that the two aviators will strive to outdo each other, although neither will do anything reckless." But Curtiss did not cooperate.

Three days later it was Wilbur Wright in Berlin who seized the headlines again by reaching the unprecedented height of 1,600 feet. "I never flew so high before," said Wright.

"Immediately after rising I set the rudder at the maximum and kept climbing steadily for fifteen minutes, until the field and adjacent country reminded me of the picture I had from Zeppelin's airship, only the grounds seemed smaller. The descent I made in five minutes. I came down at a speed simply terrific. The whole machine shook as it rushed through the air, but my sensations were just the same as in lower altitudes. The air was not colder and the wind resistance was no greater."

Once more it is Orville's turn in New York. On the morning of October 5 all America read some such headlines as these: WRIGHT MAKES SPECTACULAR FLIGHT OVER BATTLESHIPS, MANHATTAN SUSPENDS BUSINESS TO SEE AEROPLANE SLIP BOLDLY OUT FROM GOVERNOR'S ISLAND AND UP THE HUDSON TO GRANT'S TOMB, RETURNING SAFELY. He was apparently planning to fly at two hundred feet but

"unexpected air currents caused by the great buildings moved the aviator to bring his craft closer to the water. Tilting the elevator rudder, he slowly brought the machine down, slipping gradually until he was only one hundred feet above the tooting ferry boats and the busy river traffic. The motor was churning as regularly as a clock, and settling himself in his seat, Wright sped onward up the river. Over the warships of five great powers he passed, his progress marked by cheers from the sailors of his own country and those of Great Britain, Germany,

France and Italy. The bluejackets lined the rails of their ships and gazed in wonder at the little craft above them."

Wright intended to make a second flight over the buildings on Manhattan's waterfront and then across to New Jersey, but much to his chagrin, a cylinder head blew out, and ripped a large hole in the canvas of the upper wing. Before leaving for Washington the following day to continue the instruction of Army officers, he announced that he and his brother would make no more exhibition flights.

"The flight of yesterday," he said, "was more than an exhibition. It was more like the taking up of a challenge or the making of a record to stand as a milestone in the history of aerial navigation. My brother and I regard our experiments as being in the same class with Fulton's experiments. We are working with an art that is still in its infancy. So I wanted to take part in this celebration.

"The accident yesterday taught me a lesson—that until motors are perfect, we shall have no perfect aeroplanes. The science of flying now depends upon the motor. My aeroplane seems perfect but the motors are not. I hope that day will come when we shall have a perfect motor."

Naval authorities took the flight over the battleships nonchalantly. Commander Sims of the Minnesota shrewdly pointed out that "an aviator out of gun range would be equally out of position to drop a projectile on a battleship." Edward Seymour of the British fleet was of the opinion that "in warfare the aeroplane will be limited to scouting. Of course it could carry explosives and drop them on a ship but I think its use for that purpose is impracticable." But the remarks of Sir William Henry White, formerly chief constructor for the British Navy, were the most consoling: "The nations of the earth are not disturbed over the likelihood of the aeroplane's possible use in war."

### ABOUT THE AUTHORS

BURNET HERSHEY spent twenty-seven of his forty-seven years as a foreign correspondent for American newspapers and magazines. In World War I he was with the American, French, and Belgian armies on the Western Front. In this war he was accredited by the War Department to the European Theatre of Operations (1942). Early in 1943, he visited American air bases in Britain, Africa, South America and the Caribbean and then published his book: *The Air Future—A Primer of Aeropolitics*, a full discussion of the international aviation problem. Mr. Hershey covered the Paris Peace Conference and twenty-two subsequent international conferences throughout Europe and the Far East. He has been a lively observer of the international scene, has written a number of books and hundreds of articles on world affairs, and is known to many as a radio commentator and news analyst. He was one of the founders and a President of the Overseas Press Club and is at present Director of the Free World Economic Bureau.

HOUSTON PETERSON is in charge of the Cooper Union Forum and Professor of Philosophy at Rutgers University. His articles "Tarzan Realism" and "Poison Gas: Fumes from the Overheated Cellars of Nationalism," published in 1943 in the *Saturday Review of Literature*, aroused considerable interest among people concerned with world peace.

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25¢ a copy

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# FOREIGN POLICY REPORTS

September 15, 1944

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## U. S. Foreign Policy and the Voter

BY VERA MICHELES DEAN

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# U.S. Foreign Policy and the Voter

BY VERA MICHELES DEAN

AS the prospect of a United Nations victory in Europe grows appreciably nearer, and pre-election debates concerning foreign policy become intensified, it is inevitable that American citizens should appraise, to the best of their ability, the course followed by the United States since World War I, and weigh the course it might or should follow once this war is over. In an election year the judgment of every voter is bound to be affected by party considerations—some trying to defend and others to deprecate every measure taken by the Roosevelt Administration during nearly twelve years in office. It must be hoped, however, that such decisions as will emerge from the historic debate now under way will have as their main objective not the success at the polls of this or that party, but the welfare of the nation as a whole.

## ROLE OF PUBLIC OPINION

Looking at the foreign policy of the United States in the perspective of the inter-war years, it is clear that no program, however desirable it may seem to any given President or Secretary of State, can be carried out unless it has the support of the voters, as expressed by their elected representatives in Congress, through organs of the press, and other channels.<sup>1</sup> No matter how forward-looking, imaginative or courageous a political leader may be, he can lead this country only as far as the people will go under existing circumstances. The will of the people—compounded of fears, desires, ambitions and hopes about the future of the nation—must guide, and frequently limits, the plans and decisions of the Executive.

1. Referring to this matter, Secretary of State Hull said in his radio address of April 9, 1944: "It is obvious, of course, that no matter how brilliant and desirable any course may seem it is wholly impracticable and impossible unless it is a course which finds basic acceptance, not only by our Allies but by the people of this country and by the legislative branch of this Government, which, under our Constitution, shares with the Executive power and responsibility for final action." Address by the Secretary of State, April 9, 1944, "Foreign Policy of the United States of America," Department of State, *Bulletin*, April 15, 1944, p. 340.

## NEED FOR POPULAR SUPPORT

Under our system of government, the position of the President with respect to foreign affairs differs fundamentally from that of a ruler vested with dictatorial powers.<sup>2</sup> Rapid and decisive action, untrammelled by fear of public criticism or obloquy, is not open to him. If he is not to suffer the fate of Woodrow Wilson, whose plans for United States participation in a world organization proved "too much and too early" in 1919, he must constantly scrutinize and weigh public opinion. Otherwise he runs the risk, on the one hand, of giving assurances or issuing warnings to other nations that he may find it impossible, subsequently, to fulfill;<sup>3</sup> and, on the other, of being attacked at home for allegedly sacrificing national interests to promote international adjustments.

But, while the President must be sure that he is not advancing at any important point beyond the range where the majority of voters would be willing to follow him, he must not appear to be a mere passive follower, since this lays him open to the criticism that he lacks the stature of a true leader. As spokesman for this country in world affairs, any President, whatever his party affiliation, is faced with the seemingly hopeless task of navigating a narrow course between pleas from other nations for cooperation abroad, and latent fear at home that cooperation, however limited, may in some way jeopardize national interests or diminish

2. See G. F. Milton, *The Use of Presidential Power, 1789-1943* (Boston, Little, Brown, 1944), especially chap. XV, "World Strategist."

3. In discussing his mission to Europe in 1940, on the eve of Hitler's attack on the Low Countries and France, former Under Secretary of State Sumner Welles says: "The great majority of the American people were altogether confident that they could keep out of the war. No executive in Washington with any sense of his responsibility to the American electorate, or with any regard for his constitutional limitations, could assume the authority for bluntly informing the government of the Third Reich that the United States would support Great Britain and France should Germany persist in her policy of world conquest. And yet it was only that threat which would have the remotest chance of averting the greatest calamity that the modern world had known." Sumner Welles, *The Time for Decision* (New York, Harper, 1944), p. 120.

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national sovereignty. To these hazards must be added the unduly modest apprehension felt by many Americans that "foreigners"—especially the British—are more astute than we are, and will play us for "suckers" in international negotiations. (Other nations occasionally return the compliment by regarding Americans as shrewd, hard-bitten "Yankee traders.")

#### CROSS-CURRENTS OF SENTIMENT

The task of any President is further complicated by the fact that American public opinion on world affairs is not determined solely by selfish considerations of national interest. It is also swayed by the sentimental attachments of various groups of the population to this or that foreign nation, and by a persisting idealism—especially among descendants of Anglo-Saxon settlers—which again and again causes Americans to demand freedom and justice for oppressed peoples outside our borders, even when there is no actual desire to take concrete action on behalf of these peoples. It is true that in seemingly homogeneous nations like Britain and France differences of opinion, often profound, also exist concerning the course that might be followed on specific issues of foreign policy. But such differences are usually due more to internal political cleavages than to positive sympathies on the part of the British or French for the downtrodden of other nations.

By contrast the United States—the largest nation in the world to be established by immigrants from all continents—is unusually sensitive to events in countries from which its citizens stem, or for which they have, over the years, developed special sympathy—notably China. Any issue of foreign policy is apt to be judged not only in terms of how it affects or might be affected by the United States, but also in terms of the impact it has on the particular country involved. Citizens of Polish origin, for example, have expressed strong views concerning the Russo-Polish controversy; citizens of Finnish background enlisted American sympathies on the side of Finland against Russia in 1939-40; citizens of Serb and Croat descent have clashed here with something of the same vehemence shown by their respective peoples in Yugoslavia. Their concern about affairs in their overseas homelands, however, does not diminish their loyalty to the United States, abundantly proved during the war. In fact many of them are isolationists—having little desire to become involved in quarrels they thought they left behind when they emigrated to this country. Yet the links—most often of sentiment or religion—that many Americans even of second or

third generation preserve with the lands of their parents constitute an important factor in the formation of public opinion, and a factor that politicians in both of the major political parties have hesitated to disregard.

Equally important is the hostile attitude of various groups of the population toward certain foreign countries—such as the Anglophobia of many people of Irish or German descent, and the Russo-phobia of others who in the past had been alarmed by Russia's economic practices or its campaign against religion. Anti-Russian sentiment, for example, played a significant part during the Spanish civil war, when Catholic spokesmen who feared the spread of anti-religious sentiment in Spain under Russia's influence pressed for enforcement of the embargo on arms to Spain. Meanwhile, citizens of Anglo-Saxon origin, still influenced by the ideas of early settlers who passionately believed in freedom not only for this country but for all peoples of the world, frequently urge intervention by the United States in the affairs of other countries whose actions shock or disturb them. This was as true of appeals made at the turn of the century on behalf of victims of Jewish pogroms in Tsarist Russia as it is of appeals made today on behalf of independence for India.

All these conflicting strands in the web of public opinion must be taken into account by any President and his Secretary of State—not least in an election year, when the choice of one course in foreign affairs as against another may conceivably result in loss of votes. A paradoxical situation thus ensues. For while it would be contrary to facts to describe the United States as a selfless nation, concerned primarily with the welfare of other peoples, public opinion in this country does tend to judge foreign policy not merely from the point of view of whether it serves the interests of this country, but also whether it shows due consideration for the British or French, Finns or Poles, Russians or Indians, as the case may be.

This duality in public opinion often bewilders non-American observers, who find it difficult to reconcile the idealism and desire to aid other nations voiced in our press and on our lecture platforms with the hard-headed determination of the people's elected representatives to have the United States make as few concessions as possible to other nations. Both the American people and political leaders of the major parties have a tendency to want to have their cake and eat it too. They claim both the right to intervene, through eloquent statements, in any situation abroad that troubles their conscience, and the right to take unilateral meas-

ures with regard to the interests of the United States, irrespective of the needs and problems of other nations that may be affected by our actions.

#### GOOD INTENTIONS VS. PRACTICAL POLITICS

This fundamental dilemma of reconciling good intentions with practical politics that will enlist public support makes it difficult for the United States to develop and maintain what might be described as a consistent foreign policy. Critics of the State Department<sup>4</sup>—constructive as their specific suggestions for reform often are—tend to overlook the fact no decision taken by the Department can possibly win the support of all of the American people. What will please some is bound to dismay or alienate others. The primary function of the State Department is to serve the interests of the United States as it understands them—not the interests of this or that foreign country or group. In performing this function, the State Department, over the long haul, must depend in large measure on the support of informed and active public opinion.

But, it may be asked, are not government spokesmen like Mr. Hull or Administration supporters like Mr. Welles who have recently placed so much emphasis on the role of public opinion merely trying to pass the buck to the people for mistakes of judgment and ill-considered actions on the part of the Administration? Does the State Department, in fact, understand public opinion and accurately translate it into policy? The people, *en masse*, cannot formulate foreign policy. What they can do, and should have an opportunity to do, is indicate their choice between possible courses of action on major issues. To do this intelligently, however, they must know what the choices are—and know them not six months or two years after the event, but at the time when policy is being formulated.

#### FOUR MAJOR ADJUSTMENTS NECESSARY

1. **STATE DEPARTMENT SHOULD BE MORE RESPONSIVE TO PUBLIC OPINION.** To achieve a working partnership on foreign affairs between the Executive and the people at least four major adjustments appear necessary. First of all, the State Department itself must be made more promptly responsive to currents of public opinion. Changes in the internal organization of the Department, such as the reshuffling of various existing posts and the creation of new ones, notably on labor problems, may improve the technical performance of its functions. These changes, however, do not go to

the heart of the problem unless the sources from which the personnel of the Department is recruited are permanently broadened—as they have had perforce to be broadened under the pressure of war—to include men and women from all walks of life and all economic levels of the nation. It cannot be said too often that, in this democratic society, the conduct of foreign policy, either in Washington or abroad, should not be left only to those who enjoy special privileges of money, or family connections, or training in exclusive schools. Nor should those who are employed in these tasks assume that their work requires a lofty withdrawal from the rough-and-tumble of national life which leaves some of them completely out of touch with the hopes and fears of their fellow-citizens.

2. **VOTERS SHOULD GET MORE CURRENT INFORMATION.** A second desirable major adjustment is that the State Department, and the President, should take every possible opportunity to inform public opinion about current international negotiations—not, of course, about the details of day-to-day negotiations with other nations, which must necessarily enjoy a measure of privacy, but about the objectives the government is seeking to achieve, and the methods it is using to attain them. It is true that, in the past—especially during the critical years that preceded the outbreak of World War II—the President and various government officials did make statements on foreign affairs, but these statements, coming at irregular intervals, and often in disconnected fashion, did not seem to catch the attention of the people. During the war even responsible news commentators—who know better than the average citizen how to obtain information—have felt that they were left in the dark for prolonged periods concerning such crucial matters as our policy toward Vichy and Franco Spain, the reasons for our attitude on de Gaulle, our plans for Italy and Germany. Some method of maintaining a continuous flow of forthright information to the public must be devised by the State Department if Mr. Hull's ideal is to be fulfilled: that "the people, who are sovereign, must not only educate their servants but must be willing to be educated by them." If, at any given moment, direct public statements seem inadvisable for reasons of national security, background information could be voluntarily and ungrudgingly furnished by the Department to responsible commentators, who could then more adequately perform their task of clarifying current problems for the general public.

3. **PEOPLE MUST COMMUNICATE WITH CONGRESS.** It is not enough, however, for the people to know

5. "Foreign Policy of the United States of America," cited.

<sup>4</sup> See Robert Bendiner, *The Riddle of the State Department* (New York, Farrar & Rinehart, 1942); also J. M. Jones, *A Modern Foreign Policy for the U.S.* (New York, Macmillan, 1944).

about foreign affairs. They must also have an opportunity to put their knowledge to work by conveying their views—again with some measure of continuity—to the Executive. This they should theoretically be able to do by electing to Congress Representatives and Senators who can speak for them not only on domestic but also on foreign affairs, and by maintaining a constant watch on the opinions expressed and actions taken by their elected spokesmen. Under the Constitution all treaties must be negotiated “with the advice and consent of the Senate,” and are subject to ratification by a two-thirds vote of the Senators present,<sup>6</sup> and all bills for appropriations that may be needed to finance international commitments undertaken in treaties or otherwise originate in the House. The caliber, knowledge, breadth of view and integrity of Senators and Representatives thus have a direct bearing on the making of foreign policy.

Yet, for a variety of reasons, the people have not always been able to make full use of their opportunity to shape the views of Congress on foreign affairs. Elections are fought usually on domestic, not on foreign policy issues, and local considerations have a profound influence on the selection of Congressmen. Yet again and again in recent years unofficial observers have had the impression that the people—at least the articulate elements—were way ahead of most Congressmen in their grasp of foreign affairs, and in their readiness to consider plans for the future. If this appraisal of public opinion is correct, then there is a divorce between Congress and the public on foreign policy. One reason for this is that on many crucial issues policy has been finally determined by relatively small, but strongly organized groups which could bring to bear on Congressmen the kind of persuasive pressure that the average, unorganized citizen is usually not in a position to exert. It is imperative that voters should be constantly on the alert to the influence that self-seeking pressure groups exercise on the conduct of foreign policy, and should seek to counteract it by equally well-planned and well-directed political action.

4. EXECUTIVE MUST ESTABLISH PARTNERSHIP WITH CONGRESS. But, assuming that the voters do succeed in electing to Congress Representatives and Senators who express their sentiments on foreign affairs more adequately than has seemed true in the recent past—as the voters of Arkansas have done by electing Fulbright first to the House and now to the Senate—that would still be only half the battle. For it remains to make a fourth major ad-

justment—and that is to create a satisfactory working partnership between the State Department and Congress. Mr. Hull has succeeded to some extent in the difficult task of establishing a relationship of friendly understanding with Congress, primarily because of the personal prestige he enjoys on Capitol Hill. He has also tried to keep the Foreign Relations Committees of the House and Senate abreast of current negotiations, notably concerning plans for world organization. But collaboration between Congress and the State Department should not depend on the personality and political acumen of any given Secretary of State. There should be some permanent machinery through which the State Department could inform Congress regularly about the tasks on which it is engaged—not when action has already been taken or a treaty has already been negotiated but while policy is still in the making—and, in turn, be informed by Congress regarding the state of public opinion. To meet this particular problem, former Ambassador Hugh Gibson has suggested that a Council of National Defense should be created, on which the State Department, as well as other agencies concerned with one aspect or another of foreign affairs—the War and Navy Departments, the Foreign Economic Administration, and so on—would be represented, along with spokesmen for the House and Senate.<sup>7</sup>

#### CHANGED POSITION OF UNITED STATES

In this process of mutual re-education concerning the role of the United States in world affairs, the most important first step is to make all of us—government officials, Congressmen, and voters—aware of the changes this country's position has undergone since its formation as a national state. Many citizens, while intensely proud of the actual or potential strength of the United States as an industrial, financial and military power, still tend to think of this country in provincial terms—as if it had remained to our day the relatively small nation it was in the eighteenth century, its natural resources undeveloped, its population untrained in modern techniques, its influence on other nations restricted, its interests limited to our territorial confines or, at most, to the Western Hemisphere.

This still widely prevalent view of the position of the United States has fostered a foreign policy which, except in time of war emergency, has had a peculiarly negative character. Historically, our main object as a nation has been to avoid involve-

6. The two-thirds vote question will be discussed in a forthcoming issue of *Foreign Policy Reports*.

7. Hugh Gibson, *The Road to Foreign Policy* (New York, Doubleday, Doran, 1944).

ment in political relations with other nations, rather than to name possible terms on which we might be ready to collaborate. The only positive policy on which a degree of agreement had been achieved over the years is the Monroe Doctrine, which is in essence itself negative, since its main purpose is to exclude political action by other countries in the Western Hemisphere. And it is only because a majority of Americans have believed that the security of this country would be jeopardized if foreign nations did intervene in the Western Hemisphere that the Monroe Doctrine has received such unanimous support.

With the advent of World War I and, more poignantly and urgently of World War II, Americans have begun to see that this country has political and military interests at stake not only in this hemisphere, but on all the continents and in all the seven seas. Today more and more people realize both the danger and the impracticability of isolationism, and the need for formulating a positive foreign policy if the United States is to play in world affairs a role commensurate with its industrial, economic and military power, immensely increased by the war. But as yet relatively few have recognized the need to go beyond mere lip-service to the idea of United States participation in some form of world organization, and to develop machinery of common action with other nations if this country is to emerge, not merely verbally, but in reality, from political isolation.

#### OUR FOREIGN POLICY IN RETROSPECT

The foreign policy of the United States during the past quarter of a century reveals the contradictions and difficulties inherent in the three-cornered relationship between the Executive, Congress, and public opinion. Turning away, after 1919, from the problems generated by World War I in Europe and Asia, the American people concentrated their attention and energies on the expansion of domestic economy. They were not actively opposed to United States participation in an international organization. In fact, President Wilson's plans for a League of Nations had the support of large, although for the most part unorganized, and therefore inarticulate or ineffective, elements of public opinion which were defeated by the well-organized, well-financed campaigns of groups determined to defeat the League. But, with the passing of immediate danger, the need for common action with other nations no longer appeared necessary.<sup>8</sup> Events abroad which eventually

ripened into World War II were viewed as through the wrong end of a telescope, which made them seem remote and of little significance compared with internal post-war readjustments and the continuing material prosperity they seemed to promise.<sup>9</sup>

Having declined to participate in the League of Nations, the United States left Europe to grapple as best it could with the problems of Germany's resurgence under Hitler, the growing might of Russia, the internal crisis of France, the ferment of civil strife in Spain. Similarly, while retaining its interest in trade with Asia, this country showed little awareness of the rise of nationalism among the dependent peoples of colonial areas, the manifold problems of British rule in India, the aspirations of Japan, and China's struggle to achieve national unity. The United States did take part in certain non-political activities of the League of Nations, and in the work of the International Labor Office. The focus of our foreign policy, however, was neither in Europe nor Asia, but in the neighboring countries of Latin America, where the Good Neighbor policy inaugurated by President Hoover was expanded by President Roosevelt.

#### THE ILLUSION OF SECURITY

Such constructive measures of cooperation with other nations as were taken during the Harding, Hoover and Coolidge Administrations were either too limited in character to come to grips with the causes of war, or were adopted too late to be of value in arresting the dangerous spiral of accumulating crises that finally led to World War II. The Washington Conference on Limitation of Armaments, called in 1921 at the initiative of the United States, was a constructive move to prevent a new race for armaments—but there seemed to be little disposition to recognize the fact that, as long as nations are the prey of economic, political and social maladjustments, they will not long stay disarmed, and will resort to all kinds of subterfuges to procure new types of armaments. Since no over-all machinery to supervise and prevent such subterfuges existed outside the League of Nations, which the United States had not joined, the measures of disarmament adopted at Washington created a false illusion of security in this country, while providing Japan with a useful screen for its own expansionist preparations. The mistake of the United States at that time was not in advocating naval disarmament and the scrapping of ships, but in assuming that disarmament, unless accompanied by economic reconstruction and collective security,

8. "That issue [of participation in an international organization] just did not seem to be of any importance at the time." Welles, *The Time for Decision*, cited, p. 42.

9. See C. G. Haines and R. J. S. Hoffman, *The Origins and Background of the Second World War* (New York, Oxford University Press, 1943).

would of itself assure conditions of peace.

Another measure sponsored by the United States which increased this country's delusive feeling of security was the Kellogg-Briand pact for the outlawry of war, signed in Paris in 1928 by 15 nations, whose numbers were increased to 62 by 1932. This pact was the most graphic example of our tendency, during the inter-war years, to follow a negative policy in world affairs, to accept good intentions as a substitute for positive action requiring national sacrifices, and to assume that a document would of itself abolish war, without any effort on our part or that of other nations to cope with the maladjustments that lead to conflicts among nations. That the United States, in spite of its professions of goodwill, had no intention at that time of making major changes in its own policy for the sake of averting war was indicated by the adoption, in 1930, of the Smoot-Hawley Tariff Act. This Act, which established the highest tariff rates in this country's history, directly contributed to the deepening economic depression, and encouraged other countries, whose goods were barred from the American market, to establish all kinds of trade and currency controls designed to achieve national self-sufficiency. Nor did President Hoover's belated decision of June 20, 1931 to proclaim a moratorium on intergovernmental debts relieve the economic crisis which, by that time, had reached a breaking point in Europe.

The first major act of aggression since 1919—Japan's invasion of Manchuria in 1931—found the United States unprepared to take drastic measures against the aggressor. True, Mr. Stimson, then Secretary of State, did attempt to focus world opinion on the need for international action, both by furthering the appointment of the Lytton Commission which investigated the Manchurian incident on behalf of the League of Nations, and by proposing joint action with Britain. The British Foreign Secretary, Sir John Simon, however, doubted that the United States was ready to act against Japan, and did not look with favor on Mr. Stimson's proposal. Having failed to obtain the cooperation of Britain and other nations, Washington finally fell back on non-recognition of Japan's Manchurian conquest.<sup>10</sup> Non-recognition by the United States, however, did not prevent the Japanese from entrenching themselves in Manchuria, and in the meantime this country, while sympathetic to China, took no effective steps to aid the Chinese or to prevent further encroachments by Tokyo.

10. Department of State, *Peace and War: United States Foreign Policy, 1931-1941* (Washington, Government Printing Office, 1942), p. 4.

#### ACCENT ON NATIONALISM

This situation—in which the United States proved reluctant again and again to make full use in international affairs of its actual vast economic power and its potentially vast military power—was not materially improved by the transition from Republican to Democratic Administration following the 1932 elections. The inauguration of President Roosevelt in March 1933 coincided with the lowest depths of the economic depression, and the new Administration was naturally far more concerned with attempts to effect national economic recovery than with international problems. This preoccupation with domestic affairs—which dominated the Washington scene more or less continuously until the President's "quarantine" speech of October 1937—explains, if it does not justify, his much criticized radio message of July 3, 1933 to the World Economic and Monetary Conference then in session in London. In this message the President said: "The sound internal economic system of a nation is a greater factor in its well-being than the price of its currency in changing terms of the currencies of other nations."<sup>11</sup> This message, which is said to have stunned his closest advisers, including Secretary of State Hull, and has been blamed for the failure of the London Economic Conference, did reveal the President's paramount preoccupation with national recovery. Sumner Welles, however, contends that the program of the conference was too grandiose; that the conference itself—which President Hoover had pledged the United States to attend—was ill-timed; that Mr. Roosevelt believed reduction of trade barriers should be linked to currency plans; and that the American delegation had not taken the time to acquaint itself with the views of President Roosevelt who, in turn, was unaware of the clash of views among the delegates.<sup>12</sup>

Whatever may have been, in the final analysis, the reasons for the breakdown of the London Economic Conference, which accelerated the worldwide stampede toward autarchy, there is no doubt that at that time the accent in the United States was on national, rather than international, economic policy. In spite of this, Mr. Hull did not abandon his plans to liberalize trade through a program of reciprocity agreements.<sup>13</sup> By the terms of the Trade Agreements Act of June 12, 1934 Congress empowered the President to arrange trade agreements with other governments whose tariffs heavily bur-

11. *Roosevelt's Foreign Policy, 1933-1941* (New York, Wilfred Funk, Inc., 1942), p. 24.

12. Welles, *The Time for Decision*, cited, p. 51.

13. See H. P. Whidden, Jr. "Reciprocal Trade Program and Post-War Reconstruction," *Foreign Policy Reports*, April 1, 1943.



dened or restricted the trade of the United States, and permitted him to reduce existing tariff rates by as much as 50 per cent. In accordance with the traditional American most-favored-nation policy, concessions granted to one state were to be extended to others, except in cases where there was discrimination against the trade of this country—with the result that bilateral reciprocal trade agreements became multilateral in their benefits. This procedure took the drafting of tariffs out of the hands of pressure groups with influence on Congress and placed them in the hands of technical experts.<sup>14</sup>

The Secretary of State also achieved a personal success by his skillful conduct of relations with the countries of Latin America, whose respect he first won at the Pan-American Conference held at Montevideo in December 1933.<sup>15</sup> Although by no means all representatives of the United States in Latin America have succeeded in understanding the temper and problems of the countries to which they were accredited, the Good Neighbor policy unquestionably served to alleviate suspicions aroused in earlier years by the "Colossus of the North." The fruits of the policy were reaped by this country when, in 1941, upon entering the war against the Axis powers, it received the active aid of all the American republics with the notable exception of Argentina.

#### INFORMATION WITHOUT EFFECT ON POLICY

In contrast to our growing concern with Latin America—which for a time led some North Americans to contemplate the possibility of hemispheric isolation as an alternative to international collaboration—the United States showed little more than academic interest in Asia even after Japan's invasion of Manchuria, or in Europe even after Hitler's rise in 1933, except for the major step of recognizing the Soviet government. This aloofness cannot be explained by lack of information about events in both continents, for at no other time in history was any people so well supplied with first-rate, penetrating newspaper and radio analyses as Americans were during the inter-war years. Most of the correspondents and radio commentators writing or speaking from London, Paris, Moscow, Berlin,

14. The platform adopted by the Republican party in Chicago in June 1944 states that reciprocal trade agreements should be bilateral (which they are in character, but not in effect), and should be subject to Congressional approval. In his Chicago press conference of June 29, Mr. Dewey said that the reciprocal trade program was a Republican policy that had been continued by Mr. Hull. Actually, however, Republicans in both House and Senate voted overwhelmingly against the program when it was first introduced in 1934; in 1937; and again in 1940. It was not until 1943 that the Republicans in Congress supported the Hull trade program.

15. *Peace and War*, cited, p. 33.

Rome and Tokyo were shrewd, clear-eyed observers who had no illusions about the storms brewing in the respective centers where they were stationed, and reported their impressions bluntly, without fear or favor—only to suffer the fate traditionally reserved for Cassandras. Nor was the Washington Administration misled as to the trend of events outside our borders. From Berlin Ambassador William Dodd, Commercial Attaché Douglas Miller and Consul-General George Messersmith (subsequently Minister to Vienna), from Tokyo Ambassador Joseph C. Grew, and many others gave what proved to be accurate reports, unvarnished by false optimism.<sup>16</sup>

Except for a relatively small minority, however, who foresaw the course events would take, the American people remained for the most part unshaken in three basic beliefs of that period: that the United States, because of its geographic remoteness from Europe and Asia, was invulnerable to attack; that this country could enjoy self-sufficient prosperity within its own borders or, if necessary, within the confines of the Western Hemisphere, no matter what storms might rage outside; and that it should do everything in its power not to become involved in war.<sup>17a</sup> It was with these ingrained beliefs in mind that the Roosevelt Administration had to shape foreign policy—more acutely aware, of course, than the public of impending conflicts, but helpless, without public support, to act up to the full measure of its apprehensions.

**EFFORTS TO FREEZE NEUTRALITY.** Following the investigations of the Nye Committee, which came to the conclusion—unwarranted by the facts at its disposal—that the United States had entered World War I primarily because of the machinations of munitions makers and international bankers, Congress passed a Neutrality Act in August 1935, on the eve of Italy's invasion of Ethiopia.<sup>17</sup> This Act endeavored to preclude the possibility that American businessmen, for the sake of profits, might drag this country into war in the future by seeking government protection for trade they might conduct with belligerents. President Roosevelt disapproved of the Neutrality Act, whose inflexibility left him no freedom of action in dealing with belligerents, but he signed it, and it went into force early in the Italo-Ethiopian war.

17a. See J. S. Bruner, *Mandate from the People* (New York, Duell, Sloan and Pearce, 1944).

16. *Peace and War*, cited; W. E. Dodd, *An Ambassador's Diary* (New York, Harcourt, Brace, 1941); Douglas Miller, *You Can't Do Business with Hitler* (Boston, Little, Brown, 1941), and *Via Diplomatic Pouch* (New York, Didier, 1944); J. C. Grew, *Ten Years in Japan* (New York, Simon and Schuster, 1944).

17. R. L. Buell, "The New American Neutrality," *Foreign Policy Reports*, January 15, 1936, p. 279.

At the opening of Congress in January 1936 the President asked that the 1935 Act, due to expire in February, should be replaced by a new neutrality statute which would take account of the dangers of aggression abroad, coming from men who had "impatiently reverted to the old belief in the law of the sword."<sup>18</sup> After a prolonged debate, which revealed wide divergence of opinion, Congress extended the Act of 1935 until May 1937, with amendments further restricting the President's freedom of action.

**EMBARGO ON ARMS TO SPAIN.** When civil war broke out in Spain in July 1936, the question whether arms should be sold to either side—not covered by the Neutrality Act—was sharply raised. The President accepted the non-intervention policy advocated by Britain and France and, at his request, Congress in January 1937 passed a joint resolution prohibiting the export of arms, munitions and implements of war to Spain. Since the Franco forces received armaments from Germany and Italy, the American embargo, like the non-intervention policy of France and Britain, played directly into the hands of the Axis powers. The embargo was contrary both to the traditional American policy of maintaining relations with a recognized government, and to the expressed sympathy of the American people for democracy as against dictatorship.<sup>19</sup> In adopting this course, the President was influenced, at least in part, by the opposition of some Catholic groups to the Loyalist government—opposition which was brought to bear on him far more persistently and effectively than the pro-Loyalist sympathy felt by other groups of the population.

The Neutrality Act, due to expire on May 1, 1937, was revised and adopted on April 29, 1937, with the almost overwhelming approval of both House and Senate. In its new form it retained the provisions of the earlier legislation and, in addition, introduced for a two-year period a "cash and carry" provision intended to regulate trade in essential materials which could not be classified under the specific headings of munitions or implements of war. This provision was fundamentally unneutral, since it permitted belligerents with ships and cash at their disposal to purchase here and carry away any goods not identifiable as munitions or implements of war. This country thus abandoned traditional neutral rights upon the

seas, in defense of which it had fought in World War I. But it did not abandon the possibility of trading with other nations which, however, were to bear all the risks. At that moment public opinion, as sounded by *Fortune* Magazine polls and the American Institute of Public Opinion, was almost unanimously in favor of avoiding war, although much sympathy was expressed for the intended victims of the Axis. The President stated in writing his regret at the terms of the 1937 Neutrality Act, but nevertheless signed it. Sumner Welles attributes this decision to the fact that the President "recognized that in the face of the popular agitation which had arisen a veto would not only have been overridden by Congress, but would have been misunderstood by the people."<sup>20</sup>

**THE "QUARANTINE" SPEECH.** But Hitler's intensified terrorism, Italy's open intervention in Spain, and the horrors of the Spanish civil war gradually began to alter public opinion. It was in this atmosphere that President Roosevelt delivered his "quarantine speech" at Chicago on October 5, 1937.<sup>21</sup> In that speech he denounced the dictators and emphasized the need for cooperative action against them by peace-loving nations. If, he said, war should spread to other parts of the world, "let no one imagine that America will escape." Then he declared: "When an epidemic . . . starts to spread, the community approves and joins in a quarantine of the patients in order to protect the health of the community against the spread of the disease." The President's speech brought an unfavorable public reaction, and two months later, in December, Representative Ludlow introduced a resolution in the House calling for a popular referendum before the nation went to war. This resolution enjoyed considerable popular support, and missed passage by a narrow margin. As late as the autumn of 1938 the American Institute of Public Opinion reported that 68 per cent of the people still favored a referendum on war. The President's intervention on behalf of Czechoslovakia on the eve of Munich in September 1938 met with no success<sup>22</sup>—as might have been expected, when it was well known to Hitler that the United States was not prepared for a military showdown, and that a majority of the people were opposed to war.

A similar trend appeared in public opinion with respect to Asia, in spite of the fact that many groups in this country were more actively opposed to Japanese than to German expansion—either out of sympathy for the Chinese or out of fear of Jap-

18. *Roosevelt's Foreign Policy, 1933 to 1941*, cited, p. 90.

19. "In the long history of the foreign policy of the Roosevelt Administration," says Sumner Welles, "there has been, I think, no more cardinal error than the policy adopted during the civil war in Spain." Welles, *The Time for Decision*, cited, p. 61.

20. *Ibid.*, p. 61.

21. *Roosevelt's Foreign Policy, 1933 to 1941*, cited, p. 129.

22. *Peace and War*, cited, p. 57.

anese attack on this country. The *Panay* sinking on December 12, 1937, which at another time in American history might have produced a serious incident, caused hardly a ripple. Far from provoking the American people to intervene in the Far East, it made many believe that American civilian and armed forces should be withdrawn from China to avoid such incidents in the future.

**PREPARATIONS FOR DEFENSE.** In spite of the indifference shown by public opinion with respect to events in Europe and Asia, the Roosevelt Administration did not neglect armaments. At the beginning of the President's first term a program of reorganization and modernization was inaugurated by General MacArthur, with the aid of funds supplied by the Public Works Administration, and by 1939 the Army was brought to its full enlisted strength of 165,000 men, while the National Guard was also expanded, and the War Department was authorized to strengthen the Army Air Force. Greater attention was paid to expansion of the Navy, which had to consider the possibility of a two-ocean war. In March 1934, at the request of the President, Congress passed the Vinson-Trammell Act authorizing the Navy Department to build the Navy up to treaty strength and, when treaty limitations adopted at the Washington Conference of 1921 were lifted in 1936, Congress passed a second Vinson-Trammell Act providing for the construction of the Navy beyond treaty limits. Attempts of the United States to discuss naval problems with Britain in 1938, however, caused suspicion among some Congressmen. Others feared that expansion of the Navy would be regarded by the Japanese as a provocation. Similar fear caused opposition in Congress to the fortification of Guam or even the improvement of its harbor—measures which were urgently recommended by the Navy Department in 1938, 1939 and 1940.<sup>22a</sup>

Thus, by the time Germany invaded Poland on September 3, 1939, precipitating World War II, the United States—like Britain and France—found itself in a situation fraught with contradictions. Both the government and the people were aware of danger signals ahead. The government, by a series of official statements, had tried to prepare public opinion for the consequences of the wars looming in Europe and spreading in Asia, and was spurring military, naval and air preparations to the extent permitted by Congress and supported by the public. The people accepted the need for rearmament, favored vigorous protests to the Axis powers on behalf of actual or intended victims of

aggression but—and this is the crux of the matter—wanted the government to keep the country out of war at all costs. The history of the first two years of war—from the German invasion of Poland to the Japanese attack on Pearl Harbor—is the history of attempts by the Administration to bring the country, by one method or another, to face unflinchingly the tragic facts of international life. It can, of course, be argued that it would have been better if the Administration had bluntly forced the country into war. But, if the American people had entered the war mentally unprepared and internally divided, could it have deployed the gigantic industrial and military effort which, as a united nation, it succeeded in doing after Pearl Harbor?

#### FROM PEACE TO WAR

In his annual message to Congress on January 4, 1939, President Roosevelt had said: "At the very least, we can and should avoid any action, or any lack of action, which will encourage, assist or build up an aggressor. We have learned that when we deliberately try to legislate neutrality, our neutrality laws may operate unevenly and unfairly—may actually give aid to an aggressor and deny it to the victim. The instinct of self-preservation should warn us that we ought not to let that happen any more."<sup>23</sup> In spite of this warning, on September 5, 1939—two days after Britain and France had gone to war with Germany in defense of Poland—the government, as it was required by the legislation then on the books, issued a formal declaration of neutrality and a special proclamation under the Neutrality Act applying the embargo on arms and munitions to all belligerents.

At a special session called on September 21, the President warned Congress that the arms embargo was "most vitally dangerous to American neutrality, American security and, above all, American peace,"<sup>24</sup> and proposed that it be abandoned in favor of measures which would allow purchases of war material by countries willing to pay cash and carry their purchases in their own ships. Such an arrangement would have benefited Britain and France, both of which had cash and ships, as against Germany. In spite of considerable opposition, the "cash and carry" Neutrality Act was passed by substantial majorities of both houses of Congress, and went into effect in November 1939. Meanwhile, at a special Pan-American Conference called in Panama in September, the representatives of

22a. For a criticism of the Administration on Guam, see Arthur Krock, "What Happened to the Guam Project in 1939," *New York Times*, August 15, 1944.

23. *The Public Papers and Addresses of Franklin D. Roosevelt, 1939 Volume, War—and Neutrality* (New York, Macmillan, 1941), pp. 3-4.

24. *Ibid.*, p. 516.

the American republics agreed to exclude belligerents from American ports and to combat unneutral and subversive activities, as well as to establish a neutral zone, extending from 300 to 1,000 miles beyond their territorial waters, in which belligerent submarines were to be prevented from operating. The policy of the United States at this critical stage was thus directed at two objectives—maximum security for the Western Hemisphere, and a form of neutrality which would be beneficial to Britain and France.

Our policy was based on the assumption, held by those who opposed intervention as well as by those who favored it, that the French, protected by the Maginot Line, and the British, protected by their Navy, would find it possible to withstand the Nazis, and that this country would therefore be exposed to no direct danger. In fact, during the winter of 1940—when Hitler, having completed the conquest of Poland and temporarily safeguarded Germany against a two-front war by his non-aggression pact with Russia, was completing preparations for the invasion of Norway, the Low Countries, and France—many Americans described the war as “phony.” It was during this period of anxious stalemate that President Roosevelt sent Under Secretary of State Sumner Welles on a mission to Rome, Berlin, Paris and London to sound out European statesmen concerning the possibility of achieving a just and lasting peace. Mr. Welles was authorized by the President to make it clear that, if such a possibility existed, “the United States would play its full part in co-operating toward the achievement of two fundamental requirements in the establishment of any sane and ordered world: the limitation and reduction of armaments, and sound international economic relationships.”<sup>25</sup>

The mission of the Under Secretary of State, however, was foredoomed to failure, not only because the belligerents were too deeply engaged in the conflict to withdraw without some clear decision and Hitler had already perfected his plans for domination of Europe, but also because, as Mr. Welles points out, “the government of the United States at that moment was in no way empowered by public opinion to exercise any real influence in Europe.” Hitler and Mussolini knew that the American Congress and American public opinion opposed involvement of this country in war. Consequently any warning, threat, or promise made by the President or the State Department was bound to remain ineffective.<sup>26</sup>

**DANGERS OF NAZI CONQUEST.** And then the bar-

riers of Western Europe, on which the United States was counting for its own protection, shook and crumbled under the impact of the Nazi drive. With the conquest of Norway, Belgium and Holland, and the collapse of France, the Nazis were in full command of the European continent west of Russia. Britain, and its Navy, were the only bulwark between this country and what seemed to be the irresistible might of the German *Wehrmacht*. On May 16, before France had capitulated, President Roosevelt warned Congress of impending danger, and called for new appropriations to expand our Army, Navy and Air Force. Although Colonel Lindbergh referred to the President's request as “mad hysteria,” Congress voted successive military appropriations which by December 1941 totaled \$70 billion. Passage of a selective service bill, which was urged by the Chief of Staff and the Secretary of War, and widely approved by the public, met with opposition in Congress, and the President, in an attempt to placate the isolationists, declared that conscripted troops would not be sent “to take part in European wars.” The bill was passed in September, subject to two conditions—specific limitation of service to one year, and a ban on service outside the Western Hemisphere.

The United States also made every effort to persuade Marshal Pétain, on the eve of the French armistice, to withdraw the French fleet from ports where it could be used by Germany. Apparently owing to this request, the major units of the French fleet were removed to ports outside France before the conclusion of the armistice, and later became available to the United Nations. President Roosevelt's efforts to keep Italy out of the war, however, proved unsuccessful, and on June 10, the day Italy declared war on France and Britain, the President in a speech at Charlottesville, Virginia, said that the United States intended to extend “to the opponents of force the material resources of this nation.”

**AID TO BRITAIN.** This intention was promptly implemented by the decision to transfer 50 over-age American destroyers to Britain. The decision won overwhelming public support, especially after the start of German air raids on Britain in August, and was backed by President Roosevelt's political opponent in the 1940 elections, Wendell L. Willkie. The transfer of destroyers was linked to the need—expressed by the President on May 16—for additional bases in the Western Hemisphere. On September 3, one year after Germany's invasion of Poland, the President, through an executive agreement which did not require the consent of the Senate, arranged for the transfer of destroyers to Britain; in return, Britain was to donate bases in

25. Welles, *The Time for Decision*, cited, p. 103.

26. *Ibid.*, p. 77.

Newfoundland and Bermuda for use by the United States and Canada, and was to lease to us for 99 years bases in the Caribbean area which could be used for the protection of the Panama Canal. Meanwhile, this country strengthened the defenses of the Western Hemisphere by measures taken at the Havana Conference of American republics on June 17, when the American republics assumed a "collective trusteeship" for colonies of European countries in this area, which might have conceivably been claimed by Germany as a result of its domination over France and Holland, and by the development of closer relations with Canada. At the Ogdensburg conference of August 17-18, the United States and Canada decided to establish a Permanent Joint Board of Defense.

While this country was thus seeking to strengthen its Atlantic front by measures short of war, it paid increasing attention to the danger of war on the Pacific front. Construction of naval bases was undertaken at Midway and Wake, at Anchorage and Fairbanks in Alaska, at Dutch Harbor and other points in the Aleutians, and the preparation of Hawaiian bases was speeded. More and more items were placed on the embargo list for Japan, including aluminum, molybdenum, technical information for the production of high-quality aviation gasoline and, in July, aviation gasoline. In January 1940, after having given six months' notice, Washington terminated the commercial treaty concluded with Japan in 1911. Meanwhile, the United States granted additional credits to China, and undertook to improve relations with Russia, which had reached a low ebb following the conclusion of the Russo-German non-aggression pact in August 1939.<sup>27</sup>

**LEND-LEASE.** The United States had no desire to become engaged in war with Japan at a moment when the fate of Britain, and of the Western Hemisphere countries fronting on the Atlantic, hung in the balance. While a vigorous, and often bitter debate raged from coast to coast between the America First group, which opposed intervention in Europe, and the group called Committee to Defend America by Aiding the Allies, which favored it, the government was faced with the necessity of considering the increasingly perilous situation created by continuing German air raids on Britain. Except for the transfer of 50 destroyers and a certain number of rifles, the only material aid this country could legally render Britain under the "cash and carry" Neutrality Act was to permit the British to expend their rapidly dwindling cash

on purchases of war materials in this country, and carry them away in their own ships. In December 1940 the President, in a fireside chat to the nation, stated for the first time that the United States should become the "arsenal of democracy,"<sup>28</sup> and subsequently proposed to Congress the lend-lease bill. This bill was designed to give the Administration—"notwithstanding the provisions of any other law"—power to sell, exchange, transfer, lend, or lease war materials; to communicate any defense information, to any country judged to be vital to the defense of the United States; and to use American facilities for the outfitting or repairing of any defense equipment in which they had a mutual concern.

Although the President's lend-lease proposal met with strong opposition, especially from the America First group, which claimed that it would make no difference to this country who won the war in Europe, Congress passed the bill on March 11, 1941 and it went into effect immediately.<sup>29</sup> While at first lend-lease was extended primarily to Britain, this procedure proved most effective later in granting aid to others of the United Nations—notably Russia, after that country had been invaded by Germany on June 22, 1941.<sup>30</sup> Russia's resistance, which came as a surprise to many Americans, evoked growing enthusiasm in this country, and brought demands for more and more aid to Moscow.

By contrast, the policy adopted by the Administration toward Vichy France evoked widespread criticism. The Administration, however, took the view that, by dealing with the Vichy régime—the only one which could claim at least a measure of legal continuity—it was enabled to obtain many valuable concessions from the French; to observe at close range conditions in unoccupied France; and, by maintaining its consulates in North Africa, succeeded in making adequate preparations for the protection of the key base of Dakar, and for the invasion of North Africa in November 1942.<sup>31</sup> In passing judgment on this country's policy toward France, as well as Spain, it must be borne in mind that there was no opportunity, after Germany's conquest of Europe, to inaugurate a policy *de novo*, based on a completely fresh evaluation

28. *The Public Papers and Addresses of Franklin D. Roosevelt, 1940 Volume, War—and Aid to Democracies* (New York, Macmillan, 1941), p. 643.

29. For a survey of lend-lease, see E. R. Stettinius, Jr., *Lend-Lease: Weapon for Victory* (New York, Macmillan, 1944).

30. See H. P. Whidden, Jr., "Reaching a Lend-Lease Settlement," *Foreign Policy Reports*, April 15, 1944.

31. *Ibid.* For a survey of American policy toward France, see W. N. Hadsel, "Struggle for a New France," *Foreign Policy Reports*, July 15, 1944.

27. *Ibid.*, p. 169.

of the situation on the continent. What had to be done was to make use of such available fragments as could serve the immediate needs of the United States, and later of the United Nations. In this respect the country had to pay, in terms of often distasteful compromises, for the mistakes and miscalculations of the past—the blame for which can be shared by the President and the State Department with Congress and the voters.

**THE ATLANTIC CHARTER.** In an effort to look beyond the present, and to improve on the past, President Roosevelt and Prime Minister Churchill, at their meeting in the "Newfoundland Bight" on August 10, 1941—three weeks after Germany's invasion of Russia—drafted the Atlantic Charter. In this document the two leaders formulated "common principles in the national policies of their respective countries on which they base their hopes for a better future for the world." These principles, which have since been subjected to searching criticism, expressed hope for the establishment of "a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want."<sup>32</sup>

At the time the Atlantic Charter was drawn up, the shadow of war was already spreading over the Pacific. In July Japan had occupied French Indo-China, left helpless by France's collapse. Tokyo hoped to achieve its coveted "co-prosperity sphere" without resort to war, and proposed that the United States use its influence with Chiang Kai-shek to secure a negotiated peace on Japanese terms. It was for this purpose that the Kurusu mission was dispatched to the United States. Meanwhile, Hitler was pressing Tokyo to take action against the United States, in the hope that, if we had to concentrate our armed strength in the Pacific, Germany would succeed in breaking Britain's resistance in the Atlantic.

Had Washington acquiesced in Japan's demands and abandoned China to its fate, it is conceivable that war with Tokyo might have been postponed. The Administration, aware that its preparations were not yet sufficiently advanced, would have welcomed a longer breathing-space. But it would not do so at the expense of China, nor would such a decision, had it been taken, have received public support in this country. In his reply to the Japanese proposals, Mr. Hull suggested a non-aggression treaty among the seven powers in the Pacific, and

agreement among six of these (excluding Russia) to respect the integrity of Indo-China, the withdrawal of Japanese troops from China and Indo-China, the abandonment by both the United States and Japan of extraterritorial rights in China, and the renewal of commercial relations between this country and Japan.<sup>33</sup> While negotiations were still pending, Japan attacked Pearl Harbor on December 7, 1941.

The next day the President announced in Congress that a state of war existed between the United States and Japan, and three days later Hitler and Mussolini declared war on the United States. On January 1, 1942 the United States—now a belligerent both in Europe and Asia—invited twenty-six nations engaged in either or both theatres of war to sign the Declaration of Washington, which set up the group henceforth known as the United Nations. This declaration obligated all the United Nations to accept the principles of the Atlantic Charter; to negotiate no separate peace; and to prosecute the war with their respective enemies to successful conclusion.<sup>34</sup>

From that day on, the unfolding war effort of the United Nations, marked by moments of deep anxiety, but also by steadily increasing military and economic achievements, developed on a global scale. As more and more areas in Europe and Asia are liberated from Axis rule, new problems, of political as well as military strategy, confront the United States, and challenge the highest wisdom and greatest patience that the American people can bring to the conduct of foreign policy. While many mistakes have been committed, much, too, has been learned about the endlessly difficult and ever-changing task of working with other nations. These lessons will have been worth their immense cost if they serve to strengthen this country's policy in the future.

## DEBITS AND CREDITS

The stark necessity of wartime collaboration has brought the United States into closer relations with many of the United Nations than could have possibly been anticipated at the outbreak of war. With Britain, particularly, this country has established a relationship of mutual trust covering a wide range of political, military and economic questions which, as predicted by Mr. Churchill, has effectively "mixed up" the two peoples. The United States has also developed strong ties with the British Dominions, especially Canada, Australia

32. *Peace and War*, cited, p. 107; also "Documents Concerning Post-War Reconstruction of Europe," *Foreign Policy Reports*, March 15, 1942, p. 8.

33. *Peace and War*, cited, p. 138.

34. For text, see "Documents Concerning Post-War Reconstruction of Europe," cited, p. 8.

and New Zealand, which perforce had to turn to this country for troops or supplies, or both, at a time when the British had to focus their attention on defense of their homeland, on operations in the Mediterranean, and on preparations for the invasion of Western Europe.

Relations with Russia, which had reached a nadir in August 1939, following conclusion of the Russo-German non-aggression pact which, in the opinion of many Americans, made Stalin an accomplice of Hitler, have progressed to a point where American air forces are able to use Russian bases for attacks on German-occupied territory, and Russia has shown itself ready to participate in international conferences—on food, relief, monetary problems, and world organization—summoned at the initiative of the United States.

On the debit side of the ledger, President Roosevelt's reluctance to recognize the French Committee of National Liberation, headed by General de Gaulle, as the government of France, for a time threatened to estrange many Frenchmen from the United States—although the peak of the crisis appears to have been passed with de Gaulle's visit to Washington in July 1944. The small nations of Europe, in spite of Mr. Hull's assurances, have been disturbed—like France—by the persistent tendency of the United States to avoid discussions with them about post-war problems, notably the problem of what to do with Germany. As a result, the prestige of Britain, which has shown marked official sympathy for the governments-in-exile in London, has risen in western Europe, and that of Russia, which has displayed a lively interest in the future of countries along its border, has risen in eastern Europe, while that of the United States has relatively declined.

Meanwhile, our relations with China, although permeated by sympathy for the Chinese people, have been strained on both sides by our inability to furnish Chungking with adequate material assistance against Japan and by the internal struggle between Chiang Kai-shek and the Communists. Our relations with some of the countries of Latin America have recently shown signs of tension, due to controversies over purchases of their strategic materials by the United States, their fear of a post-war economic collapse in the wake of the war boom, their apprehension concerning our use of bases on their territory, and a rising spirit of nationalism which is not always distinguishable from fascism. The very success of Washington's leadership in the Western Hemisphere has provoked a sharp reaction among nationalist Argentines, who feel it is their country's mission to become the

leader of the American nations.<sup>35</sup>

The degree of collaboration we have achieved with some of the United Nations under stress of war, moreover, should not blind us to the issues that may divide us once the pressure of emergency has been removed. The United States has already had a foretaste of such issues in the Russo-Polish controversy, whose outcome will indicate not only the direction of Moscow's foreign policy, but also the character of our future relations with Russia. Similar problems may have to be faced in other areas liberated by Russian forces. With Britain, in spite of greatly increased understanding between the two peoples, we face a series of difficult problems concerning post-war regulation of trade, aviation, merchant shipping, and currency—and this at a time when some Britishers, to salvage their depleted resources and to meet the popular demand for full employment, are advocating the maintenance of a controlled economy,<sup>36</sup> as contrasted with the demand in this country for restoration of "free private enterprise" at the earliest possible moment.<sup>37</sup> With Britain, too, we may have divergences of view about future developments in the Middle East, where we have acquired new trade interests, and some Americans are urging expanded Jewish immigration into Palestine, contrary to the desire of many Arabs; in Argentina, whose defiance of the United States has until recently been greatly facilitated by its peculiarly close economic relations with Britain; and in the Far East, where certain sections of American public opinion have pressed for the liquidation of colonial empires, including the British—a liquidation vigorously resisted by Britishers of all shades of political opinion.

In Europe we shall have to make many far-reaching decisions both about the long-term economic rehabilitation of the liberated countries and about the political and social trends that may emerge once the Nazi yoke has been lifted. With the collaboration of Britain, Russia, France and the small nations of the continent, we shall have to decide the fate of Germany—just as in the Far East we shall have to collaborate with Britain, Russia, China, France, the Netherlands and the Dominions in deciding the fate of Japan. Most important of all, we shall have to make up our minds as to the extent to which we are ready to work with other nations both in the creation of an

35. Ysabel Fisk and R. A. Rennie, "Argentina in Crisis," *Foreign Policy Reports*, May 15, 1944.

36. H. P. Whidden, Jr., "Britain's Post-War Trade and World Economy," *Foreign Policy Reports*, December 15, 1943.

37. H. P. Whidden, Jr., "U.S. Foreign Trade and World Economy," *Foreign Policy Reports*, August 1, 1944.

international organization,<sup>38</sup> and in the readjustment of international economic relations.

It would not only be foolhardy but actually impossible to predict in advance the course the United States will follow in foreign policy during the balance of the war and after. There are, however, several points which the voter must bear in mind when weighing any specific decision or concrete measure in the field of foreign affairs. Among these points the following might be mentioned:

1. The United States has at no time in its history been completely isolated from the rest of the world—if by isolation is meant the non-existence of contacts with other nations. This country, from its foundation, has had ties of commerce or sentiment with nations all over the globe, and has felt free to intervene abroad whenever its interests in these respects appeared to be affected. What most Americans have not recognized, or have recognized only dimly, is that the United States also has political and military interests outside its borders which cannot be arbitrarily separated from its commercial or sentimental concern in other nations. Our main problem, then, is not to make a choice between isolation and intervention, but between unilateral intervention for the protection solely of our own national interests, and collaboration with other countries in promoting the welfare of the international community as a whole.

2. A policy of collaboration is dictated not only by idealistic considerations, but also by the practical needs of this country's national economy. At the close of the war the United States will emerge as the greatest industrial and financial power in the world—with its industry enhanced by war, not destroyed like that of Russia or Germany, and its financial resources not dissipated like those of Britain.<sup>39</sup> Conditions of peace and stability abroad will serve both to protect our markets and to safeguard investments abroad. Self-interest, if nothing else, will require cooperation with other countries in achieving such conditions.

3. The United States might, of course, hermetically seal itself against the world or, conversely, it might attempt to dictate the pattern the rest of the world should follow. But, desirable as isolation might seem to some, and imperialism to others, neither is practicable today, and neither is in the

temper or tradition of the American people. The course that seems both desirable and practicable is a middle course—a course of partnership with other nations in the common enterprise of reconstructing a shattered world, and keeping it at peace in the future.

4. Cooperation with other countries, however, does not mean that the United States should unquestioningly accept any program or proposal made by its partners. On the contrary, international stability would be greatly promoted if the United States could formulate as clearly as possible its policy on any given matter. Lack of knowledge concerning this country's intentions has proved far more dangerous in the past than apprehension about its concrete plans.

5. Nor should this country remain indifferent to violations abroad of the principles for which it claims to be fighting, even if these violations are committed by one of the great powers whose cooperation is essential for the prosecution of the war and the advancement of post-war reconstruction. This country should feel free to make its views known on every such occasion. At the same time, the American people must realize that in any controversial issue, such as the status of Poland or Finland, or the future of India, there is more than one side; should avoid jumping to ready-made conclusions; and should understand that the United States will be unable to obtain full satisfaction in each instance, but will have to work out with others involved the most practicable compromise attainable at the time and, while asking concessions from other nations, be prepared to meet their requests for concessions by us.

6. Such knowledge must be put to work by close and continuous contacts between the people, its representatives in Congress, and officials appointed to administer this country's foreign policy. Secretary of State Hull has taken constructive steps in that direction. His procedure, if faithfully adhered to, could eliminate some of the misunderstandings and suspicions that in the past have beclouded the conduct of this country's foreign relations, and would strengthen the position of the Executive as spokesman for the United States in world affairs. This, in turn, might reduce the existing temptation for Presidents to by-pass constitutional machinery by the appointment of personal representatives and the negotiation of Executive agreements.

38. For a discussion of this subject, see V. M. Dean, "U.S. Plans for World Organization: with Selected Documents," *Foreign Policy Reports*, August 15, 1944.

39. On this subject, see Whidden, "U.S. Foreign Trade and World Economy," cited.

#### *In the October 1 issue of FOREIGN POLICY REPORTS:*

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# Recent Books on U.S. Foreign Policy

By O. K. D. RINGWOOD AND V. M. DEAN

The most useful and balanced survey of the part played by the United States in the turbulent inter-war years is *The Origins and Background of the Second World War*, by C. Grove Haines and Ross J. S. Hoffman (New York, Oxford University Press, 1943). A broad picture of developments in this country during that critical period is skillfully painted by Charles A. and Mary R. Beard in *America in Midpassage* (New York, Macmillan, 1939, 2 vols.). The official account of events from Japan's invasion of Manchuria to its attack on the United States, with selected documents, is contained in *Peace and War: United States Foreign Policy, 1931-1941* (Washington, Government Printing Office, 1942). A very valuable publication for the study of this period is *Documents on American Foreign Relations*, edited by Leland M. Goodrich and Marie J. Carroll (Boston, World Peace Foundation, 5 vols. issued to date, covering the years 1939-43). Former Under Secretary of State Sumner Welles adds important chapters to the record of the pre-war and war years in *The Time for Decision* (New York, Harper, 1944), especially concerning his 1940 mission to Europe. Two journalists, Forrest Davis and Ernest K. Lindley, give what purports to be an "inside" story of the events immediately preceding Pearl Harbor in *How War Came: An American White Paper; From the Fall of France to Pearl Harbor* (New York, Simon and Schuster, 1942).

That many American diplomats were fully aware of danger signals in Europe and Asia long before the outbreak of war is shown in a number of interesting diaries and reports, the most notable of which are William E. Dodd, *An Ambassador's Diary, 1933-38* (New York, Harcourt Brace, 1941); Joseph C. Grew, *Ten Years in Japan*, covering the period 1932-42 (New York, Simon and Schuster, 1944); Douglas Miller, *You Can't Do Business with Hitler* (Boston, Little, Brown, 1941), and *Via Diplomatic Pouch* (New York, Didier, 1944).

Differing views concerning the role the United States could or should play in world affairs have been expressed by writers who run the entire gamut from convinced advocates of full international collaboration to hard-boiled geopoliticians inclined to favor either isolationism or imperialism. The arguments for international collaboration were effectively presented before our entrance into the war by Allen W. Dulles and Hamilton Fish Armstrong in *Can We Be Neutral?* (New York, Harper, 1936); Newton D. Baker, *Why We Went to War* (New York, Harper, 1936); and Raymond L. Buell, *Isolated America* (New York, Knopf, 1940). Arguments for isolationism, also before our entrance into the war, were marshaled by Walter Millis, *Road to War*, based on the author's interpretation of the reasons why this country entered World War I (Boston, Houghton Mifflin, 1935); Charles A. Beard, *The Devil Theory of War* (New York, Vanguard Press, 1936); Edward Borchard and William P. Lage, *Neutrality for the United States* (New Haven, Yale University Press, 1937); Norman

Thomas, *Socialism on the Defensive* (New York, Harper, 1938); and others. A geopolitical view of American foreign policy was presented by Nicholas J. Spykman in *America's Strategy in World Politics* (New York, Harcourt, Brace, 1942), which should be read in conjunction with his posthumous volume, *The Geography of the Peace*, edited by Helen R. Nicholl (New York, Harcourt, Brace, 1944).

Since the events of today have caused many people to look back to the corresponding period at the close of World War I, many questions have been raised afresh concerning the policy of Woodrow Wilson, who is praised by some, denounced by others. A basic study on President Wilson's work at the Paris Peace Conference is Ray Stannard Baker's *Woodrow Wilson and the Peace Settlement* (New York, Doubleday Doran, 1922, 3 vols.). A striking analysis of the Versailles settlement by an Allied leader active in both wars is Winston Churchill's *The Aftermath* (New York, Scribner, 1929). Paul Birdsall, in *Versailles Twenty Years After* (New York, Reynal and Hitchcock, 1940), gives a balanced evaluation of the most disputed treaty of modern times. Stephen Bonsal, war correspondent and aide to Colonel House at the Paris Peace Conference, presents a great deal of interesting material on the peace negotiations in *Unfinished Business* (New York, Doubleday Doran, 1944). Walter Lippmann, in *U.S. War Aims* (Boston, Little, Brown, 1944), savagely attacks Wilson for his "universalism." A useful survey of the controversy over Wilson's plans, achievements and failures is given by Thomas A. Bailey in *Woodrow Wilson and the Lost Peace* (New York, Macmillan, 1944).

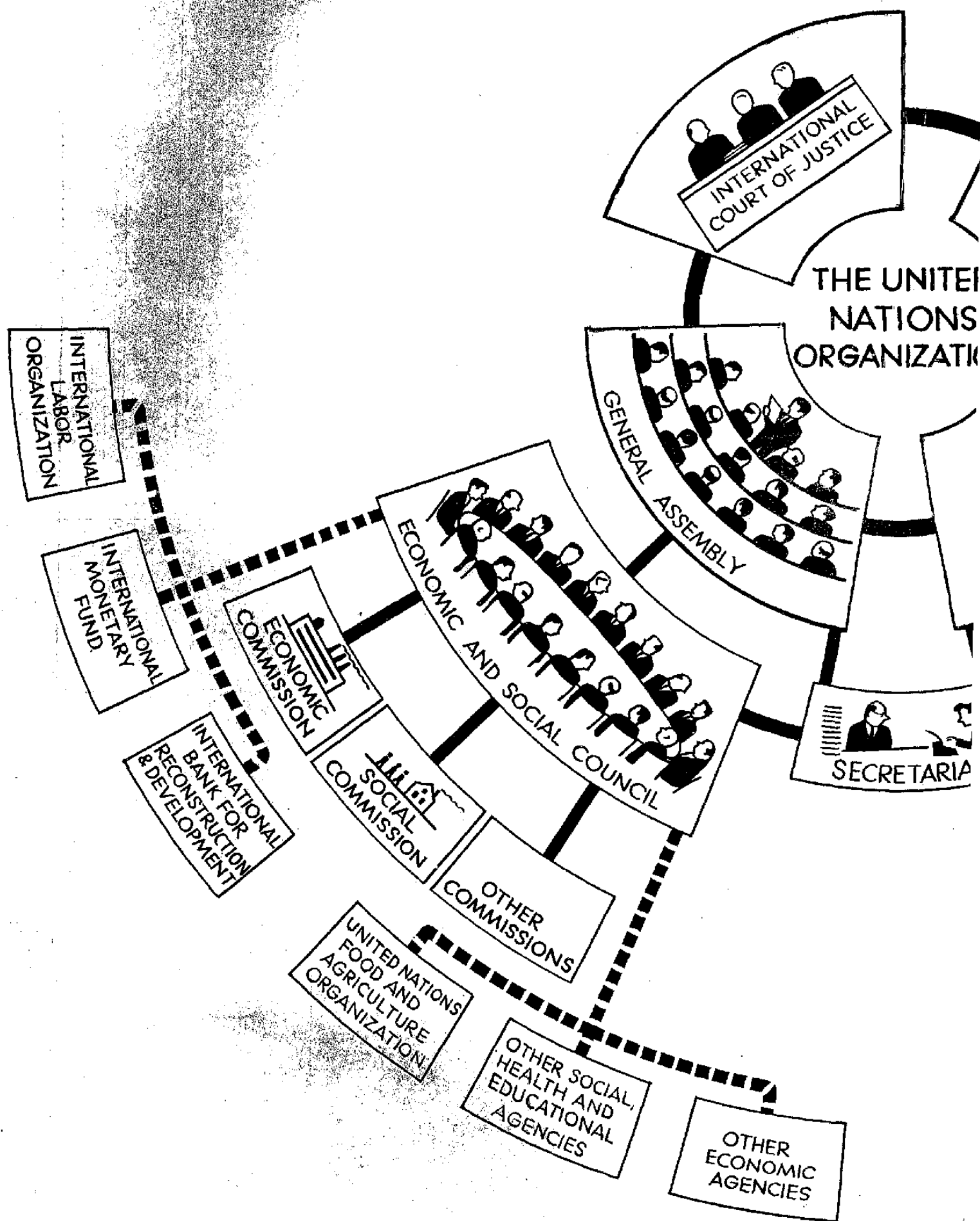
The problem of obtaining Senate approval for treaties, especially for settlements like that of Versailles, is discussed by Kenneth Colegrove in *The American Senate and World Peace* (New York, Vanguard Press, 1944); and Edward S. Corwin, *The Constitution and World Organization* (Princeton, Princeton University Press, 1944). Jerome S. Bruner, in *Mandate from the People* (New York, Duell, Sloan and Pearce, 1944), analyzes material on public opinion concerning problems of foreign affairs.

Among the many books that have sought to map this country's course in the future, the most interesting, as well as the most controversial, are—*The Time for Decision*, by Sumner Welles; *The Road to Foreign Policy*, by Hugh Gibson (New York, Doubleday Doran, 1944); and *U.S. War Aims*, by Walter Lippmann—in which a former Under Secretary of State, a former Ambassador, and a distinguished journalist set down their often divergent views. Mr. Gibson offers interesting suggestions for developing closer cooperation between the State Department, Congress, and the public on matters of foreign policy. Surveying the events of today from the vantage point of historical perspective, Carl Becker skeptically asks *How New Will the Better World Be?* (New York, Knopf, 1944)—and answers the question cogently, but with a strong dose of pessimism.

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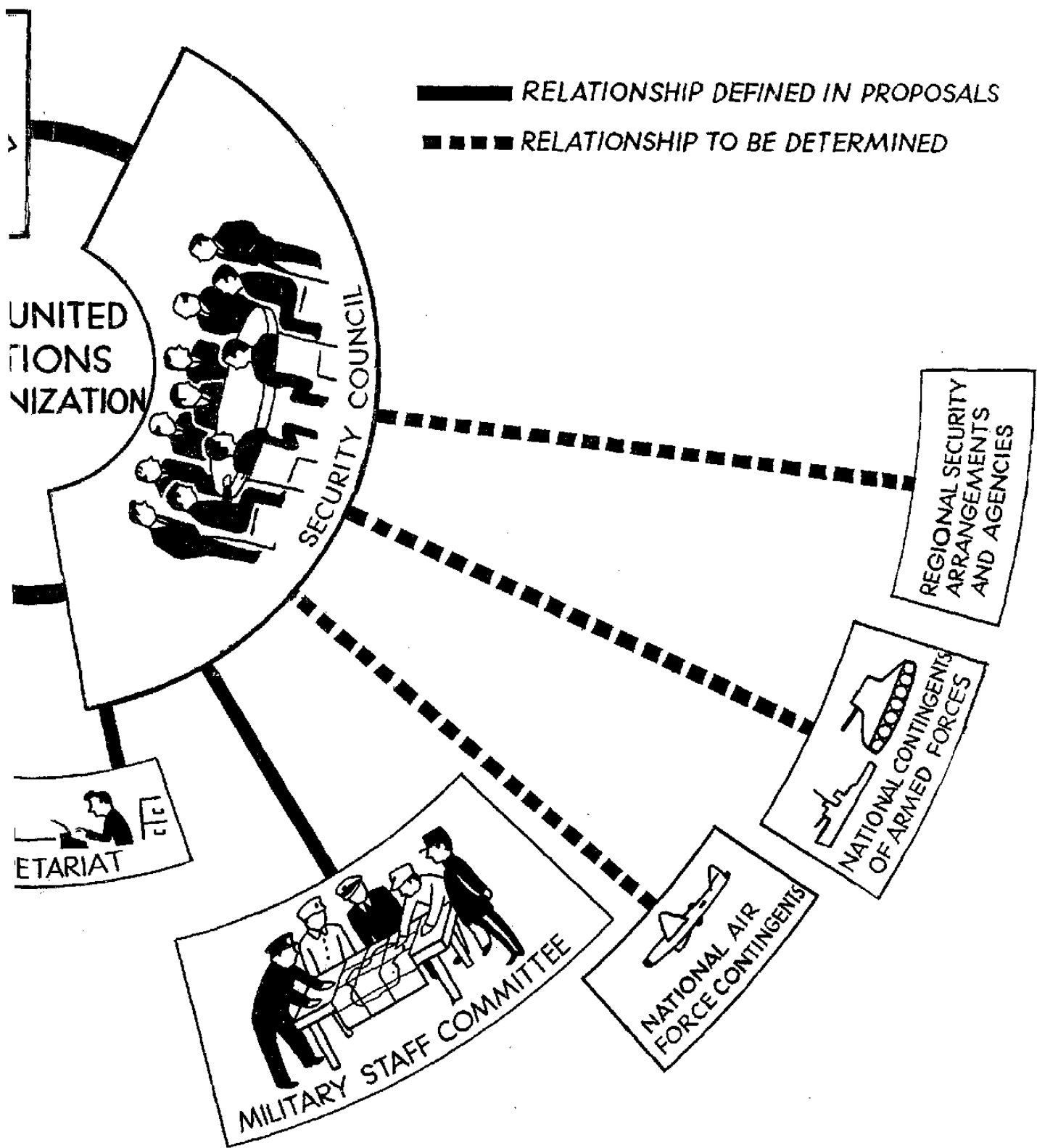
# Will San Francisco accept...

## THE ORGANIZATION PROPOSED



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# PROPOSED AT DUMBARTON OAKS



# FOREIGN POLICY REPORTS

January 15, 1945

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Congress and Foreign Policy

BY BLAIR BOLLES

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# Congress and Foreign Policy

BY BLAIR BOLLES

FOR the United States, 1945 will be the year of decision on the question whether the country chooses or rejects membership in an international organization for collective security. This question has taken precedence in American foreign policy over specific features of the peace settlement.<sup>1</sup> Since the early days of the war<sup>2</sup> the executive branch of the Federal government has been urging United States participation in such an organization as the basis of our post-war foreign policy. The Executive's proposal, however, will remain an unfulfilled desire unless it wins the approval of the legislative branch. The historic decision of 1945 rests with Congress.

The steps that are taken in reaching this decision can bring about either a dangerous tug of war between the Executive and Congress, or new harmony in their relations. The Constitution gives authority in international affairs to both branches of the Federal government, but fails to define clearly the boundaries of authority for each. The result is often rivalry instead of cooperation between them for control of foreign policy.

## RIVALRY BETWEEN PRESIDENT AND CONGRESS

In the past, this rivalry has fostered abuse by the Senate of its right to approve treaties, and this, in turn, has caused the Executive to embody international undertakings in agreements in order to bypass the Senate obstruction it feared. Such special agreements are (1) executive agreements, which enter into force without express approval of the Senate alone, or of both houses of Congress; and (2) statutory agreements, which are brought into force by a joint resolution of both houses of Congress. "The President may say that this country will

do certain things, but unless the Senate's attitude is known, other countries can never be sure the pledge will be carried out," Senator Joseph H. Ball, Republican of Minnesota, has said.<sup>2a</sup> He urged that the Senate "say what principles it stands behind—how far it will go in committing the United States to participation in an international organization."

Rivalry between the Executive and Congress has often prevented discussion of the substance of international accords when debate on proper procedure—is the subject matter to be embodied in a treaty, in an executive agreement, or in a statutory agreement?—precedes public or legislative consideration of the merits of the agreement. Thus, last November the Senate Commerce Committee, holding hearings on the St. Lawrence Waterway Agreement, devoted more attention to the question whether the agreement was rightfully a treaty than to whether the St. Lawrence Waterway would be a useful undertaking.

Steps to eliminate this rivalry are essential if the United States is to have a working policy of international cooperation. The President and his agents, in seeking a treaty, must negotiate first with a foreign nation and then with the Senate—and the second negotiation is often the more difficult and uncertain of the two. The Senate, for its part, contends that it has a constitutional responsibility to examine treaties closely and deal with them as it sees fit, without regard to foreign commitments by the President. The danger of cleavage between the two branches of the government will exist as long as there is no method for cooperation between the President and Congress in the development of foreign policy. President Madison made good use of two members of Congress, Henry Clay and John Quincy Adams, as negotiators of the Treaty of Ghent (1814), and Congressmen could act to advantage in that capacity again. A proposal for a more far-reaching cooperative relationship between the President and Congress was put forth by Representative Estes Kefauver, Democrat of Tennessee, on October 19, 1943 when he introduced a resolution providing for a fortnightly

2a. *New York Times*, December 27, 1944.

1. President Roosevelt on October 12, 1944 told diplomatic representatives of nineteen American republics that he hoped collective security would be established "without further delay and without waiting for the end of hostilities." *New York Times*, October 13, 1944.

2. As long ago as May 30, 1942, Sumner Welles, then Under Secretary of State, suggested that "the United Nations become the nucleus of a world organization of the future." For his Memorial Day Address at the Arlington National Amphitheatre, see L. W. Holborn, *War and Peace Aims of the United Nations* (Boston, World Peace Foundation, 1943), p. 88.

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"question period" in which "heads of departments and independent agencies are requested to answer orally written [*sic*] and oral questions propounded by members of the House."

#### CONGRESS AND DUMBARTON OAKS

The international organization to which the President hopes the United States will adhere is outlined in the proposals drawn up by representatives of the United States, Britain, the Soviet Union and China at the Dumbarton Oaks Conference held from August 21 to October 7, 1944. A major question raised for Congress by the Dumbarton Oaks proposals is whether Chapter I, Paragraph 1, of that document implies a challenge to Article 1, Section 8, of the Constitution, which grants to Congress the power to declare war. Chapter I, Paragraph 1, of the Dumbarton Oaks document states that the purposes of the general international organization should be "to maintain international peace and security; and to that end to take effective collective measures for the prevention and removal of threats to the peace and the suppression of acts of aggression or other breaches of the peace."<sup>3</sup> This provision patently commits the United States to the use of military force to maintain world order. The problem is whether every use of force amounts to war and, therefore, whether Congress will demand the right to approve or reject every suggestion for the use of American force.

The point of view of the Executive is: "It is clear that if the world organization is to have any reality at all, our representative must be endowed in advance by the people themselves, by constitutional means through their representatives in Congress, with authority to act. If we do not catch the felon when we have our hands on him, if we let him get away with his loot because the town council has not passed an ordinance authorizing his arrest, then we are not doing our share to prevent another world war."<sup>4</sup>

American military force has frequently been employed in the past without prior Congressional authority, whenever this was necessary for the protection of American lives and interests. The Boxer Rebellion, the occupation of Vera Cruz in 1914, the invasion of Mexico in 1916, and the conflict with the Barbary pirates are outstanding examples.<sup>5</sup>

3. State Department Publication 2192, *Dumbarton Oaks Document on International Organization* (Washington, Government Printing Office, 1944), p. 8.

4. President Roosevelt, address to Foreign Policy Association, New York City, October 21, 1944. *New York Times*, October 22, 1944.

5. *Congressional Record*, 78th Congress, 2nd Session, vol. 90, no. 142, September 5, 1944, pp. 7616-17. See also, State De-

#### THE SENATE AND TREATIES

While the question of authority to declare war concerns the whole Congress, the Senate alone will decide whether the United States will belong to an organization requiring the use of our armed forces if—as seems likely—the international organization agreement is handled as a treaty. Article II, Section 2, Paragraph 2, of the Constitution provides that the President "shall have power, by and with the consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." Since a considerable portion of United States foreign policy is based on treaties, this constitutional provision gives to a small portion of the Senate—one-third plus one of however many of the 96 members are present at the time a vote is taken—broad authority in the determination of the course we pursue in our relations abroad.<sup>6</sup> Great power is concentrated in an even smaller portion of the Senate, through Senate rules providing unlimited debate (making filibuster possible) and enabling standing committees<sup>7</sup> (like the Foreign Relations Committee, to which treaties are referred) to obstruct the presentation of bills and resolutions to the full Senate.<sup>8</sup>

Because of the treaty clause, a Senate minority succeeded in rejecting President Wilson's request for approval of the Versailles Treaty, which embodied the Covenant of the League of Nations. The basic issue in foreign policy in 1919, during the Versailles Treaty debate, was the same as the basic issue in 1945: Shall the United States make lasting political commitments to foreign powers?

During its first years, the Republic was in alliance with France (by the Treaty of 1778), but in 1796 President Washington created the tradition of international political aloofness for the United States in the admonition of his Farewell Address "to steer clear of permanent alliances with any portion of the foreign world." This point of

partment Publication No. 538, *Right to Protect Citizens in Foreign Countries by Landing Forces* (Washington, Government Printing Office, 1934, 3rd ed.).

6. According to the *New York Times Magazine*, June 25, 1944, 7 per cent of the population, as represented by its Senators, could defeat a treaty and, with only a Senate quorum present, 2.7 per cent of the population could defeat a treaty because, "regardless of population, each State has two Senators."

7. Created by resolution of December 10, 1816.

8. "Senator Sumner of Massachusetts, as chairman of the Senate Foreign Relations Committee, succeeded in keeping the treaty for cession of the Virgin Islands by Denmark, submitted to it on December 3, 1867, pigeonholed for over two years, when it was finally rejected. . . . The French guarantee treaty, signed at the same time as the Treaty of Versailles, appears to have been reposing in the archives of the Senate Foreign Relations Committee since its submission to the Senate by President Wilson in 1919." Quincy Wright, *The Control of American Foreign Relations* (New York, Macmillan, 1922), p. 253.

view became so much a part of the American tradition that, shortly after the Civil War, President Grant and Secretary of State Hamilton Fish declined to submit to the Senate such a politically innocuous document as the Geneva International Red Cross Convention, "on the ground of danger from entangling alliances."<sup>9</sup> Despite the now accepted policy that the United States has a direct interest in Latin American, Pacific and Asiatic affairs, the Farewell Address retains considerable influence.

#### MOVEMENT FOR CONSTITUTIONAL CHANGE

Yet even if a majority of the nation desires to abandon the policy of aloofness, the treaty clause makes it possible for twentieth-century supporters of the Farewell Address attitude to dominate United States foreign policy. However, should a minority of the Senate re-enact in 1945 the role of the obstructive minority of 1919, nation-wide pressure to amend Article II, Section 2, Paragraph 2, of the Constitution might quickly develop.

Suggestions for amendment of the treaty clause have been made repeatedly. The opponents of change have been stronger than the advocates of amendment, but the latter group is growing more powerful. The two-thirds rule attracts many people who fear hasty action by the Executive<sup>10</sup> and the acceptance of a multitude of undertakings in foreign affairs.<sup>11</sup> Reflecting this attitude of caution, the Republican National Convention of 1944 put the following plank into its Presidential platform: "Pursuant to the Constitution of the United States any treaty made on behalf of the United States with any other nation or any association of nations, shall be made only by and with the advice and consent of the Senate of the United States provided two-thirds of the Senators present concur."

Nevertheless, on November 28, 1944 a subcommittee of the House Judiciary Committee opened hearings on a resolution for amendment. During the last session of the 78th Congress (which on January 3, 1945 gave way to the 79th Congress) five resolutions for amending the treaty clause were introduced into the Senate and two into the House.<sup>12</sup> Recent amending resolutions are sim-

ilar to joint resolutions for amendment introduced in the House as long ago as 1899, after the Senate had approved the Treaty of Peace with Spain with but one vote to spare. The Senate, in March 1920, received a joint resolution for amending the Constitution to authorize the President and a majority of the Senate present to conclude treaties. During the same year, the House received a similar proposal. A joint resolution introduced in the House in 1919, providing for House participation in treaty-making, was persistently and vainly reintroduced in 1921, 1923, 1925 and 1927.<sup>13</sup>

Criticisms both of the two-thirds rule and the Senate's monopoly of Congressional interest in treaties were common in 1944. The Gallup poll found 60 per cent of persons questioned favoring House participation.<sup>14</sup> Chairman Sol Bloom of the House Foreign Affairs Committee said on May 14 that the treaty clause "has been the source of official friction and popular dissatisfaction ever since it was created."<sup>15</sup> Dr. Nicholas Murray Butler, president of the Carnegie Endowment for International Peace, declared that the treaty clause "might easily lead to almost irreparable damage to the prosperity and happiness of the American people as well as to the great movement of international cooperation to establish and maintain world peace."<sup>16</sup> Wendell Willkie criticized the treaty clause, and two important newspapers, the *New York Times* and the *Washington Post*, launched crusades aimed at its amendment. Newton D. Baker, John W. Davis and Charles W. Beard are among those who have supported amendment in the past.

In a poll taken of candidates for election to the Senate in 1944, the *New York Times* received replies from 17 Democrats favoring amendment and 6 opposed, and from 2 Republicans favoring amendment and 13 opposed.<sup>17</sup> Another Democratic name was added to the list of proponents of amendment on October 4, when Alben J. Barkley, Senate Majority Leader, said that "a majority of the Senate should be sufficient for ratification, because I think the people have a right to assume that such a majority would represent a majority of the American people when such action is taken."<sup>18</sup>

9. B. C. Williams, *Clara Barton: Daughter of Destiny* (Philadelphia, Lippincott, 1941), p. 240.

10. The treaty clause discourages those who support new concepts. "Under the present requirement, only such proposals as conservatives will approve have any chance in the Senate," according to Anna Lord Strauss, president of the National League of Women Voters. *New York Times*, October 17, 1944.

11. Wright, *The Control of American Foreign Relations*, cited, p. 246: "The framers of the American Constitution did not anticipate or desire the conclusion of many treaties."

12. Senate Joint Resolutions No. 36, 37, 38 and 52, by Senator Gillette, Democrat, of Iowa; No. 102, by Senator

Pepper, Democrat, of Florida. House Joint Resolution No. 31, by Representative Priest, Democrat, of Tennessee; and No. 64, by Representative Hagen, Farmer-Labor, of Minnesota.

13. For past efforts at amendment, see R. E. McClendon, *The American Journal of International Law*, January 1932, p. 39.

14. *New York Times*, May 22, 1944.

15. *Ibid.*, May 15, 1944.

16. *Ibid.*, September 5, 1944.

17. *Ibid.*, October 1, 1944.

18. *Ibid.*, October 5, 1944.



## ORIGIN OF TWO-THIRDS RULE

The considerations that led the framers of the Constitution to adopt Article II, Section 2, seem anachronistic today when the United States seeks to conduct its foreign affairs to suit national rather than local interests. By the concept of the framers, the Senate represented the individual states rather than the nation,<sup>19</sup> and the two-thirds rule was designed to protect the sovereign interests of the various states, and to make possible action on treaties with secrecy and dispatch.<sup>20</sup> But while the Senate's role in United States political life has changed since 1787, the treaty clause has remained unchanged. Senators became representatives of the people rather than the states on April 8, 1913, when the 17th Amendment to the Constitution, substituting direct for legislative election of Senators, was ratified. The Senate acknowledged its responsibility toward the general public on June 19, 1929 when, under popular and journalistic pressure, it amended its rules so that executive sessions (treaties are considered in executive session), hitherto customarily secret, became open "unless otherwise ordered."

In the Founding Fathers' solicitude for the interests of the states, Article II, Section 2, bequeathed to the Federal Union some of the philosophy of decentralization that had characterized the Republic under the Articles of Confederation. The Articles gave each state, no matter what its size, one vote in Congress (Article IX), and required the assent of nine states (out of 13) for approval of a treaty. The wording of the treaty clause was inspired less by hope of positive accomplishment in foreign affairs than by a negative concern lest the conduct of foreign relations injure rather than help the various regions of the country.

## THE MISSISSIPPI QUESTION

In 1787 there was reason for the regional apprehension of the small states. The Mississippi River is primarily responsible for the inclusion of the two-thirds rule in the Constitution. In 1785 Don Diego de Gardoqui, representative of Spain

in the United States empowered to negotiate concerning the Florida boundary and questions relating to the Mississippi (whose mouth lay in Spanish territory), proposed to John Jay, Secretary of Foreign Affairs under the Articles of Confederation, that the United States surrender its privilege of full navigation of the Mississippi. Jay was willing to exchange this privilege for trade favors beneficial to the East which de Gardoqui offered in return. His disposition to do so alarmed the southern and western states, dependent on the Mississippi for communication and commerce. The issue was still acute when the Constitutional Convention met at Philadelphia in 1787, and on September 16, 1788 Congress postponed the Spanish negotiations until the new government created by the Constitution should be ready to act.<sup>21</sup>

The delegates of the southern and western states, which feared ill-treatment in the Jay negotiations, went to the Philadelphia convention determined to protect their interest in open commerce on the Mississippi. They succeeded. And even today regional concern for treaties dealing with waterways still persists, as illustrated in the Senate's defeat (46 for, 42 against) of the St. Lawrence treaty on March 14, 1934, and objections raised in California against the Mexican Water Treaty submitted to the Senate by the Executive on February 15, 1944.<sup>22</sup>

From 1789 through 1934 the Executive submitted to the Senate 928 treaties. The Senate accepted 682 of these as submitted, amended 173, and rejected 15.<sup>23</sup> Between March 4, 1789 and March 4, 1931 223 treaties submitted to the Senate did not go into force (as of October 1, 1932). The Senate is not responsible for the whole list, because it accepted as submitted 45 of the treaties; amended 57; and rejected 12. The Executive withdrew 17; on 91 there was no final action; and six treaties the Executive transmitted for information only.<sup>24</sup> The sum of the items—228—exceeds the number of treaties submitted because five agreements were submitted twice.

In his book *In Defense of the Senate*, however, Roy Dangerfield expresses the belief that the Ex-

19. James Madison: "The Senate represented the States alone." Quoted by S. B. Crandall, *Treaties, Their Making and Enforcement* (Washington, John Byrne & Co., 1916), p. 43.

20. "The extreme jealousy of the little States, and between the commercial States and non-importing States, produced the necessity of giving equality of suffrage to the Senate," W. R. Davie told the North Carolina ratifying convention in explaining why the Constitution gives two Senators to each state. "The same causes made it indispensable to give to the Senators, as representatives of the States, the power of making or ratifying treaties." Jonathan Elliot, ed., *The Debates in the Several State Conventions on the Adoption of the Federal Constitution* (Washington, printed by and for the editor, 1836-45), vol. IV, p. 120.

21. For the relation of the Mississippi question to the treaty clause, see Charles Warren, "The Mississippi River and the Treaty Clause of the Constitution," *George Washington Law Review*, March 1934; see also, Charles Warren, *The Making of the Constitution* (Boston, Little, Brown, 1934).

22. 78th Congress, 2nd Session, Executive A.

23. State Department Publication 765, *List of Treaties Submitted to the Senate 1789-1934* (Washington, Government Printing Office, 1935), p. 5. Supplements to this list cover 1935-39, 1941 and 1942.

24. State Department Publication 382, *List of Treaties Submitted to the Senate 1789-1931 which Have Not Gone into Force* (Washington, Government Printing Office, 1932), p. 6.

ecutive is held in check by psychological factors resulting from uncertainty about Senatorial reception of negotiated treaties. "The record does not show," he quotes DeWitt C. Poole as saying, "from what wise and helpful measures our Presidents and Secretaries of State have been stopped by perhaps unfounded fear of what a single Senator might do, nor is it clear into what brusque and harmful actions the bogey on Capitol Hill has frightened them."<sup>25</sup> Moreover, many treaties whose ratification the Senate has advised fail to go into force because amendments added in the Senate are unacceptable to the other contracting party.

One dangerous aspect of the treaty clause is the use made of it by factional party interests—a possibility not anticipated by the framers of the Constitution. The Republican attack on the Versailles Treaty, negotiated for the United States by President Woodrow Wilson, Democrat, is the outstanding example of partisanship in treaty matters.<sup>26</sup> Simple desire to embarrass the opposition often inspires partisanship. For example, when the Slave Trade Treaty with Britain came before the Senate in 1824, "Adams stated that the Crawford men in the Senate 'made of it a bitter and rancorous party matter.' John C. Calhoun is quoted as saying that sixteen or seventeen Senators were systematically hostile to the Administration and prepared to manifest their dislike by an opposition to anything that had a chance of success."<sup>27</sup>

#### DOUBTS OF FOREIGN GOVERNMENTS

This uncertainty as to how the Senate will deal with any treaty submitted to it makes foreign governments cautious in negotiating with this country. While in the past this caution may have redounded to our national interests as we formerly conceived them,<sup>28</sup> it could now block the development of a foreign policy based on the concept of world cooperation, which requires continuous and constructive intercourse among nations. As long ago as 1824, after the Senate amended the United States-Britain treaty regulating the slave trade, George Canning, British Foreign Minister, protested because the Senate changes rendered "the solemn ratification" of one contracting party "to no avail."<sup>29</sup> Frequently, however, the Senate improves treaties by amending them. By changing

some articles of the Hay-Pauncefote Treaty relating to an inter-oceanic canal, the Senate drove Secretary of State John Hay to offer his resignation,<sup>30</sup> but at the same time brought about new negotiations which produced a far more satisfactory treaty providing, as the first had not, for fortification of the canal. Yet the possibility that the Senate will improve treaties negotiated by the Executive does not alter the fact that dual control of foreign relations, often by incompatible authorities, makes it impossible for other governments to know what policy the United States will follow.

#### USE OF EXECUTIVE AGREEMENTS

Early in the Republic's history the House of Representatives formally resolved that it did "not claim any agency in making treaties."<sup>31</sup> Yet the House participates in foreign affairs through its right to act on tariff and appropriation bills, including those affecting the administration of treaties.<sup>32</sup> "There is no instance of the House having failed to vote the necessary sum to carry out a treaty" however.<sup>32a</sup>

For his part the President, understandably irked by Senatorial caution, has often invaded the field which Article II, Section 2, seems to mark out for the Senate by using executive orders, notes, *modi vivendi* or other instruments.<sup>33</sup> At the same time he has firmly repelled Senatorial intrusions into that sphere of international relations which he considers incontrovertibly his own<sup>34</sup> and, by advocacy

25. R. J. Dangerfield, *In Defense of the Senate* (Norman, Okla., Oklahoma University Press, 1933), p. 255.

26. For a recent study of partisanship in the defeat of the Versailles Treaty, see Karl Schriftgiesser, *The Gentleman from Massachusetts: Henry Cabot Lodge* (Boston, Little, Brown, 1944).

27. Dangerfield, *In Defense of the Senate*, cited, p. 206.

28. See Clay to Canning, *British and Foreign State Papers, 1824-25* (London, Foreign Office, 1826), pp. 854-55.

29. Dangerfield, *In Defense of the Senate*, cited, p. 206.

30. W. R. Thayer, *The Life and Letters of John Hay* (Boston, Houghton Mifflin, 1915), vol. II, p. 226.

31. Resolution passed by the House on April 7, 1796.

32. "When a treaty stipulates regulations on any of the subjects submitted by the Constitution to the power of Congress, it must depend, for its execution as to such stipulation, on a law or laws to be passed by Congress. And it is the constitutional right and duty of the House of Representatives, in all such cases, to deliberate on the expediency or inexpediency of carrying such treaty into effect, and to determine and act thereon, as, in their judgment, may be most conducive to the public good." *Ibid.*

32a. A. C. F. Westphal, *The House Committee on Foreign Affairs* (New York, Columbia University Press, 1942), p. 143.

33. The Federal government has "the power to make such international agreements as do not constitute treaties in the constitutional sense." 299 US 304, 318, 57 Supreme Court 216, 81 L. ed. 255 (1936), *U.S. v. Curtiss-Wright Export Corp.* "In form and in subject matter executive agreements may not differ substantially from treaties and frequently are identical in these regards." H. M. Catudal, *George Washington Law Review*, April 1942.

34. In 1855 Congress passed an Act directing the President to elevate 11 Ministers Resident of the United States to the rank of Ministers Plenipotentiary. Attorney General Cushing gave an opinion that Congress could not prescribe to the President the rank, number, time or place of our public Ministers, and in 1856 Congress repealed the Act, which was never honored.

of the statutory agreement, has frequently assigned to the House a role in foreign affairs equal to his own and that of the Senate.

The President claims the privilege of making executive agreements without Congressional approval through his power as Commander-in-Chief or incident to his authority to conduct the foreign relations of the country.<sup>35</sup> Outstanding examples of the executive agreement are the Monroe Doctrine and the Open Door. On April 28 and 29, 1817 Richard Rush, Acting Secretary of State, exchanged notes with Minister Bagot of Great Britain to limit American and British naval forces on the Great Lakes. After the limitation had been effective for almost a year, President James Monroe on April 6, 1818 sent the notes to the Senate, which approved the agreement as a treaty. From this understanding between two executive officials developed the policy of the unfortified border between the United States and Canada.

To executive or statutory agreement the United States owes its membership in a number of international organizations, among them the International Labor Office, the Universal Postal Union and the Pan American Union. Under the Trade Agreements Act of June 12, 1934 (renewed 1937, 1940, 1943), the Executive makes commercial agreements with foreign governments that are not subject to Congressional review. The agreements with Cuba and with Belgium-Luxemburg terminated articles of existing treaties.<sup>36</sup> Trade agreements concluded with a number of foreign countries required the approval of the legislative bodies of those countries.

President Roosevelt acquired leases to bases in British possessions in the Western Hemisphere in 1940 by executive agreement. He signed without Congressional sanction the United Nations Declaration (1942) in which the United States confirms the Atlantic Charter, pledges its full resources and cooperation to the prosecution of the war, and declares that it will not make a separate armistice or peace with the enemies. The Roosevelt Administration, also by executive agreement (1939), established a condominium with Britain over Canton and Enderbury Islands. The United States annexed Hawaii and Texas by joint

resolutions of both Houses of Congress; and the Louisiana Territory and Gadsden Purchase by treaty. While a joint resolution (on which the Senate cast no record vote) authorized membership of this country in the International Labor Office (fifteen years after the Senate rejected the Versailles Treaty provision for membership in this agency), a treaty authorized our membership in the International Institute of Agriculture.

#### DAY'S AGREEMENT ON PHILIPPINES

A striking instance of the use of executive power in foreign policy is the protocol signed on August 12, 1898 between William R. Day, Secretary of State, and Jules Cambon, acting on behalf of Spain, setting forth the conditions for terminating the war between the United States and that country. The protocol provided for United States occupation of Manila and paved the way for our ownership of the Philippines. The clauses in the Treaty of Paris which terminated the war almost duplicated the clauses in the protocol. The Senate had to approve the treaty but it played no part in the agreement on the protocol. The acquisition of the Philippines almost defeated the treaty, whose ratification the Senate advised by only one vote more than the needed two-thirds majority.

Both Republican and Democratic Presidents have suffered in their relations with the Senate on foreign affairs. From 1905 to 1907 Theodore Roosevelt battled with the Senate over an understanding with the Dominican Republic by which the United States guaranteed the territorial integrity of that country, and undertook to collect and distribute Dominican customs receipts. Roosevelt intended to commit the government to these serious and far-reaching arrangements by executive agreement in the form of a protocol,<sup>37</sup> but decided to submit the agreement as a treaty when Senator Teller, Democrat of Colorado, said: "I deny the right of the executive department of the government to make any contract, any treaty, any protocol, or anything of that character which will bind the United States."<sup>38</sup> However, Roosevelt's Republican advisers in the Senate predicted the treaty's defeat and did not permit it at once to come to a vote. Roosevelt said that he "went ahead and administered the proposed treaty anyhow," through a *modus vivendi*.<sup>39</sup> The Senate, on February 25, 1907, advised ratification of a revised agreement with the Dominican Republic.

The use of executive and statutory agreements

H. B. Learned, "William Learned Marcy," *American Secretaries of State and Their Diplomacy* (New York, Alfred Knopf, 1928), pp. 171-72.

35. "The President is the sole organ of the Nation in its external relations and its sole representative with foreign nations." John Marshall, in the House of Representatives, March 7, 1800. Quoted by Canudal, *George Washington Law Review*, cited, p. 657.

36. W. M. McClure, *International Executive Agreements* (New York, Columbia University Press, 1941), p. 25.

37. Holt, *Treaties Defeated by the Senate*, cited, p. 215.

38. *Ibid.*

39. In *Autobiography*, quoted by Holt, cited.

as a substitute for treaties might serve as a ready excuse for the repudiation of international obligations, according to Kenneth Colegrove.<sup>40</sup> A ratified treaty, approved by two-thirds of the Senate, is as binding on the United States as an Act approved by a majority of House and Senate and signed by the President, but the Constitution does not rank treaties above laws. Article VI, paragraph 2, says: "This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land. . . ." An agreement cannot claim that rank. Furthermore, a Senate (or even individual Senators) determined to assert authority can frustrate any executive action. The United States joined the United Nations Relief and Rehabilitation Administration by executive agreement, but only after the proposed UNRRA agreement had been revised to meet the objections of Senator Arthur Vandenberg, Republican of Michigan. The strong legalistic and political objections which can be raised against executive or statutory agreement emphasize the difficulties confronting the President charged with guiding the country in its international relations.

#### ROAD TO HARMONY

This brief review of the history of unfriendly relations between the Executive and Congress in the conduct of foreign affairs suggests the urgent necessity of revising the treaty clause if the United States is to play a role in world affairs commensurate with its great power and potential influence. Two other steps are desirable.

The first, aimed at reducing the role played by Congressional jealousy in embarrassing the President, is to provide a regularized method of collaboration between the Executive and Congress at all stages of international negotiations. Too often the legislative branch is confronted with an accomplished fact in the form of a treaty or policy with which it had slight, if any, prior acquaintance. The second, aimed at reducing the role played by considerations of selfish party advantage, is for the President to use political leaders of all parties as advisers and agents in the conduct of foreign relations. Congress would abandon its constitutional function if it ever became simply the agent of the Executive, but it is not fulfilling its proper political function as long as it frustrates the initiation of policy conceived by the President with popular approval.

These two moves, coupled with the development

of sound machinery for informing citizens concerning international issues affecting the national interest, might make possible the adoption of policies which reflect majority sentiment and not merely the politically unsubstantial will of a given President<sup>41</sup> or the conservative bias of ill-informed or captious legislators.

So far as the issue of United States participation in a collective security organization is concerned, the Executive, during the past two years, has sought the counsel of selected members of Congress and of representatives of the minority party. President Roosevelt has taken heed of the misfortunes suffered in foreign policy by John Hay and Woodrow Wilson. Hay, Secretary of State from 1898 to 1904, complained that "there will always be 34 per cent of the Senate on the blackguard side of every question."<sup>42</sup> By extraordinary ability and determination, he left a lasting imprint on American foreign policy, but the Senate rejected and amended more treaties sponsored by him than by any other Secretary.<sup>43</sup> His successor, Elihu Root, who was also carrying out the foreign policy of Theodore Roosevelt, found the Senate far more responsive to his proposals because of his more friendly relationship with Senate leaders. Whether the most solicitous overtures on the part of Wilson to a Senate in which his party was in the minority would have altered the final action on the Versailles Treaty is doubtful, but his aloofness unquestionably strengthened his Senatorial enemies.

#### POLITICAL CONSULTATION

In this war, consultations with Congressional leaders and Republican spokesmen on post-war foreign policy began early in 1943, when the State Department opened a "seminar" for discussion with selected Senators from different parties.<sup>44</sup> Following reorganization of the State Department on January 15, 1944, the single task of maintaining liaison with Congress was assigned to one of the four Assistant Secretaries of State, Breckinridge Long.<sup>45</sup> In March 1944 Secretary of State Hull began a series of meetings with four Democrats, three Republicans and one Progressive from

41. An example is the treaty submitted to the Senate by President Grant for the annexation of San Domingo (signed on November 29, 1869). Secretary of State Fish opposed it, and the Republican-controlled Foreign Relations Committee reported it adversely. Dangerfield, *In Defense of the Senate*, cited, p. 223.

42. Letter to Samuel Mather, September 28, 1900. Thayer, *Life and Letters*, cited, p. 254.

43. Dangerfield, *In Defense of the Senate*, cited, p. 105.

44. *Foreign Policy Bulletin*, February 12, 1943.

45. State Department, Departmental Order No. 1218, p. 3. Long has been succeeded by Dean Acheson. State Department, Departmental Order No. 1301, December 20, 1944, p. 11-1.

40. Kenneth Colegrove, *The American Senate and World Peace* (New York, Vanguard, 1944).

the Senate Foreign Relations Committee<sup>46</sup> on the details of a collective security plan for the United States. Mr. Hull subsequently also held conversations with members of the House.

Political consultations were carried further by Mr. Hull in August 1944 through a series of conversations with John Foster Dulles, foreign relations adviser of Governor Dewey. On August 25 Governor Dewey wrote to Secretary Hull: "Heretofore, war has been the only matter which has been lifted above partisanship during the presidential campaign. I recently said that if we are to have lasting peace, we must wage peace as we wage war. I feel that we are now making a beginning toward doing that and it is my hope that we shall have great success to that end."<sup>47</sup>

As a corollary to consultation with political leaders, the Roosevelt Administration has also taken heed of the growth of public sentiment favoring international cooperation by the United States, as expressed by persons and groups unconnected with the Administration. On February 4, 1943 Senator Guy Gillette, Democrat of Iowa, with whom the Administration had differed from time to time over domestic matters, sponsored a resolution advising the President to negotiate a "post-war peace charter" with the United Nations. On March 16, 1943 four Senators—Republicans Joseph Ball of Minnesota and Harold Burton of Ohio, and Democrats Carl Hatch of New Mexico and Lister Hill of Alabama—introduced a resolution advocating United States membership in a world organization. On September 7, 1943 the Republican Post-War Advisory Council, meeting at Mackinac Island, Michigan,<sup>48</sup> adopted a resolution favoring international collaboration. On September 21, 1943 the House of Representatives approved unanimously the resolution introduced by Representative Fulbright,<sup>49</sup> Democrat of Arkansas, containing a simple declaration that it was desirable for this country to join with others in the maintenance of peace.

With this public backing, Secretary of State Hull on October 30, 1943<sup>50</sup> signed the Moscow Declaration which provided that the United States would collaborate with Britain, the Soviet Union, China and others in working out a program for world security. Approbation in this country for

international collaboration was so general that the Senate, on November 5, 1943,<sup>51</sup> passed by a vote of 85 to 5 the Connally resolution on world organization, which embodied the essential idea of the Moscow Declaration. Thus, at the beginning of 1944 the Executive had won from Congress, from the opposition party, and from the public at large notable support for cooperation between the United States and the rest of the world. The Fulbright, Connally and Mackinac resolutions were only advisory in character, but they encouraged the Executive branch of the government to go forward with plans for working out a treaty for international collaboration to be submitted to the Senate.

#### SHAPING PUBLIC OPINION

To win the Senate, and preferably the whole Congress, to support of the details of the proposed international organization, the Administration has concluded that it must win the people, to whose wishes Congress is in the long run responsive. The Executive cannot indefinitely rely on outside agents to shape opinion as it did with respect to the formation of sentiment on the need for collective security during the period 1939-44. The problem of improving relations between the Executive and Congress in the conduct of foreign policy includes the problem of informing<sup>52</sup> and persuading the voters about a matter which, unlike most domestic issues, lies outside their ken, yet is filled with vital implications for their welfare.

The value of the fullest possible publicity with respect to foreign affairs and treaties is a modern notion which appears revolutionary when compared with the point of view that prevailed during the Constitutional Convention and for many years thereafter. "It seldom happens in the negotiation of treaties, of whatever nature, but that perfect secrecy and immediate dispatch are sometimes necessary," John Jay wrote in *The Federalist* of March 7, 1788. In those days the voting franchise was severely limited, and public opinion was not the powerful force it has become in 1945. The secrecy concerning the conduct of foreign relations that appeared requisite 157 years ago could prove fatal now.

As the Administration prepared early in 1944 to arrange for conversations with the various United Nations concerning the nature and detailed functions of a world organization, it took steps to improve public information on problems of foreign affairs. The State Department established

46. Democrats: Connally, Barkley, Gillette, and Walter George of Georgia; Republicans: Arthur H. Vandenberg of Michigan, Wallace H. White, Jr., of Maine, and Warren R. Austin of Vermont; Progressive: Robert M. LaFollette, Jr., of Wisconsin.

47. State Department, *Bulletin*, September 10, 1944.

48. *New York Times*, September 8, 1943.

49. State Department Publication 2162, *War Documents* (Washington, Government Printing Office, 1944), p. 6.

50. *Ibid.*, p. 10.

51. *Ibid.*, p. 17.

52. V. M. Dean, "U.S. Foreign Policy and the Voter," *Foreign Policy Reports*, September 15, 1944.

an Office of Public Information "for the purpose of assuring full understanding of the foreign policy and relations of the United States,"<sup>53</sup> and on December 20, 1944 installed an Assistant Secretary for Public and Cultural Relations, Archibald MacLeish.<sup>53a</sup> Hopes for further improvement in publicity are only partly realized. They have been frustrated by the reluctance of some diplomatic officials, educated in an older tradition, to take the people into full confidence, by the refusal of a few persons in key positions to agree to the publication of significant material, and by the hesitancy of the highest officials in the Administration to make frequent and incisive statements about foreign affairs. Ignorance fosters fear, and fear generates opposition to new measures. Reiterated, not occasional, pronouncements are required from the Executive if it hopes to enlist public support for projects and details of projects which become concrete only when they receive the formal approval of Congress. Fear of disturbing old prejudices, instead of determination to remove them, often restrains the leading officials of a democratic state from expressing their views and supplying adequate information to explain them. So long as the two-thirds rule on treaties remains in effect, any major undertaking in foreign affairs set forth in a treaty needs overwhelming support from the public. And if the treaty clause is amended, the development of a consistent foreign policy will require constant popular interest and support.

#### CONGRESS NEEDS INFORMATION

Yet even if public opinion is intelligently guided and political leaders are informally consulted, the formal gulf of separation of powers still divides the Executive from Congress. A slender but useful bridge might be thrown across it if (1) the Executive would regularly take Congress into its confidence in advance about any specific foreign undertaking it has in mind, and (2) if it gave regular reports to Congress summarizing the information the State Department receives from Foreign Service officers around the world. Such reports, clarified by brief analyses but unaccompanied by recommendations, could prepare the way for understanding reception and constructive criticism of policies when they are formulated. While it might be objected that to spread such reports would be indiscreet, foreign relations are not the private affair they were once thought to be. The State Department is increasingly generous in giving background information to newspaper correspondents and to private organizations with a

responsible interest in foreign affairs. On October 16, 1944, for example, the Department held a meeting for representatives of selected organizations with foreign affairs officials who discussed what had happened at the Dumbarton Oaks conference.<sup>54</sup> The number of persons who attended exceeded the membership of the Senate.

On the score of information the Executive branch has an advantage over Senate and House which is costly to its own interests. The Senators and Representatives must deal with many topics. They sit on many committees. To choose at random from the list of Senators, George of Georgia is chairman of the Finance Committee and the Post-War Economic Policy and Planning Committee, and is a member of the Foreign Relations and Civil Service Committees.<sup>55</sup> Senators lack the time to make full inquiries about every issue that comes before them. They seek earnestly for knowledge but often lack access to it. In foreign affairs the Executive, acting on special knowledge, makes decisions which might require the sanction of a Congress impatient of the decision because its information is inadequate. When President Roosevelt in July 1939 consulted with Senatorial leaders about the possibility of Senate amendment of the Neutrality Act, he learned that many members of the Senate doubted his views that the world was close to war because they lacked the information he had received from our representatives abroad. In Congress, as among the public, the uninformed are often hesitant. A fund of information would arm Congress, as well as the Executive, for action when the time for action comes.

#### ADVICE OF THE SENATE

The Constitution empowers the President to make treaties "by and with the advice and consent of the Senate." Today the practice of the Executive is to seek the consent of the Senate for a treaty already signed, but not to solicit the *advice* of the whole body before or during negotiation.

In the very early days of the Republic the Executive did seek preliminary understanding with the Senate about projected negotiations. Taking the word "advice" seriously, President Washington visited the Senate Chamber in 1789 to consult with the Senators on the first treaty which his Administration proposed to negotiate.<sup>56</sup> President and Senators were stiff in each other's presence, however, and neither Washington nor any Chief Ex-

54. State Department, *Bulletin*, October 22, 1944.

55. *Congressional Directory*, 78th Congress, 2nd Session, January 1944, p. 189.

56. Crandall, *Treaties, Their Making and Enforcement*, cited, p. 67.

53. State Department, Departmental Order No. 1218, p. 43.

53a. State Department, Departmental Order No. 1301, p. II-2.

ecutive after him has since appeared before the Senate on such a mission. But Washington subsequently, by special message, sought the advice of the Senate on treaties with Indians, with Algiers, and with Spain. He broke his practice when he sent Jay to London to negotiate a treaty that would settle outstanding differences with Britain.

Presidents since Washington have occasionally sought Senatorial advice in advance through special messages. Jackson did it before he negotiated with the Choctaw Indians. Polk submitted the proposed Oregon Treaty for advice as to whether he should conclude it, and notified the Senate during the Mexican War when he intended to propose peace to the enemy. Buchanan, Lincoln, Johnson, Grant and Arthur nine times asked the Senate's advice about prospective negotiations.<sup>57</sup> The practice has been exceptional, however, since Jay's negotiations in London in 1794.

The re-creation of this advisory relationship which, unlike informal consultation with selected Senators, fully acknowledges the Senate's authority, might moderate the tendencies shown by the Senate in the past to force its imprint on a treaty submitted for its consent. The problem of the Executive's relationship with the Senate—or with the whole Congress if the treaty clause is amended to provide majority participation of both Houses in treaty ratification, or if the President should try to have the Dumbarton Oaks proposals accepted by joint resolution—will increase in importance if the United States actually becomes a member of a world organization. Then this country probably would be more active in world affairs than at any time in the past except during the present war years. Many agreements for international cooperation on specific matters will be negotiated. Then a persisting hiatus between Executive and Congress resulting from jealousy, disdain and mistrust could be damaging indeed to the nation's position in world affairs.

The Executive needs to build a bridge across the gulf that separates it from Congress in foreign affairs because a people as accustomed as Americans are to the safeguards afforded by representative government would scarcely consent to entrust the whole making of foreign policy to the Executive, as William R. Davie of North Carolina advocated in 1787. Britain requires parliamentary consent by majority vote to certain treaties, and so did France under the constitution of the Third Republic. American Presidents have assumed con-

siderable independence in foreign affairs through the executive agreement, and the Constitution authorizes them to give instructions to diplomatic emissaries without consultation with Congress. The President has the authority also to ignore formal advice from the Senate for which he did not ask,<sup>58</sup> or informal proposals from either house of Congress or their members—as John Hay, for example, ignored suggestions that the United States intervene in the Boer War. But sooner or later the Senate fixes the ceiling on the President's activity in foreign affairs.<sup>59</sup>

#### DEMOCRACY IN FOREIGN POLICY

The principal questions raised by the role of Congress in foreign affairs, are (1) whether the United States is to have a positive and cooperative foreign policy that the nation wants and (2) whether it is to develop such a policy without politically induced delay. The inclusion of the legislative branch of the government in the exercise of the treaty-making power should be a democratic arrangement to safeguard the interests of the entire people. But the prospect or actuality of treaty defeat through a minority of one-third plus one in the Senate poses the issue whether the Senate or the President better reflects the people's will when, in response to public support, the Executive proposes a move in international affairs that attracts the approval of a majority in the Senate—but a majority insufficient to assure action.

Whatever action the Senate decides to take regarding a treaty providing for United States participation in a world organization, the fact will remain that under the present system the conduct of this country's foreign affairs is subject to an undemocratic and unnational control by a small portion of the membership of one of the two houses of the national legislature. While the United States may conceivably embark on a policy of international cooperation through a two-thirds majority approval of a treaty embodying the Dumbarton Oaks proposals, the continued existence of the two-thirds rule would make it possible in the future for a small group of Senators to defeat such a policy by turning down supplementary agreements necessary to carry forward the work of the international organization.

58. Resolutions of advice "are merely advisory, not mandatory, and the right of the Senate to adopt them is not dependent upon its treaty-making power." But the President usually acts on them. Crandall, *Treaties, Their Making and Enforcement*, cited, p. 73.

59. Dangerfield, *In Defense of the Senate*, cited, p. 302.

*In the February 1 issue of* FOREIGN POLICY REPORTS:  
THE CHICAGO AIR CONFERENCE

by J. Parker Van Zandt

57. *Ibid.*, pp. 68-72.

# Changes in Senate Membership

By O. K. D. RINGWOOD AND BLAIR BOLLES

The party membership of the 79th Congress, which took office on January 3, is preponderantly Democratic. Thus the majority of the Congress belongs to the party of the President, whose dominating interest in foreign affairs is to arrange United States participation in an international security organization. Yet the outcome of this foreign policy issue is by no means certain.

The current Congressional alignment is different from that faced by Woodrow Wilson in 1919 when he submitted the Versailles Treaty to the Senate of the 66th Congress. Before the elections of 1918 the Democrats held 53 seats in the Senate, the Republicans 42; the elections gave the Republicans 48 seats and the Democrats 47. Although the House of Representatives had no voice in the treaty, the fact that the Republicans gained 21 House seats in the 1918 elections (from 216 to 237), and thereby strengthened their majority, indicated that Mr. Wilson lacked the full confidence of the voters.

On the other hand, the elections of November 7, 1944 underscored popular confidence in the party of President Roosevelt. The Democrats retained for the 79th Congress the same majority they had in the 78th—57 seats to the Republicans' 38 and the Progressives' one. In the House the Democrats increased their majority. In the 78th Congress they had 222 seats, the Republicans 209, the Progressives 2, Farmer-Labor one, and American Labor one. In the 79th Congress the Democrats have 243 seats, the Republicans 190, the Progressives one and American Labor one.

Fourteen men seeking election to the Senate for the first time were among the victors at the polls on November 7. Eight are Democrats—J. William Fulbright, Arkansas; Clyde R. Hoey, North Carolina; Olin D. Johnston, South Carolina; Warren G. Magnuson, Washington; Brien McMahon, Connecticut; John Moses, North Dakota; Francis J. Myers, Pennsylvania; and Glen H. Taylor, Idaho. Six are Republicans—Forrest C. Donnell, Missouri; Homer E. Capehart, Indiana; Bourke B. Hickenlooper, Iowa; Wayne L. Morse, Oregon; Leverett Saltonstall, Massachusetts; and H. Alexander Smith, New Jersey.

With the exception of two whose views are undefined (Capehart and Donnell) each of these is considered a supporter of United States membership in an international organization. Many of them replaced isolationists; Hoey succeeds Robert R. Reynolds, Magnuson succeeds Homer T. Bone, McMahon succeeds John A. Danaher, Moses succeeds Gerald P. Nye, Francis J. Myers succeeds James J. Davis, Glen H. Taylor succeeds D. Worth

Clark, Bourke B. Hickenlooper succeeds Guy M. Gillette, and Wayne L. Morse succeeds Rufus L. Holman. Before the Missouri voters elected Mr. Donnell, the Missouri Democrats had blocked the return of isolationist Bennett Champ Clark to the Senate by defeating him in the primary election.

In recent years the tendency of the voters has been to seek new men for the Senate. In number, the fourteen new men elected in November were not far behind the 20 incumbents re-elected. Thirty-one of the 96 members of the Senate entered that body after the outbreak of the war in Europe; in other words, in less than six years there has been almost a one-third turnover. The deans of the Senate are Hiram W. Johnson, an isolationist, and Kenneth McKellar, a follower of the Administration, both of whom entered the Senate on March 4, 1917.

Isolationists, however, are found among the post-1939 Senators as well as in the elder group. Among those whose previous disposition has been to question the wisdom of effective international cooperation envisioned by the Administration are: Arthur Capper, Robert M. LaFollette, Jr., Patrick McCarran, Clyde M. Reed, Henrik Shipstead, Robert A. Taft, Charles W. Tobey, Arthur Vandenberg, David Walsh, Burton K. Wheeler, Wallace H. White, Jr., and Alexander Wiley.

The newer Senators, hitherto considered unfriendly to international cooperation, include Owen Brewster, C. Wayland Brooks, Hugh Butler, William Langer, W. Lee O'Daniel, and Raymond E. Willis. Many others in the Senate have indicated doubt about the course they consider best for this country to pursue, but at the same time it is possible that at least a few of those who formerly opposed international cooperation will support it on the ground that the voters have asked for it.

Analysis of the views of the different Senators is useful because of the power the treaty clause gives to a minority. With all Senators present, 37 adverse votes can defeat a treaty. With a quorum—49—present, 17 adverse votes can defeat a treaty. A further hazard to the prospects for a treaty providing for United States participation in an international organization would arise if the Senate Foreign Relations Committee should lean toward isolation, for this Committee can defeat a treaty by refusing to bring it before the Senate as a whole.

In spite of the Administration victory in the November elections, Chairman Connally of the Foreign Relations Committee is not certain of the Senate. "We must have an aroused public opinion behind us," he said in an interview last November 5. "That is the greatest task ahead."