

Senator Brewster,

I did the best I
could on this in your
absence. If any of the
passages are objectionable,
we can cut them before
the broadcast, when
Senator Pepper is on
hand.

Thanks again, and
I'll see you at 5:00
Saturday afternoon.

Selden Menefee
For NBC

ADVANCE NEWS RELEASE

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Following is the text of an NBC network broadcast entitled "Foreign Economic Issues Before Congress." This is the tenth of a series on OUR FOREIGN POLICY, presented by the NBC University of the Air.

The participants are:

1. Senator Claude Pepper (D) of Florida, member of the Foreign Relations Committee.
2. Senator Owen Brewster (R) of Maine, Member of the Senate Finance Committee.
3. Mr. Sterling Fisher, Director of the NBC University of the Air.

HIGHLIGHTS OF THE PROGRAM:

1. Senator Pepper says jobs for veterans depend on passage of Reciprocal Trade Agreements bill - page 6.
2. Senator Brewster advocates delaying consideration of the Bretton Woods agreements until after the San Francisco Conference - page 9.
3. Senator Pepper charges that the big bankers are trying to kill the Bretton Woods agreements --- page 13.
4. Senator Brewster warns of another Pearl Harbor if the "five Freedoms" for international aviation are adopted --- page 15.

VOICE # 1: What is this reciprocal something-or-other that comes before Congress every two or three years?

VOICE # 2: What about those Bretton Woods agreements? What's going to happen to them?

VOICE # 1: What will all this mean in terms of my job after the war, and to my boy's job when he gets out of uniform?

ANNOUNCER: Those are questions that must be answered. Our peace and prosperity depend on the answers. Members of two key Senate committees are here to discuss them with you ... ~~with~~ you in your homes here in the United States, and you service men and women who will hear this program wherever you are stationed, through the facilities of the Armed Forces Radio Service.

In this series of programs on Our Foreign Policy, of which this is the tenth, ~~the~~ NBC's University of the Air brings you, ~~not a distorted~~ ~~last author's~~ interpretation of the issues confronting the United States in our international relations. We call ~~upon~~ upon key officials of Congress, the State Department, and other government agencies, to answer the public's questions.

This time Senators Claude Pepper, Democrat of Florida, and Owen Brewster, Republican, of Maine, will take up some of the hot questions confronting Congress in the field of foreign economic policy. That means questions related to your job after the war. Senator Brewster is a member of the Senate Finance Committee, and Senator Pepper is a member of the Foreign Relations Committee. Sterling Fisher, Director of NBC's University of the Air, will act as the public's representative in putting questions to the Senators. Mr. Fisher.....

FISHER: In our last broadcast, Senator Connally expressed the belief that the organization to be built at San Francisco would be "a perpetual living monument" to President Roosevelt's courage and leadership. I'd like to pose a question now, Senator Pepper: Can the United Nations Organization be made to work if we don't build a policy of economic as well as political cooperation?

PEPPER: I don't think you can separate the two, Mr. Fisher. Not as far as the outside world is concerned, anyhow. Our attitude on questions of economic cooperation will be considered a test of our sincerity in political cooperation - that is, in the new world organization to be set up. And with some justice. It will be a test.

FISHER: Senator Brewster, how do you see it as a member of the Finance Committee?

BREWSTER: I agree that we must cooperate - to the utmost extent possible, within the limits of our resources and responsibilities to our own people. Our objective is to lift other peoples up - not to let ourselves down. I think every other country in the world will understand that.

PEPPER: But isn't it true by "lifting other peoples up", as you say, we help America too, by creating more customers and better customers for our own products?

BREWSTER: Yes, Senator Pepper, but a lot depends on how it's done. To maintain a strong, free America we've got to maintain our standards of living. We can't immediately lift all other nations up to our level in the economic sphere. The misleading doctrine that says we can do that may do harm in seeking to do good.

PEPPER: I don't know of anyone who says it can be done overnight. But as I see it, our own living standards are safe in the long run, only if those of other people are raised to a level nearer to ours than they are now. If we help others to buy, then we help ourselves to sell. In short, we will be helping others and ourselves at the same time.

FISHER: This is a little like the old question of which comes first - the chicken or the egg. Suppose we get down to cases, Senator Pepper. Let's take the economic issues that are up before Congress right now, and see where we come out on them.

PEPPER: Well, the most immediate issue is the reciprocal trade agreements bill. It will have to be renewed by June 12 or the whole program will lapse. Wouldn't you say that's the number one issue, Senator Brewster?

BREWSTER: Yes, that and the Bretton Woods proposals for an international bank and monetary fund. And then there's the matter of international aviation - the issues raised by the Chicago Conference last fall. There's a lot of interest in that last ~~issue~~ here on the Hill and all around the country. It's not up before the Senate because the Executive branch of the government arrogated to itself the right to make aviation policy. But a resolution on this subject is pending before the Senate Committee on Foreign Relations, and you're going to hear a lot more about it before we're through.

FISHER: You've gained quite a reputation as an expert on international aviation, Senator Brewster, what with having been a member of our delegation to the Chicago Conference on International Aviation.

BREWSTER: I can speak on that with some authority, Mr. Fisher, because I've followed the aviation picture very closely for a good many years.

FISHER: Let's take first things first, and begin with the reciprocal trade pacts. Senator Pepper, I know you've been interested in this method of lowering tariff barriers for a long time.

PEPPER: Yes, ^{it is} ~~this is~~ a basic part of our economic foreign policy. In fact, through reciprocal trade pacts we have made a great contribution to building up world trade. It's our own way of helping our people to sell more abroad and of helping other nations to buy more of what we have to sell.

FISHER: But what has it accomplished?

PEPPER: Well, we have made 28 separate trade agreements with other countries. In each one we make concessions, up to a 50 percent reduction of the tariff rates of 1934, when the first trade agreements act was passed. And in each and every case we got concessions in return. We cut tariffs on the things we buy, and they cut tariffs on the items we sell to them, and both parties profit.

FISHER: Why the objections to renewing the trade pacts, then? Senator Brewster, as a Republican you can probably cast some light on this.

BREWSTER: Renewal is not the issue. The proposed bill would do much more than renew the existing authority the State Department now has - that is, the power to cut tariff schedules up to 50 percent from the 1934 level. This bill proposes cuts up to 75 percent. That's where the rub comes. That's getting dangerously close to free trade. It would put us below the Underwood Tariff. It would endanger too many businesses.

PEPPER: Senator, remember we are talking about reducing the highest tariff bill in our history.... The Smoot-Hawley Tariff ~~Bill~~ ^{Act} ... so we would be a long way from ~~Free Trade~~ if we did reduce that Tariff ~~Bill~~ ^{Act} 75 percent. Furthermore, President Truman has given his full backing to the extension of the Trade Agreements Act as also the Bretton Woods proposals. They are both simply parts of our program of international cooperation so splendidly begun by President Roosevelt.

BREWSTER: The trade agreements already negotiated ^{will} ~~and~~ stay in effect, of course, ^{whatever happens.} And according to my information, about two-thirds of all schedules have been reduced, and about half of these have been cut the maximum of 50 percent. Cut them another 50 percent from their present levels and you have a 75 percent cut, ^{From} a weighted average of 48 percent our tariffs have now been cut to 33 percent. This proposal could carry it down to 16 percent.

PEPPER: Senator Brewster, passing the Trade Agreements Act doesn't reduce ~~existing~~ tariff rates 25 percent, 50 percent, or 75 percent. It simply gives the State Department, after full consultation with several other departments and public hearings, the authority to reduce tariff rates up to a maximum of 50 percent of what the rates in effect now are. But - and this is important - tariffs can be cut only when it is shown that the reduction proposed is in the public interest, everything considered. Now it's true that under the existing law about 42 percent of all tariffs -- by value of imports -- have been cut as much as 50 percent from the 1934 level. ^{But} Probably few of these would be cut the maximum of an additional 50 percent from their present level. ~~But if it would be in the public interest to do so, then authority should be given the Government to make those reductions, with the safeguards I mentioned.~~

FISHER: I take it, Senator Brewster is willing to see further reductions under the old Trade Agreement Act; but is there much room left for additional cuts within its limits?

BREWSTER: There's a lot of latitude left. About a third of the tariff schedules haven't been touched, and almost another third haven't been cut a full 50 percent.

PEPPER: Senator, we are dealing with a present situation - that is, with present tariff rates just as we were dealing with a factual situation when we passed the first Trade Agreement Act in 1934. If, in the public interest, we need to reduce any tariff up to 50 percent of what it now is, to give us an increased

PEPPER: (CON'T) foreign trade so as to help our people and to contribute to world stability and peace, that is what we must do and that's what the law proposes to authorize. Our best customers have been nations which have entered these Trade Agreements with us. We may want to make further trades with these countries, such as Britain and Canada, if it is proper to do so.

FISHER: You are arguing for a more fluid program, then, Senator Pepper?

PEPPER: Yes, always with the assurance that American interest will not be unduly affected.

BREWSTER: I don't think you can tell at this stage whether they will be affected. We are living in an abnormal period, and we ought to study the effects of present reductions carefully before we go any further. I am getting information on this now from the Tariff Commission. Whether or not lowering tariffs indiscriminately will promote prosperity in the United States or elsewhere remains to be demonstrated. Certainly the unsettled conditions of the past decade afford no fair test of tariff policy. During the past six years it would have made no difference in our economy whether we had prohibitive protective tariff or no tariff at all. Permitting American industry some period of freedom from the threat of change is essential for any sound recovery.

PEPPER: I don't think we can afford to wait. No tariffs will be reduced unless it is shown that it is in the public interest to do so. If we assume that increased trade means more jobs^s, and there's plenty of evidence that it does, we've got to act now if we don't want to see the veterans of this war selling apples on the street. We'll need to sell a lot more goods abroad than we ever did before the war if we want to keep our plants running at capacity and employ all of the returning veterans. ~~Even if free trade isn't possible now,~~ at least we ought to go as far as we can in selective reductions.

BREWSTER: Let us not, however, wipe out 5 to 10 million other American jobs in the process. Let's look before we leap. I'm thinking of the small manufacturer who may be put out of business by further tariff cuts.

PEPPER: We are not proposing to wipe out five to ten million other American jobs. We are trying to provide more jobs and if any proposed tariff reduction could be shown to wipe out any substantial amount of employment in this country, it probably would never be carried through. These agreements are not to hurt American business, they are to help American business and to provide more employment.

BREWSTER: That all sounds very fine, Senator Pepper. But it still doesn't help the business man who may be thrown out by lower tariffs.

PEPPER: As I said, Senator Brewster, reductions are made only where they won't do serious harm to American business. But I think we've got to see these things from the broader viewpoint. We won't have good business for anybody unless we have an expanding world trade. Secretary of Commerce Wallace estimated the other day that five million jobs will depend on our foreign trade after the war; and that in turn depends on the lowering of tariffs and trade barriers.

FISHER: What does all this mean to a potato farmer up in Maine? He sells his potatoes here at home.

PEPPER: Every automobile or vacuum cleaner or washing machine we sell abroad means more money for the factory workers to spend on Maine potatoes. And in return we get goods we need from abroad. The result is, living conditions go up on both ends of the deal. It's a two-way highway.

BREWSTER: Speaking of farmers, Senator Pepper, I've heard some complaints from farmers who say the tariff cuts have brought them competition. Potato growers up in Maine cannot maintain their present standard of living in competition with foreign producers.

PEPPER: I know one of the trade agreements made under the existing law was to allow certain fresh vegetables from Cuba to come into this country. Generally, these reductions ^{cover} ~~have been made~~ at seasons of the year when ~~the~~ Cuban vegetables don't compete directly with our vegetables, and that's as it should be. But in any case, our Florida vegetable growers have to remember ^{that} ~~that~~ if Cubans sell their vegetables over here they will take the money they get for the sale of these vegetables and buy radios and automobiles and that in turn will give jobs to American workmen so that they can buy fresh Florida vegetables. The net effect, then, is that the trade agreements really enlarge [↑] the American market.

FISHER: You gentlemen seem to be agreed that tariffs should be gradually reduced insofar as is possible without seriously hurting American business. The question is where the line should be drawn. One good thing about renewing this legislation every two or three years - it provides a liberal education on the tariff question for the layman.

PEPPER: And he needs it, Mr. Fisher. I saw a public opinion poll not long ago that showed only about one-quarter of the American people knew what a reciprocal trade pact is. "Reciprocal trade agreement" is a long name, and the subject is a little complicated, but when the people understand that these trade agreements are simply things to help Americans get markets and jobs, they will overwhelmingly support them.

BREWSTER: I am sure you will agree to let the people speak on that through their Congress.

PEPPER: Of course.

BREWSTER: On your point, Mr. Fisher, foreign policy has been a very [✓] vague term to the average American. I think you could say that Americans are more nearly illiterate on international problems, especially in the economic field, than any other civilized people on the earth.

FISHER: Well, we're trying to do something about that on this program, Senator Brewster. At least we're making a beginning. But now, with your permission, I'd like to go into the second major issue before Congress -- the Bretton Woods proposals. Perhaps you could define their scope, Senator Brewster.

BREWSTER: There are really two separate things proposed: A world bank through which the United Nations undertake the approve and guarantee private loans for economic reconstruction, especially in the war-torn countries, and a monetary stabilization fund, to stabilize currencies in relation to one another.

PEPPER: Their purpose, like that of the proposed reciprocal trade act extension, is to build an orderly postwar economic machine in the interests of increasing world trade. We fell down after the last war on this; each nation went its own way, and we got economic warfare, which had a lot to do with the present war, I'm convinced.

FISHER: Do you see it in the same way, Senator Brewster?

BREWSTER: We need some form of international financial machinery, yes, but Bretton Woods was proposed too soon; it may act as an irritant and interfere with our major objective, the setting up of peace machinery at San Francisco.

FISHER: You mean we ought to wait until the San Francisco Conference is over, and fit the financial machinery into that master plan?

BREWSTER: Yes. My interest in a world security organization leads me to desire to defer consideration of other controversial economic issues until that is finally approved. It would be tragic indeed if strong feelings aroused in the discussion of banks, or exchange, or aviation, or tariffs, or other subsidiary issues should endanger the approval of the agreements reached at San Francisco regarding a world security organization.

PEPPER: I believe that favorable action on the Bretton Woods proposals would give great impetus to the San Francisco conference. We'd be investing a comparatively small amount - less than 6 billion dollars - to insure orderly reconstruction and economic peace. We've got to have that. Europe has got to get back on its feet before it can buy from us again. In Warsaw there's not a house left undamaged. Other cities are almost as bad as that.

BREWSTER: But if the Bank and Fund proposed at Bretton Woods don't do the job, then you risk disillusionment and a reversion to isolationism. In other words, we must be careful. Let's use our resources with a maximum of wisdom. Let's make up for a budget for both domestic and foreign expenditures, as Senator Vandenburg has suggested, and see what we can do.

PEPPER: But, Senator, let's not forget that under the Bretton Woods plan we won't be spending any money -- we'll be investing it; the ~~xxx~~ international bank's main job is to guarantee loans, which in turn are guaranteed by the government of the country in which the loan is made. Eighty percent of the bank's capital would be available only for this purpose.

BREWSTER: That's true of the Bank, but not of the Fund. Most of the criticism is of the Fund.

FISHER: What's the objection there?

BREWSTER: For one thing, almost every country in the world will be trying to get U. S. dollars from the Fund. So the money we put in will go out, in exchange for money that's less stable than ours. And bad money always drives out good money.

PEPPER: There are good safeguards against that. Each country would have its own money invested in the fund to cover the currency it withdraws and the Fund's currency holdings would be guaranteed in terms of gold. In addition, no country would be allowed to do business with the Fund unless it could do so without impairing the strength of the Fund.

FISHER: What positive gains would we get out of the International Monetary Fund in your opinion?

PEPPER: Well, Mr Fisher, it would create order out of economic chaos. The way things have been for the past ten or twelve years, it's just as if Senator Brewster, if he came to Florida -- and I hope he will, we've got a fine winter climate down there, as you may have heard -- it's as if Senator Brewster came to Florida and had to change the money he brought from Maine into a different kind of currency -- Florida currency. And suppose, in addition, the rates of exchange were always going up or down, and the Senator had to get a special license every time he wanted to exchange Maine dollars to Florida dollars. You can imagine how much trade or travel we'd have among the States if that sort of condition prevailed.

BREWSTER: That's hardly a fair comparison, though, Senator Pepper. After all, the Monetary Fund doesn't set up a world currency. It only provides a central channel for exchange. I don't think anyone objects to that, in principle; it's a question of how it should be done -- through the Fund or through an International Bank or through more traditional channels.

FISHER: What, specifically, is the objection to the proposal for an International Bank, Senator Brewster?

BREWSTER: The feeling is that we put up the money, but we don't have full control over it. Many fear that the bank may be run by the borrowers.

FISHER: There should be more U. S. Control over it, you feel, then?

BREWSTER: Yes. I feel that the bank should be controlled by those who furnish its resources, as is our custom in America. We should have control over the approximately 30 percent of the funds we furnish.

PEPPER: It seems to me we are well safeguarded. In the monetary fund, our voting power is already set at 28 percent, which is greater than that of Britain and Russia combined. Under some circumstances it could rise as high as 35 percent.

FISHER: Senator Brewster, there has been a split among the bankers themselves on the Bretton Woods proposals, hasn't there?

BREWSTER: The American Bankers' Association came out for the Bank but opposed the Fund - or rather proposed to put the function of currency stabilization in the Bank itself.

PEPPER: As a matter of fact the big bankers are not really proposing to join the functioning of the bank and the fund; they really want to destroy the effectiveness of the fund by leaving out the heart of it. The heart of the whole proposal is an agreement among nations not to undertake various measures of economic warfare which is destructive of world trade and world peace.

FISHER: I understand, Senator Pepper, that some of the smaller bankers are supporting the whole Bretton Woods plan.

PEPPER: Yes, that's true. And more than 200 leading American economists are, too. They realize that if we don't support the Bretton Woods plan, ^{Mr. Fisher,} ~~Senator~~ ~~Pepper~~, the whole thing will fall through, since we are the number one financial power in the world today. Two years of work and planning, culminating in a world conference of 44 nations, will go down the drain.

FISHER: Would it be impossible to get another such conference?

PEPPER: Practically impossible. And there's no denying the defeat of this plan would impair our standing in the world; it would cast doubt on our sincerity, and encourage a return to isolationism and nationalism everywhere. We can't afford to let that happen.

FISHER: That's putting it strongly, Senator Pepper. But what about the proposals of the Committee for Economic Development? Could they be applied without killing the plan?

PEPPER: The CED, as I understand it, wants to leave the fund intact, to undertake short-period currency transactions, and have the International Bank handle any long-term loans to stabilize currencies.

FISHER: That's pretty stiff going, Senator Pepper.

PEPPER: Well, Mr. Fisher, let me put it this way: The Committee for Economic Development proposal is a constructive one. It could be put into effect without an amendment to the Bretton Woods agreement. But if the American Bankers Association has its way, the whole Bretton Woods plan is dead, and we're right back in the jungle of economic warfare, just to please a group of international bankers who really object to any control over their activities.

FISHER: Senator Brewster, you don't appear to be in complete agreement.

BREWSTER: What I object to as much as anything is the attempt that the Administration has made to railroad the Bretton Woods legislation through Congress. I think we should wait until we see what plan comes out of San Francisco, and then modify the Bretton Woods plan to fit the over-all political scheme.

FISHER: You think that the other nations will accept any reasonable revisions we propose at that time?

BREWSTER: I think believe so.

FISHER: You're not opposed to the Bretton Woods proposals in principle, then, Senator Brewster?

BREWSTER: Not at all. In Congress you will find that every vote of mine has been in favor of international economic cooperation. I was one of a little group of a dozen Republicans in the House who voted this way in the early days when it seemed to some like treason. I think we should aid other countries, but see to it that America's strength and influence are conserved for the most constructive purposes. America cannot prudently commit itself to vast post-war expenditures or loans for reconstruction and rehabilitation abroad until our situation here at home is somewhat clarified.

PEPPER: We're not committing ourselves to postwar expenditures. We're simply joining other nations in setting up a world bank which will serve world business, of which we will get a good share. And you can't get away from this fact! If we followed the wishes of the American Bankers' Association, we'd be saying to 43 other sovereign states: "our best experts agreed with your experts to set up a separate Bank and Fund. But now, one section of our banking community wants them to drop the principal functions of the Fund and take a chance on a renewal of economic warfare. So unless you 43 nations agree to their demand, we'll pull out."

FISHER: How much chance is there of that happening, Senator Pepper? How will the Senate vote on the Bretton Woods agreements?

PEPPER: They have an excellent chance of getting through, I believe. But the vote will be close. If we lose, we will lose an important part of the peace front. These agreements are one of the foundations of a lasting peace, by which we stand to gain as much as any country, for we must have world economic stability if we are to prosper. ~~We have the most to lose if we fail, don't forget. Look what happened to our economy after the last war.~~

FISHER: Now I think it's time to turn to Senator Brewster as the aviation expert, and find out a little about the controversy over what happened at the Chicago Conference. What were those five freedoms of the air we've heard so much about, Senator?

BREWSTER: Well, the first two freedoms are freedoms of innocent transit -- that is, freedom to fly over a country, and to stop for repairs and fuel but not to pick up passengers or cargo. There's not much controversy over those.

FISHER: You favor an international agreement covering these points?

BREWSTER: I have only one reservation, as far as this country is concerned -- Hawaii. If we open the Hawaiian Islands to air traffic from 54 countries, we run the danger of throwing their security away. We use Pearl Harbor as our airport and that means we would have to open it to all comers. I'm willing to agree to let allies and friends, like Britain and Russia and others, use it, but we shouldn't forget that Spain and Argentina may sign the agreement and get ~~access~~ access to it, too!

FISHER: Is that a very real danger? I shouldn't think Spain and Argentina would be likely to go in for extensive trans-Pacific airlines.

BREWSTER: Not today, perhaps, nor tomorrow, but they are subject to strong Axis influences, and its hard to predict what may happen ten years from now. The smaller countries may become satellites of some future aggressor nation. A hundred transport planes from one of the 50-odd nations might fly over some morning and blow Pearl Harbor to pieces.

PEPPER: Well, Senator, I don't agree with you about that at all -- The Japs didn't have an airline and all the privileges of using an airfield, and we know what they did on the day of infamy. We are going to want bases and geographical strategic points in the world -- for example the Azores in the Atlantic ocean.

FISHER: Senator Brewster, isn't the danger you speak of a long way in the future?

BREWSTER: Things move swiftly these days.

FISHER: What about the other three air freedoms?

BREWSTER: They are: freedom to bring in traffic by a reasonably direct route; freedom to take out traffic by similar routes; and freedom to put down or pick up traffic at any intermediate stop for any foreign country the plane touches. All put together, they add up to practically complete freedom of the air, exclusive of cabotage.

FISHER: Come again --what is cabotage?

BREWSTER: Strictly domestic air traffic, between two points inside a country. That's excluded.

FISHER: I take it, then, you don't favor blanket adoption of any of the five air freedoms.

BREWSTER: No, taken together, they would open the United States to cutthroat air competition on an unheard-of ^{scale}, and I'm convinced this would result in wiping out American international air traffic. And 80 percent of all international air traffic originates in the United States or consists of American passengers and cargo. We'd be trading that 80 percent for concessions from nations that furnish only 20 percent of the traffic.

PEPPER: Senator, remember that in the ~~International~~ organization all nations ~~are~~ *will be* sovereign. They are not going to give us the right to fly American planes to their countries unless we give them the right to fly planes to our country. ~~The argument that we will not let foreign planes come in here is a companion argument to high tariffs and isolation. When you get to the root of it, we~~ are not giving away anything in developing a great world air commerce, for we will always get our share of world trade and hold our own in any kind of world competition.

FISHER: Senator Brewster, will we be able to hold our own in competition with other nations? Can't we make better planes faster than any other country?

BREWSTER: The catch there is, long-distance aviation is not a mass-production affair. Planes must be tailored to order. Best opinion indicates that ¹⁷ transport planes will be able to handle all the normal peacetime traffic across the North Atlantic.

PEPPER:

I know, Senator, that Mr. Juan Trippe made some such statement before our Committee. But who can tell whether the traffic is going to flow in a few big planes, or in a very much larger number of smaller planes? And who can tell what the volume of the air travel will be in the future? I believe we are entering upon an age of the air and that air travel cannot be compared to any other travel experience.

BREWSTER:

I agree, we're entering an air age. But let's be realistic about it; let's not have any illusions about great fleets of airlines going into use right after the war.

FISHER:

What about the factor of quality, Senator Brewster? Can't we compete with any nation in manufacturing modern streamlined planes?

BREWSTER:

Well, Mr. Fisher, the British make some of the world's best plane engines -- Rolls Royce -- and jet propulsion is just around the corner. The British are playing it safe. At Chicago they even exempted Newfoundland in advance from any agreements they may sign, and that's a key base on our North Atlantic route.

PEPPER:

Senator, I am sure I remember that the British first exempted Newfoundland, but that now, with Newfoundland's concurrence, they have cancelled that reservation.

FISHER:

What positive steps do you advocate, Senator Brewster?

BREWSTER:

I think we should make separate agreements with Britain, Russia, France, and China, to begin with. That would give us access to the principal land masses of the world -- these countries control the great bulk of the world's area. But we shouldn't issue a blanket invitation to all 54 nations, not yet, at any rate.

FISHER:

Even though each of these agreements is subject to ~~some~~ cancellation within one year?

BREWSTER: That's true, but it would be difficult to cancel them once they are made.

PEPPER: Yes, but we would know and they would know at the outset that each party to the agreement would have the right to get out. We all recognize this is an experiment, and adjustments may be needed after an experiment.

FISHER: Senator Brewster, how many other countries have accepted the air freedoms up till now?

BREWSTER: Well, so far only 3 countries besides our own have accepted all five air freedoms, and our acceptance was of doubtful validity, to say the least, since it was by executive order. I maintain it should only be made by a treaty, on which the Senate must pass.

PEPPER: Senator, I know you have urged that these agreements should be in the form of treaties before the Foreign Relations Committee; but as a member of that committee I think I can say that in its opinion, it was within the power of the Executive Branch of the Government to accept these agreements for this government.

FISHER: But to get back to the air freedoms: aside from this country and three others, Senator Brewster, how many countries have officially adopted any of the freedoms?

BREWSTER: Four other countries have accepted the first two freedoms officially, Mr. Fisher, and some of them have made reservations. That's all.

PEPPER: But it must be remembered, Senator, that at Chicago, ~~that~~ a total of 24 nations signed the five freedoms agreements and 38 nations signed the two freedoms agreement. I believe that the question of acceptance in most cases will simply be a formal matter to be handled by the various governments as soon as they get to it.

BREWSTER: That's an open question, Senator Pepper.

PEPPER: Senator Brewster, I have just been reading an article by one of your fellow Republicans who takes a very different stand on this question.

BREWSTER: An article by whom?

PEPPER: By Harold E. Stassen, of Minnesota, a delegate to the San Francisco conference. He points out that we have got to recognize certain principles of cutthroat international control, or face ~~subliminal~~ competition, economic warfare, and eventually perhaps, another military war.

BREWSTER: I have read that article, too. Mr Stassen urges an international civil aeronautics board to control all international air traffic as to routes and rates and frequencies. That proposal was sponsored at Chicago by the British and Canadians but there was not a single American delegate from any department of our government who did not oppose it ~~vigorously~~ vigorously as subjecting all American international aviation to foreign control.

PEPPER: Mr Stassen advocates a cooperative international system of control, as I understand it. He believes in sharing international aviation among all nations that have a fair claim to it. You wouldn't maintain that we should hang on to all of the 80 percent of international air traffic that comes from America, would you, Senator Brewster?

BREWSTER: No, but we should plan on a most substantial share. Say 30 or 40 percent of the air traffic reserved for our planes would perhaps be a reasonable figure. We can insure this much by making separate agreements with the major powers. We've got to recognize the rights of Britain and Russia to a fair share. During a transitional period the smaller nations may properly recognize our primary responsibility in the keeping of the peace -- which is dependent on air power. As the skies clear and the traffic grows, airlines from other countries may expect to come in for their fair share in American traffic.

PEPPER: It seems to me that we should try to establish as much air freedom as possible, and as soon as possible. And as Mr. Stassen said, we must have some sort of Commission to supervise air travel. That's the only way to insure fair rates, safety and hygiene provisions, and an orderly allocation of routes.

BREWSTER: I think much the same thing can be accomplished through bilateral agreements -- without endangering America's position in the air.

FISHER: Let's see where we come out on all this. We seem to have substantial agreement in principle on the first two issues: you both favor reducing unnecessary tariff barriers and establishing some form of international monetary controls. You differ on their form, and how fast they should be brought about. Senator Pepper favors immediate action on both questions now to prepare for the postwar period, while the war is still on. Senator Brewster wants to wait a while, until we see how things shape up at San Francisco and after VE Day. Both of you feel that we must work out some arrangement with other nations to divide the world's air traffic; but Senator Brewster ~~maxx~~ favors separate agreements with each of our allies and opposes adopting any kind of blanket air freedom at this time, while Senator Pepper supports the five freedoms agreements drawn up at Chicago.

BREWSTER: My whole point is we've got to consider American interests first. Only a strong America can continue to help the world. In the difficult and uncertain post war days America must retain a free hand to preserve just a strong America as a prerequisite to continuing to assist the world. No greater disservice to humanity could be rendered than to destroy the high standards of living in America in a mistaken impression that we should ~~try~~ thereby help the world. Pulling ourselves down is not the way to keep others up. The only true progress will be found in helping others to help themselves. Other countries with vast material resources may well emulate the amazing development of America in this last century if their people will but follow the trail that America has blazed.

PEPPER:

Of course, we're both thinking about what's best for America. I'm not talking about charity here; I'm talking about good business. The only way America can be strong is to help create sound economic conditions in the world. That also is the only way we can keep world peace. The best way to protect America is to think and act in terms of international cooperation rather than of America first, and each nation against every other nation. ~~PEPPER:~~ Bretton Woods and reciprocal trade pacts and international aviation agreements -- as well as the over-all United Nations organization which we hope will come out of San Francisco -- all these are parts of the battle we are waging on many fronts for peace and prosperity.

ANNOUNCER:

That was Senator Claude Pepper of Florida. With him was Senator Owen Brewster of Maine. The Senators have been discussing Foreign Economic Issues before Congress with Mr Sterling Fisher, director of the N B C University of the Air. The discussion was adopted for radio by Selden Menefee...This was the tenth of a series entitled Our Foreign Policy. Copies of the broadcasts are available without charge. Just write to NBC University of the Air, Radio City, New York, 20, N.Y. NBC also invites your comments and criticisms.

Next week at this same time we expect to broadcast from San Francisco. NBC will invite members of the American delegation to the United Nations Conference to the microphone each week, starting with Representative Sol Bloom, Chairman of the House Foreign Affairs Committee, and Charles A. Eaton, ranking Republican member of the Committee. They will answer such questions as these:

VOICE # 1:

What's happening at the San Francisco Conference?

VOICE # 2:

What sorts of problems are they up against?

VOICE # 1:

Will they succeed in making the world organization a real and fitting memorial to President Roosevelt?

ANNOUNCER:

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