

be released to operate fully for the general benefit. They are not regarded as final and perfect, but as a working basis for discussion and, I hope, for international action in the near future.

It is important that international agreement on the range of questions covered by these proposals be reached soon. All countries are faced by serious commercial problems and are taking action on them every day. Unless they act together, they will act at cross purposes and may well do serious damage to each other. But if they do act together, there is every possibility that the peoples of the world may enjoy, in our lifetime, a higher degree of prosperity and welfare than they have ever had before. Powers of production are now the greatest that the world has known. To bring them into play requires agreement on principles of exchange and distribution which will permit trade, production, employment, and consumption all to expand together.

I therefore recommend that these proposals be published as a basis of discussion and I would hope that such discussion might lead to an International Conference on Trade and Employment, to meet under the sponsorship of the United Nations, not later than the summer of 1946.

Respectfully,

WILLIAM L. CLAYTON,
Assistant Secretary of State.

EXPANSION OF WORLD TRADE AND EMPLOYMENT

ANALYSIS OF THE PROPOSALS

The main prize of the victory of the United Nations is a limited and temporary power to establish the kind of world we want to live in.

That power is limited by what exists and by what can be agreed on. Human institutions are conservative; only within limits can they be moved by conscious choice. But after a great war some power of choice exists; it is important that the United Nations use it wisely.

The fundamental choice is whether countries will struggle against each other for wealth and power, or work together for security and mutual advantage. That choice was made in principle at San Francisco and has since been ratified by the overwhelming majority of the governments concerned. The business of the immediate future is to give that decision the necessary body of common institutions and so to support those institutions that the experiment may succeed.

Success requires that the United Nations work together in every field of common interest, in particular the economic. The experience of cooperation in the task of earning a living promotes both the habit and the techniques of common effort and helps make permanent the mutual confidence on which the peace depends. The United Nations have therefore created not only an Economic and Social Council but special bodies to help them work together on many practical matters. Already there exist, or are in process of creation, agencies to deal with emergency relief, with currency, with international investment, with civil aviation, with labour, and with food and agriculture.

The United Nations should also endeavor to harmonize their policies with respect to international trade and employment. An International Trade Organization is still to be created. To this end, it is now proposed that an International Conference on Trade and Employment should be called by the United Nations, to meet not later than the summer of 1946.

The common interests of countries in world trade are obvious. Science and technology have enormously increased the productive powers of man. Limits upon human welfare are imposed today, not by the ultimate poverty