

In spite of all the benefits given and received—and they have been many, the United States is getting weary of carrying this heavy burden. For the taxpayers of that country to produce in 1950 the staggering amount of two billion seven hundred million dollars for Marshall Aid payments is no small accomplishment, even for a country as large and as highly industrialized as is the United States. Through their elected representatives in Congress and in the Senate they have served notice on the world that these benefits will stop in 1952. It was hoped that by that time the world would have sufficiently recovered from the dislocation and the destruction caused by the war to again resume its peace time economy. However optimistic we may be, and most of us like to be optimists, we cannot help wondering if this is likely to be so. If it is not so, and the world economic and trading position worsens because of the withdrawal of Marshall Aid the consequences are terrible to contemplate. They are, or seem to be, world depression followed by war and/or universal communism.

The present re-armament programme will no doubt temporarily remove the need for a more permanent substitute for Marshall Aid when that programme ends in 1952. Re-armament will be effective to accomplish this purpose, however, only so long as the re-armament programme itself continues. When re-armament comes to an end, and it must end reasonably soon, unless further necessitated by a third world war, a substitute for this artificial stimulus to international and to domestic trade must be found.

Everyone will probably agree that the United States have been carrying the whole burden which Marshall Aid has entailed long enough. They have now indicated that they are about to lay it down. The question is, who can and will pick the burden up. It is evident that this burden is too heavy for any one country to assume alone, but perhaps it can be carried jointly by a few countries or shared by many. Approximately three billion U.S. dollars is a lot of money to be produced by any group of countries, let alone by one country. Nevertheless as we have seen there are real advantages to be obtained and real benefits to be conferred by a continuance of Marshall Aid or a substitute for it.

The great benefit returned to a creditor country like the United States is that by giving Marshall Aid dollars to a debtor country like Italy or France those debtor countries can buy and pay for manufactured goods of United States production. The gift creates trade and trade creates employment and prosperity in the trading countries. Perhaps the greatest benefit conferred by Marshall Aid is the trade which it creates and the employment and prosperity that follows as a natural consequence of that trade. To create or encourage trade, two conditions are necessary between trading countries—the ability and willingness to buy, as well as the ability and willingness to sell.

The ability to buy often depends on the ability to sell. International trade in all essentials is an exchange of goods for goods, rather than an exchange of goods for money. The ability to sell, in turn depends on the ability to compete. It goes without saying that goods which sell must be competitive as to both quality and price. As between trading countries the cost of competitive or comparable goods will differ, and perhaps will reflect differences in wage or production costs between trading countries. For the purpose of equalizing these differences in production costs between countries, an international scientific tariff based on national wage levels might well be considered as a substitute for Marshall Aid.

Marshall Aid created the ability to buy in debtor countries but did not of itself create ability to sell. A more lasting benefit might be conferred on the world at this time, when it is most needed, by an international tariff or trading structure that will create both ability to buy and to sell. This may sound impractical to some, but actually there is nothing impractical in the idea.