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JAMES F. BYRNES ON ATOMIC ENERGY AND INTERNATIONAL TRADE

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...From the day the first bomb fell on Hiroshima, one thing has been clear to all of us. The civilized world cannot survive an atomic war.

This is the challenge to our generation. To meet it we must let our minds be bold. At the same time we must not imagine wishfully that overnight there can arise full-grown a world government wise and strong enough to protect all of us and tolerant and democratic enough to command our willing loyalty.

If we are to preserve the continuity of civilized life, we must work with the materials at hand, improving and adding to existing institutions until they can meet the stern test of our time.

Accordingly, the President of the United States and the Prime Ministers of Great Britain and Canada-the partners in the historic scientific and engineering undertaking that resulted in the release of atomic energy-have taken the first step in an effort to rescue the world from a desperate armament race.

In their statement, they declared their willingness to make immediate arrangements for the exchange of basic scientific information for peaceful purposes. Much of this kind of basic information essential to the development of atomic energy has already been disseminated. We shall continue to make such information available.

In addition to these immediate proposals the conference recommended that at the earliest practicable date a Commission should be established under the United Nations Organization. This can be done within sixty days.

It would be the duty of this Commission to draft recommendations for extending the international exchange of basic scientific information for peaceful purposes, for the control of atomic energy to the extent necessary to insure its use only for peaceful purposes, and for the elimination from national armaments of atomic weapons and of all other weapons adaptable to mass destruction.

The Commission would recommend effective safeguards by way of inspection or other means to protect complying states against the hazards of violations and evasions.

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Such protection would be afforded by having the work proceed by stages.

As a starting point the Commission might recommend the wide exchange of scientists and scientific information. The next step might be the sharing of knowledge about the raw materials necessary to the release of atomic energy.

The successful completion of each stage would develop the confidence to proceed to the next stage.

A very serious question arises, however, when we reach the stage of exchanging detailed information about the practical industrial application of atomic energy. The thought to be borne in mind here is that up to a certain rather advanced point, the so-called know-how of production is the same whether atomic energy is to be stored in bombs or harnessed as power for a peaceful industrial purpose.

And so it was necessary for the conferees to determine in the light of this fact, how soon information concerning the practical application of atomic energy should be disseminated.

Only one answer was possible. Until effective safeguards can be developed, in the form of international inspection or otherwise, the secrets of production know-how must be held, in the words of the President, as a sacred trust—a trust in the exercise of which we are already under definite international obligation.

Under the charter of the United Nations we have pledged ourselves not to use force except in support of the purposes and principles of the charter. The suggestion that we are using the atomic bomb as a diplomatic or military threat against any nation is not only untrue in fact but is a wholly unwarranted reflection upon the American Government and people.

It is one of the inherent characteristics of our democracy that we can fight a war only with the genuine consent of our people. No President in the absence of a declaration of war by the Congress could authorize an atomic bombing without running the risk of impeachment.

No one who knows the peace-loving temper of our people can believe that our Congress would adopt a declaration of war contrary to our solemnly undertaken obligations under the United Nations Charter.

The history of 1914 to 1917 and of 1939 to 1941 is convincing proof of the slowness of Congress to declare war. There

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is surely no reason to believe that it would be more eager to engage in a future war more terrible than any we have known.

While we consider it proper and necessary, therefore, to continue for a time to hold these production secrets in trust, this period need not be unnecessarily prolonged.

As experience demonstrates that the sharing of information is full and unreserved, it is to be hoped that the exchange for peaceful purposes, can be extended to some and eventually to all the practical applications of atomic energy and of other scientific discoveries. This is the objective we seek.

It is our purpose and grave duty to act in our relations with other nations with the boldness and generosity that the atomic age demands of us. No officials of government have ever been called upon to make a decision fraught with more serious consequences. We must act. But we will act in a manner that will not undermine our safety or the safety of the world.

Our declaration of willingness to exchange immediately the basic scientific information and our plans for the setting up of a Commission under United Nations sponsorship have been sent by me to members of the United Nations Organization. We look forward to their cooperation.

No one appreciates more keenly than those who have advanced these proposals that they represent a very modest first step in what is certain to prove a long and difficult journey. I wish to emphasize our conviction that the creation and development of safeguards to protect us all from unspeakable destruction is not the exclusive responsibility of the United States or Great Britain or Canada. It is the responsibility of all governments.

Without the united effort and unremitting cooperation of all the nations of the world, there will be no enduring and effective protection against the atomic bomb. There will be no protection against bacteriological warfare, an even more frightful method of human destruction.

Atomic energy is a new instrument that has been given to man. He may use it to destroy himself and a civilization which centuries of sweat and toil and blood have built. Or he may use it to win for himself new dignity and a better and more abundant life.

If we can move gradually but surely toward free and unlimited exchange of scientific and industrial information, to control and perhaps eventually to eliminate the manufacture of

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atomic weapons and other weapons capable of mass destruction, we will have progressed toward achieving freedom from fear.

But it is not enough to banish atomic or bacteriological warfare. We must banish war. To that great goal of humanity we must ever rededicate our hearts and strength.

To help us move toward that goal we must guard not only against military threats to world security but economic threats to world well-being.

Political peace and economic warfare cannot long exist together. If we are going to have peace in this world, we must learn to live together and work together. We must be able to do business together.

Nations that will not do business with one another or try to exclude one another from doing business with other countries are not likely in the long run to be good neighbors.

Trade blackouts, just as much as other types of blackouts, breed distrust and disunity. Business relations bring nations and their peoples closer together and, perhaps more than anything else, promote good will and determination for peace.

Many of the existing restrictions on world trade result from present day conditions and practices, largely growing out of the war.

Many countries, and not least Great Britain, had to sacrifice their foreign earning power to win the war. They have sold most of their foreign stocks and bonds, borrowed heavily abroad, let their foreign commerce go, and lost ships and factories to enemy attack.

Their needs for foreign goods are great and pressing but they lack foreign exchange, that is, purchasing power to buy abroad. Without aid they cannot see their way to buy as they used to abroad, not to speak of the

additional things they need from abroad to rehabilitate their shattered and devastated economies.

In a situation of this kind what can a country do? It can seek to borrow currencies it needs, which will enable it to apply the liberal principles of trade which must be the basis of any permanent prosperity.

Or it can draw in its belt. It can reduce the standard of living of its people, conserve in every way the foreign currencies that it finds hard to get, and transfer its foreign trade by Government decree to countries whose currencies are easier to obtain.

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In the latter way lies increased discrimination and the division of the commerce of the world into exclusive blocs. We cannot oppose exclusive blocs if we do not help remove the conditions which impel other nations, often against their will, to create them.

We must not only oppose these exclusive trading blocs but we must also cooperate with other nations in removing conditions which breed discrimination in world trade.

Whatever foreign loans we make will of course increase the markets for American products, for in the long run the dollars we lend can be spent only in this country.

The countries devastated by the war want to get back to work. They want to get back to production which will enable them to support themselves. When they can do this, they will buy goods from us. America, in helping them, will be helping herself.

We cannot play Santa Claus to the world but we can make loans to governments whose credit is good, provided such governments will make changes in commercial policies which will make it possible for us to increase our trade with them.

In addition to loans, lend-lease settlements, and the disposal of our surplus war materials, we have been discussing with Great Britain the principle of commercial relations-principles we want to see applied by all nations in the postwar world.

These are the same liberal principles which my friend and predecessor, Cordell Hull, urged for so many years.

They are based on the conviction that what matters most in trade is not the buttressing of particular competitive positions, but the increase of productive employment, the increase of production, and the increase of general prosperity.

The reasons for poverty and hunger are no longer the stinginess of nature. Modern knowledge makes it technically possible for mankind to produce enough good things to go around. The world's present capacity to produce gives it the greatest opportunity in history to increase the standards of living for all peoples of the world.

Trade between countries is one of the greatest forces leading to the fuller use of these tremendously expanded productive powers. But the world will lose this opportunity to improve the lot of her peoples if their countries do not learn to trade as neighbors and friends. If we are going to have a real people's

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peace, world trade cannot be throttled by burdensome restrictions.

Some of these restrictions are imposed by Government decree; others by private combination. They must be removed if we are to have full employment.

To do this it will be necessary to agree upon some general rules, and to apply them in detail. We shall shortly submit to the peoples of the world our views about these matters.

We intend to propose that commercial quotas and embargoes be restricted to a few really necessary cases, and that discrimination in their application be avoided.

We intend to propose that tariffs be reduced and tariff preferences be eliminated. The Trade Agreements Act is our standing offer to negotiate to that end.

We intend to propose that subsidies, in general, should be the subject of international discussion, and that subsidies on exports should be confined to exceptional cases, under general rules, as soon as the period of emergency adjustment is over.

We intend to propose that governments conducting public enterprises in foreign trade should agree to give fair treatment to the commerce of all friendly states, that they should make their purchases and sales on purely economic grounds, and that they should avoid using a monopoly of imports to give excessive protection to their own producers.

We intend to propose that international cartels and monopolies should be prevented by international action from restricting the commerce of the world.

We intend to propose that the special problems of the great primary commodities should be studied internationally, and that consuming countries should have an equal voice with producing countries in whatever decisions may be made.

We intend to propose that the efforts of all countries to maintain full and regular employment should be guided by the rule that no country should solve its domestic problems by measures that would prevent the expansion of world trade, and no country is at liberty to export its unemployment to its neighbors.

We intend to propose that an International Trade Organization be created, under the Economic and Social Council, as an integral part of the structure of the United Nations.

We intend to propose that the United Nations call an International Conference on Trade and Employment to deal with all these problems.

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In preparation for that Conference we intend to go forward with actual negotiations with several countries for the reduction of trade barriers, under the Reciprocal Trade Agreements Act.

Just when these negotiations will commence has not been determined. They will be announced in the usual way, as required by the Act, and due notice will be given in order that all interested persons may be heard before the detailed offers to be made by the United States are settled.

Success in those negotiations will be the soundest preparation for the general Conference we hope will be called

by the United Nations Organization.

By proposing that the United Nations Organization appoint a commission to consider the subject of atomic energy and by proposing that the Organization likewise call a conference to enable nations to consider the problems of international trade, we demonstrate our confidence in that Organization as an effective instrumentality for world cooperation and world peace.

After the First World War we rejected the plea of Woodrow Wilson and refused to join the League of Nations. Our action contributed to the ineffectiveness of the League.

Now the situation is different. We have sponsored the United Nations Organization. We are giving it our wholehearted and enthusiastic support. We recognize our responsibility in the affairs of the world. We shall not evade that responsibility.

With other nations of the world we shall walk hand in hand in the paths of peace in the hope that all peoples can find freedom from fear and freedom from want.