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### OUR JOB IN GERMANY TODAY

Mr. Szymczak gave a talk over the Washington radio station WIIX on May 23, 1947, 8:30 p.m., on the subject "Our Job in Germany". The summary of the highlights of his radio address follows.

American policy in Germany aims at economic unification, according to the provisions of the Potsdam Agreement. In the short run, food continues to be the central question. The occupation authorities have been able to avoid in the American zone not only starvation but also serious deterioration in public health. The present official ration of 1,550 calories daily for the average consumer, however, is more than one-fourth below the minimum necessary to ensure the maintenance of public health in the long run. Even so, the ration has been furnished only by importing into the zone from abroad foodstuffs equal to 60 per cent of domestic production.

Military government is also facilitating German efforts to rebuild at least part of their industrial system. This may be difficult to understand in view of the part played by German industry in the history of German aggression. The reconstruction of German peaceful industries is necessary, however, to prevent Germany from remaining a source of perpetual unrest in Europe, to aid in the recovery of our allies, and to enable Germany to become self-supporting in international trade. At present, production is somewhat smaller than in the fall of 1946 because of the exceptional severity of the last winter which disrupted transportation and production all over Europe. It is much larger, however, than a year ago, and the output of several important consumer foods industries is expected to reach prewar levels by 1948.

Economic rehabilitation is hampered by the difficult currency situation. Money in circulation increased during the war to six times the prewar level, and the extreme scarcity of goods adds to the danger of inflation. The occupying powers have been able to prevent official prices and wages from rising seriously, but only the meager rations are available at legal prices. In the long run, the disparity between the supply of money and goods cannot be maintained. Currency reform is under consideration by the four occupying powers, but if uniform action is not forthcoming, the advantages and disadvantages of separate action by the government of the combined American and British zones must be weighed.

Peaceful reconstruction of Germany also depends upon the integration of the German economy in the network of international trade. Imports into the American zone have consisted mainly of foodstuffs and other essential goods necessary to avoid disease and unrest among the population. Military government also arranged for the importation of cotton and other raw materials to be processed in Germany. A new cotton program is now being discussed in Germany by American cotton shippers and Export-Import Bank representatives with Military Government officials. Part of the finished goods are being exported to pay for imports, and the

rest becomes available to the domestic economy. Other raw materials imported are used for production for export only. The economic merger of the American and British zones will make possible a more ambitious program, and present plans call for putting the merged zones on a self-sustaining basis by the end of 1949. The American taxpayer is particularly interested in having the merged zones evolve an export-import balance because only thus can the merged zones pay for the importation of the foodstuffs required to avoid starvation.

Our stake in the economic recovery of Germany, however, is greater than our interest in receiving payment for our supplies to Germany. We want peace. In order to have peace we must have economic stability in Europe. This means economic stability in Germany. At the same time we are striking at the seeds of aggression in Germany by decentralization of the country not only politically but also economically. Measures to that end are now in effect. That is our long range objective.