

Recorded interview by
Governor M. S. Szymczak for
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April 11, 1951
(Interview was recorded in Polish)

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SPECIAL EVENT - INTERVIEW WITH MR. M. S. SZYMCHAK

ANNOUNCER:

In our program today we are bringing you from Washington an interview with Mr. Mieczyslaw Szymczak, Member of the Federal Reserve Board, chief banking institution in the United States, by Mr. Zygmunt Litynski, Polish author and journalist, who was with BBC during the war in London, special representative of Radio Free Europe

MR. LITYNSKI:

In the first place, Radio Free Europe wants to explain who Mr. Szymczak is and why we have invited him to speak to our listeners about the American economy.

For us, free people in the West, it seems absurd and therefore futile to compare Bolshevik barbarian economy with American economy. Nevertheless, as Poland is becoming more and more isolated from the civilized world on the other side of the Iron Curtain, we consider that it is our principal duty to repeat some fundamental truths in our broadcasts to you however obvious they may seem to be. That is why Radio Free Europe has asked Mr. Szymczak to discuss American economy which is described by such papers as "Trybuna Ludowa" or "Sztandar Mlodych" as a "decayed economy".

Owing to his high position, Mr. Szymczak must be regarded as one of the most competent men to speak about American economic affairs. He has been for 18 years one of the seven Governors of the Federal Reserve Board. The Federal Reserve Bank is a government institution whose object is not only to issue money but also to regulate the entire American banking system. The Federal Reserve System has helped the U. S. Government to win two world wars. Through twelve regional banks the Federal Reserve Bank regulates credit activities and thus influences American industry, agriculture and commerce - in short, all fields of the economic life of the United States.

Radio Free Europe wants to draw your attention here to one particular difference between a totalitarian and a truly democratic system. In the present totalitarian Poland the key positions are distributed by the Government which is controlled by the Polish Politburo, which, in turn, is blindly dependent on the Soviet Politburo. Appointments therefore are made according to the interests of the Russian clique at the Kremlin. The Governors of the Federal Reserve Board, on the other hand,

MR. LITYNSKI: are appointed by the President with the approval, however,
CONT'D of the Senate. In the final analysis, then, their appointment lies with the voters, viz. American citizens whose interests are taken care of by the Federal Reserve System.

Before Mr. Szymczak delivers his talk, Radio Free Europe would like to mention that this high-ranking American dignitary is an American of Polish origin whose parents of peasant origin emigrated from Posnen, near Bydgoszcz and arrived in this country in the 1850s. Mr. Szymczak was born and educated in Chicago. Two university degrees and a long list of titles and honors which I shall not read as it takes a whole typewritten sheet, bear witness to his exceptional qualifications and industry. We shall only mention that he has been a university professor, and an economic director of the American administration in Germany, and that, in 1944, he represented in London the American Economic Administration Abroad in connection with Belgian reconstruction plan.

Well, Sir, would you tell please our Polish listeners in Poland what they are not permitted to know: what is and what is not the U. S. economic system.

MR. SZYMCHAK: To start with I should like to thank Radio Free Europe for having invited me to make this broadcast. Poland will always remain my second country and I deeply feel her hardships which I consider to be one of the greatest tragedies in the world. We in America are so strongly attached to the idea of freedom and are so used to the idea that everyone has the right to develop freely that we simply cannot understand how an entire people can be held in bonds, isolated from the rest of the world as in a condemned cell. This crime is too provocative to last forever. Therefore, I do not lose hope for a moment that bad times will end, perhaps sooner than many people think. Before this happens, however, it is of the utmost importance that the Polish people should not lose contact with the civilized West to which they belong and to which they shall return. If my talk contributes, even in some measure, to the maintenance of this contact, I shall consider that I have carried out an important task.

You have put to me a somewhat general question "what is and what is not the American economic system?" If you would read the Communist press you might think that our economy is in a state of such decay that bankers in Wall Street are hurriedly creating atomic bombs to destroy the world and save themselves from ultimate bankruptcy. Let us speak seriously however. It is not possible to describe the economic situation of a country without using figures, statistical data. The figures which I am going to mention speak for themselves: they show that the United States is in a period of hitherto unknown economic prosperity.

MR. LITYNSKI:

May I interrupt you for a moment? As people in Bolshevik-occupied Poland have become accustomed to false statistics, perhaps it would be worth while to tell the listeners of Radio Free Europe in a few words, what is the difference between American and Communist statistical data?

MR. SZYMCZAK:

The answer is quite simple. It is not conceivable that statistics could be falsified in our country, as every citizen has access to authentic sources on which our computations are based. Owing to this fact there are, beside official statistics, private returns which are published by various private bodies: banks, insurance companies, industrial, commercial and agricultural organizations, labor unions, etc. Every inaccurate figure would immediately be challenged and the matter publicly discussed. And, as I have already mentioned, figures show that, contrary to Communist propaganda, our present economic expansion and prosperity cannot be compared with anything in world history. It would be useful for our listeners in Poland to keep in mind some of the following statistical facts.

In 1950, American production reached the record figure of \$279,800 million that is $2\frac{1}{2}$ times as much as 10 years ago, and over 7 times as much as in 1910.

MR. LITYNSKI:

The sum of \$279,800 million represents 1,120,000 million zlotys. At the unofficial rate, which actually comes closer to the real value, the figures of American production amount to almost two thousand billion zlotys.

MR. SZYMCZAK:

And here are other statistical facts which are worth while mentioning. The 60 million Americans who were employed in American production last year, worked on the average $40\frac{1}{2}$ hours weekly. Their average wages amounted to \$1.46 an hour.

MR. LITYNSKI:

\$1.46 represents almost 6 zlotys an hour, i.e. American workers, working $40\frac{1}{2}$ hours per week, earn on the average 970 zlotys per month.

MR. SZYMCZAK:

These figures illustrate our production and the rate of our wages and they answer, I think, much better than long speeches, to your question "what is American economy and what is not?" This American economy is a highly successful attempt to organize our production and the distribution of our wealth not for the benefit of a clique but for the benefit of the entire nation and even for that of peoples far beyond the frontiers of our country. This system has permitted us to build our domestic production on a colossal scale and to raise, at the same time, the standard of living of our citizens; it has also allowed us to grant tremendous sums disinterestedly

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MR. SZYMCAK:
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to countries devastated by the war. It is enough to recall that during the last five years America spent \$30,838 million (150,000 million zlotys) on aid to foreign countries for reconstruction purposes.

These figures show how much our economic system differs from a system based on slave labor, on disregard of human dignity by keeping workers chained to their places of employment which they cannot leave or change. These figures also show how far we are from the Stakhanovite system, this perfidious method of urging men to work beyond their strength under the pretext of pseudo-ideological mirages, but really because Stalin needs Polish goods and does not need healthy Poles.

MR. LITYNSKI:

Would you tell us, in a few words, about the role of trade unions in American economic life. As you certainly know, in Poland today trade unions are a mere fiction as they are completely subject to the orders of the Politburo. A Polish worker who has gone on strike is punished with imprisonment at the best, or with deportation to a death camp in Kolyma if his offense is more serious.

MR. SZYMCAK:

The existence of a strong and independent trade union movement in our country shows how strong and vigorous our democracy is. Our trade unions were able to develop because our workers have freedom of organization in order to defend their interests. Agreements between employers and workers are based on collective bargaining guaranteed by legislation. The settlement of differences by way of collective discussion has been very beneficial to the workers. Working conditions and wages are steadily improving. The standard of living of American workers is the highest in the world. The 8-hour day and the forty-hour week, together with additional payment for overtime are generally accepted. Leave with pay, medical care, life insurance and old-age pensions are becoming an integral part of agreements negotiated between employers and wage earners. The right to strike is included in the terms of collective bargaining thus strengthening the worker's position with regard to the employer and bringing many concessions to the Labor Unions. In spite of this, and this is very significant, production is not impaired by them. Losses in work hours occasioned by strikes amounted to about one-half of one percent during the last four years.

It seems to me that I have answered your question plainly enough. Let the Communists tell their stories about the corruption of our economic system. This will change in no way the fact that we are a very, very strong nation. This will also not change our adherence to those principles to which we owe our strength: respect of human dignity, respect of private initiative, principle of fair earnings, objective education. Russia prefers to build

MR. SZYMCZAK: its future on the foundations of slave labor, promising happiness and prosperity to future generations - that which we have had for a long time - and have now. But Russia does not say what will happen if the experiment fails, if the hardships she is imposing upon millions of unfortunate human beings will prove to be the only thing she can offer to them. As for us, we are convinced that methods such as the confiscation of property, the stifling of private initiative and that lack of competence of party officials and economic wastefulness can only lead to a disastrous end.

MR. LITYNSKI: And now, I should like to ask you a question which is asked by millions of Poles, what will happen to us, what kind of a future do you see for us?

MR. SZYMCZAK: As I have already said I do not doubt for one moment that Poland will be free again. We did not win the last war in order to produce the present state of affairs. We believed perhaps too naively in human honesty, nevertheless we believed that treaties we had concluded would be respected. Today we know that we have been deceived, but this does not mean that we are going to accept the state of affairs which has been imposed upon us.

The accusation of "American imperialism" is simply too stupid to be discussed. It would be easy to prove that American policy is to give and not to take. We are doing this not only for altruistic reasons, but in our own interest, because we believe that our well-being can continue only as there is well-being in other parts of the world. This resulted in UNRRA, in President Truman's Point Four program, in \$30,000 million we have spent on aid to foreign countries. Korea is evidence that Americans know how to die in defense of freedom.

Owing to technical progress the world has become too small to allow that a part of it should be separated from the rest in a sort of reservation of human distress and destitution. To remove these great divides has become a postulate of history.

You ask how I see Poland's future. I think that when Poland is free again and rebuilt on strong economic foundations, she will take the place she deserves not only in Europe, but in the world.

And now our time on the air is drawing to an end. Let me, therefore, conclude this interview with a wish that we meet one day in Warsaw in a free Poland.

MR. LITYNSKI: Thank you very much in the name of Radio Free Europe and in my own, too, for your statement which certainly will be eagerly listened to in Poland, I am sure

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MR. LITYNSKI: that your words will contribute in a large measure to the strengthening of contact between our country and the West which, as you have just mentioned, is one of our most important tasks.

ANNOUNCER:

You have just heard an interview with Mr. M. S. Szymczak, Member of the Federal Reserve Board who as discussed American economy. His statement is a definite reply to the lies which are being spread by the regime press.

Here is Radio Free Europe.