

Harry S. Truman (1884-1972)

Radio Address to the American People on the Special Session of Congress

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My fellow countrymen:

I have called the Congress to meet on November 17th to consider the problems of high prices at home and emergency aid abroad. These are questions of vital importance to all of us. I want to talk to you frankly tonight about both of these problems.

- 5 Since V-J Day we have moved steadfastly toward two goals. We have sought peace and prosperity--prosperity for all our people, peace for all the world.

As we measure our progress toward these goals and chart the course ahead, we find that recent events have raised new and dangerous obstacles in our path. Our domestic prosperity is endangered by the threat of inflation. The peace of the world is endangered by hunger and cold in other lands.

- 10 These obstacles must be overcome by prompt and courageous action. Legislation by the Congress is essential. The need is too pressing--the results of delay too grave for congressional action to wait until the next regular session in January.

Let me speak first about our domestic prosperity.

- 15 In many ways we are now more prosperous than we have ever been. More workers have jobs--and at better wages--than at any time in the past. Farmers are receiving a greater share of our national income than they have in many years. Manufacturers and retailers are enjoying record business and record earnings. We are producing more goods for civilian use than ever before in history.

- But these signs of prosperity do not tell the whole story. Although production is high, prices are shooting up. Although nearly everyone is employed, many people cannot afford essential items. Although national income has
20 reached a new high, the buying power of many people is shrinking.

A few figures--and they are startling figures--show how the cost of living is going up.

Since the middle of 1946, this is what has happened: clothing prices have gone up 18 percent; household furnishings have gone up 18 percent; food has gone up 40 percent. The average for all items is up 23 percent.

And the cost of living is still climbing. In the last 3 months it has climbed at a rate of over 16 percent a year.

- 25 Wholesale prices are also increasing. Since the middle of 1946, textiles have gone up 30 percent; metals, up 35 percent; and building materials, up 41 percent. These increases in wholesale prices affect every industry and trade and they will eventually be reflected in retail prices.

For some of our people the increased cost of living has been offset by increased income. But for most of our people, increases in income are falling behind increases in the cost of living.

- 30 Millions of families of low or moderate income are already victims of inflation. These families are using up savings. They are mortgaging their future by going into debt. They are doing without things they should have.

I know the worries of the breadwinner whose earnings cannot keep up with the high cost of living. I know of the difficulties of the housewife who tries to stretch the family income to pay for groceries and clothes and rent. I know how hard it is to skimp, and save, and do without.

- 35 When so many people are not sharing fairly in prosperity, the road is being paved for a recession or a depression.

None of us can afford to overlook this danger. Farmers will remember how they suffered after 1920 because price inflation was followed by a collapse. Businessmen and bankers will recall how they suffered after 1929 because wild speculation was followed by the depression. Even those who are prosperous today are prospective victims of inflation tomorrow.

40 Inflation must be stopped before it is too late.

It is within our power to stop it. Our economy is basically sound. It has been immensely strengthened in recent years. The average buying power of our people today is 40 percent higher than it was in 1929. But we are losing some of this gain as rising prices pull away from incomes. We can prevent further loss, and can even go on to new gains, if we use our economic strength wisely.

45 The major cause of high prices in this country is the great demand among our own people for available goods. An attempt has been made to place the blame upon our foreign aid program, but this is not borne out by the facts. During the war, we learned that we could improve our standard of living with less than 60 percent of our output available for civilian use. At present, even with current exports to all countries, a far greater percent of our production is available for civilian use. With sound policies, we can protect our own standard of living and carry on a substantial foreign aid
50 program at the same time.

We now have--and will continue to have--enough food and clothing and other goods in the United States to meet our needs. But excessively high prices mean that these goods are not being distributed wisely and fairly. High prices ration the essentials of life by squeezing out the less fortunate of our citizens. We can meet this problem only by bringing prices into line with the incomes of our people.

55 In our free enterprise system, we place major reliance upon voluntary action by businessmen, farmers, workers, and consumers. That is why I have repeatedly urged voluntary price reductions.

But the responsibility of Government extends beyond aiding voluntary action. The Government must respond to the needs of the people.

The American people now have a compelling need for protection from the dangers of price inflation and the rising
60 cost of living. They recognize this need and are asking for the protection to which they are entitled. The Government must assume a larger share of the responsibility for putting an end to excessive prices and the hardships and dangers which accompany them. For this purpose, prompt enactment by the Congress of comprehensive legislation is necessary.

This, then, is one reason why I am calling the Congress into session on November 17th. When it meets, I shall
65 recommend a program for dealing with inflation, high prices, and the high cost of living. Adequate measures--enacted in time--are necessary to correct the present situation.

Let me turn now to the other reason for calling the Congress into session. This is the problem of hunger and cold and human suffering abroad. It is the problem of men and women and children who look to us for help at this critical time.

We are following a definite and clear foreign policy. That policy has been, is now, and shall be to assist free men and
70 free nations to recover from the devastation of war, to stand on their own feet, to help one another, and to contribute their full share to a stable and lasting peace. We follow that policy for the purpose of securing the peace and well-being of the world. It is sheer nonsense to say that we seek dominance over any other nation. We believe in freedom, and we are doing all we can to support free men and free governments throughout the world.

In furtherance of this foreign policy, we now have under consideration the part which the United States shall play in
75 aiding a long-range recovery program for Western Europe. This plan presents great hope for economic security and peace in that vital part of the world. It will take some time to complete the consideration of this plan and to make all the important decisions required for putting it into effect.

However, a period of crisis is now at hand. The perils of hunger and cold in Europe make this winter a decisive time in history. All the progress of reconstruction and all the promise of future plans are endangered. If European nations
80 are to continue their recovery, they must get through this winter without being crippled by economic paralysis and resulting chaos.

In advance of our long-range European recovery plan, we must help some nations through this immediate crisis. The most imminent danger exists in France and in Italy. If the economies of these countries collapse and the people succumb to totalitarian pressures, there will be no opportunity for them or for us to look forward to their recovery so
85 essential to world peace.

Their first need is food. Exceedingly bad weather this year has caused the worst crops in Western Europe in a

generation. Crop failures in France--the worst in 100 years--and in Italy make it necessary for those countries to import half the grain they need to live on during the coming months.

90 The other major shortage is fuel. Fuel supplies were depleted by last year's severe winter. War damage to railroads, and the reduced efficiency of miners laboring on an inadequate diet, have prevented the rebuilding of fuel stocks.

The financial reserves of France and Italy have been nearly exhausted by the cost of their imports since the end of the war. Rising prices in the United States and in other countries where they must buy have further reduced the purchasing power of their remaining funds. They now face the coming winter without sufficient resources to pay for essential food and fuel. The figures tell the story.

95 France can meet her minimum needs, with present funds, until the end of December, but she will enter the new year without funds to pay for essential imports. The French will need \$357 million to carry them until March 31, 1948.

Italy will not be able even to get through the rest of this year. Italy must have \$142 million to carry her until December 31 and an additional sum of 143 million to get through the first quarter of 1948.

100 Serious difficulties have also been encountered in the occupied areas--Germany, Japan, and Korea. Additional funds will have to be appropriated this year in order for us to maintain our position in those areas.

It can readily be seen that congressional action to meet these needs cannot be delayed until January.

My action in convening the Congress on November 17th in no way reduces the necessity for pressing forward with our voluntary food saving program. Dollars appropriated by the Congress cannot feed hungry people if there is no food for the dollars to buy. There will not be enough food unless we--the people of the United States--save vast
105 quantities of grain. I am deeply gratified at the splendid response of the American people to our national food saving program. It is an earnest effort to meet the needs of humanity.

Even with the proposed aid from this country, the people of Europe this winter will be on short rations. They will be cold, and they will be without many necessities. But our emergency aid will be definite assurance of the continuing support of this Nation for the free peoples of Europe.

110 The two problems I have been discussing with you tonight high prices at home and hunger and cold abroad--present a challenge to the American people.

We could choose the course of inaction. We could wait until depression caught up with us, until our living standards sank, and our people tramped the streets looking for jobs. Other democratic nations would lose hope, and become easy victims of totalitarian aggression. That would be the course of defeatism and cowardice.

115 Our other course is to take timely and forthright action. If we do this, we can halt the spiral of inflation at home, relieve hunger and cold abroad, and help our friendly neighbors become self-supporting once again.

I know that it is the heartfelt wish of the American people that action be taken which will overcome the obstacles to peace and prosperity confronting this Nation.

It is within our power to lead the world to peace and plenty.

120 With resolution and united effort we shall achieve our goal.

(1987 Wörter)

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