

Harry S. Truman (1884-1972)

Radio Report to the Nation Announcing the Lifting of Major Price Controls

broadcast from the White House at 10 p.m. on October 14, 1946

My fellow countrymen:

I wish to report to you this evening on a subject which I am sure has concerned you as much as it has me--the meat shortage and our general stabilization program.

I recognize the hardship that many of you have undergone because of the lack of meat. I sympathize with the millions
5 of housewives who have been hard pressed to provide nourishing meals for their families. I sympathize particularly with our thousands of veterans and other patients in hospitals throughout the country. I know that our children, as well as those persons engaged in manual labor, need meat in their diet.

Many workers have been thrown out of work by the meat shortage. The by-products that result from the lawful slaughter of livestock are sorely needed. We depend upon these by-products for insulin and other necessary medicines.
10 We depend upon them also for hides; and already some of our shoe factories are closing and workers are being laid off for lack of leather.

Many of us have asked the same questions: Why should there be a meat shortage when there are millions of cattle and hogs on the ranges and farms and in feed lots in this country? Who are the persons responsible for this serious condition? Why doesn't the Government do something about it ?

15 I assure you that those questions have been the concern of your Government for many weeks. The real story is a simple one.

The responsibility rests squarely on a few men in the Congress who, in the service of selfish interests, have been determined for some time to wreck price controls no matter what the cost might be to our people.

The old price control act was due to expire on June 30, 1946. As long ago as nine months before it expired I urged the
20 Congress to extend it right away in order to protect our people and prevent ruinous inflation. Four times more in the spring of 1946, I urged the Congress to act promptly. Each time the Congress failed, and it continued to delay taking action until the very day the Act expired. Then, at the eleventh hour, the Congress passed a bill which I could not sign--mainly because of the Taft and Wherry profiteering amendments. In the interest of the people--to prevent a legalized run-away inflation--I had to veto that bill.

25 Price control therefore expired on June 30. For weeks we were left with no controls while the same few men in the Congress again debated how they could do lip-service to an anti-inflation program and still scuttle price controls--how they could pass a so-called price control law and, at the same time, take care of the special interests they wanted to enrich. Prices naturally soared during all this delay. The Congress finally passed a bill which became law on July 25. Even in this second bill, the same Congressional group stripped the OPA of the power necessary for effective price
30 control. I signed this bill because it was perfectly clear that the Congress would do no better.

In this second bill--and this is very important--the Congress directed the removal of price controls on meat, and provided that they could not be restored before August 20.

On August 20 the Price Decontrol Board, after a hearing showing the necessity for price ceilings, restored controls on meat. But almost two months had gone by, during which time meat had remained free from all price regulation. This
35 lag of two months was the direct result of the failure of the Congress to pass a proper price control bill in due time, as I had so often urged.

During this period, selfish men rushed unfattened cattle to the slaughter houses in order to get in under the wire and make high profits. That inevitably caused a shortage later. If price control had been enacted by the Congress in time--if this lag of two months had not occurred--this wasteful slaughter of unfattened cattle would not have taken place.

40 When I signed this second OPA bill which the Congress had passed, I stated that I did so with reluctance. I said further that it fell far short of what I had hoped for, but that a wholehearted effort would be made to make the law work.

I have made that effort. I have tried honestly and sincerely to administer this feeble law. All the Government agencies have made the same vigorous effort. From the outset, however, the very forces responsible for the weakening of the law in the Congress have demanded the lifting of even the inadequate controls which the Congress had enacted. Besides many members of the Congress and many candidates have pledged themselves to vote for the removal of price controls as soon as the new Congress meets.

As a result, many business men have held on to the products they would normally sell, gambling on the possibility of the release of price control and the opportunity for greater profits. This has been conspicuously true in the case of meat. The American people will not condone the conduct of those who, in order further to fatten their profits, are endangering the health of our people by holding back vital foods which are now ready for market and for which the American people are clamoring.

The real blame, however, lies at the door of the reckless group of selfish men who, in the hope of gaining political advantage, have encouraged sellers to gamble on the destruction of price control.

This group, today as in the past, is thinking in terms of millions of dollars instead of millions of people. This same group has opposed every effort of this administration to raise the standard of living and increase the opportunity for the common man. This same group hated Franklin D. Roosevelt and fought everything he stood for. This same group did its best to discredit his efforts to achieve a better life for our people.

There are reports of wide-spread disregard and violations of the price-control law. Experience shows that this leads to a tendency to disregard the sanctity of other laws of our country. I need not point out the danger of such a public attitude.

During these last weeks I have considered many proposed remedies in an effort to find the proper solution of this meat problem. Many suggestions have come to me from responsible officials in Government and also from many citizens in all parts of the country. I have considered them all. I have discussed them with my cabinet, with experts in the field, and with many others who are qualified to advise with respect to them.

It has been suggested, for example, that a price control holiday be declared for a limited period. This would be politically expedient because it would bring animals to market in large quantities for a short period. But, in the long run, it would be bad for our country because a famine in meat would surely follow the temporary feast. We saw that happen as a result of the two months' holiday this summer. I declined to accept that remedy.

Another remedy proposed was to order a further price increase on livestock. This would be ineffective because the livestock would still be held back in the expectation of the lifting of controls and even higher prices.

Another remedy suggested by many people was to have the Government seize the packing houses. This offered no real solution, however, because the seizing of empty packing plants would avail us nothing without the livestock.

Some have even suggested that the Government go out onto the farms and ranges and seize the cattle for slaughter. This would indeed be a drastic remedy. But we gave it long and serious consideration. We decided against the use of this extreme wartime emergency power of Government. It would be wholly impracticable because the cattle are spread throughout all parts of the country.

It has also been suggested that we import dressed meat from other countries. This would do little good, however, because the amount of exportable dressed meat, not already contracted for, which could be brought to this country is very small in comparison with our demands. Anyway, we would not think of asking for this meager supply for ourselves, because the people of other countries must have it in order to exist. The figures show, for example, that during this year the people in England and France will consume, per person, only a fraction of the meat we consume.

So all these and other proposals and recommendations as alternatives to the removal of controls on meat were carefully weighed and considered. They all had to be rejected.

There is only one remedy left--that is to lift controls on meat. Accordingly, the Secretary of Agriculture and the Price Administrator are removing all price controls on livestock, and food and feed products therefrom--tomorrow.

In a further effort to increase the immediate flow of beef to market, I caused an investigation to be made of the possibility of lifting quickly the present quarantine against cattle from Mexico. The Secretary of Agriculture reports that his investigation of cattle health conditions was completed Saturday, and that it indicates that the Mexican border

90 may be opened at once. When that happens, a substantial number of cattle from Mexico will come into this country. Most of them will be thin, but they can be sent into the feed lots to replace the domestic cattle which have been sufficiently fattened to be shipped to the slaughter houses.

For many months representatives of the livestock and meat industry have insistently demanded the lifting of controls from their products. They have made the definite promise that the lifting of controls on livestock and meat would
95 bring to market the meat which our people want, at reasonable prices. The American people will know where the responsibility rests if profiteering on meat raises prices so high that the average American cannot buy it.

The lifting of controls on meat, however, cannot be treated as an isolated transaction. Meat is so important a part of our cost of living that removing price controls on it may have an effect on our economic structure generally.

The Price Administrator and the Secretary of Agriculture have been lifting controls on thousands of items on their
100 own initiative. Recently, they have been telling me their plans for relaxation of controls in the future. The action which will be taken tomorrow in freeing meat from controls means that their programs of lifting controls will have to be accelerated under existing legal standards. I have directed all the agencies of Government to cooperate in speeding up those plans to an extent compatible with our economic security.

This does not mean the end of controls now. Some items, like rent, will have to be controlled for a long time to come.
105 Other items, consisting of certain basic materials and other commodities of which there is now a grave shortage, will have to remain under control until production of them has been greatly increased.

We all recognize the close relationship between wages and prices. If either one rises too high, the other is certain to be affected. Price control and wage control are largely dependent upon each other. As we speed up the removal of price controls, the removal of wage controls will also be accelerated. In this way we shall move steadily--and as quickly as
110 we safely can--toward a free economy and free collective bargaining.

The risk in the action we are taking in removing meat controls is less than it would otherwise be because production in general is now increasing at a significant rate. The constantly growing stream of goods from our factories, our mines, and our farms is rapidly closing the gap between demand and supply. There are now 58 million people at work--an all-time high. Industry has provided jobs for 10 million returned veterans. National income, business profits, farm
115 income--all these are at an all-time high. Total production of private industry has also reached a new high level. The improvement in production has been steady and in numerous instances spectacular. As the shortages continue to disappear, the inflationary pressures will ease and the need for Government controls will pass. No one is more anxious to get rid of these controls than I am. But before we get rid of them we must be sure that the American people as a whole--not some special interest--will be benefited.

120 If industry should go on a strike in any commodity and refuse either to make the goods or to sell them freely--if by slowing down production, or by hoarding products for higher prices, scarcities should be continued--industry would be courting disaster. On the other hand, if labor should not maintain a high efficiency and productivity--if labor should slow down, or call unlawful or unnecessary strikes or carry on jurisdictional conflicts--labor too would be inviting disaster. Abundant production is the only sure and safe road to a free market.

125 I am certain that neither labor nor industry wants to hurt their country and their fellow citizens. It is plain that the present law does not guarantee prevention of inflation. As we proceed in an orderly but accelerated process of lifting controls, we shall all have to exercise restraint and common sense if inflation is to be avoided and adequate production is to be achieved. I am confident that this can be done if the American people will use the same kind of team work that has always carried us through all our problems.

130 In the long run that which is best for the Nation is best for all the people. Going forward together in that spirit, we can win a sound and lasting peace-time economy, with high production and prosperity such as this Nation has never known before.

(2319 Wörter)

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