

NEIGHBORS FOR STASSEN, National Building, Minneapolis 2

For release to the Press and Radio October 7, 1947.

(Authorized Advance of Address of Harold E. Stassen, Candidate for the Republican Nomination for President, delivered to the Iowa State Bankers Association at Des Moines, Iowa, October 7, 1947.)

Mr. Chairman, Members and Guests of the Iowa State Bankers Association:

I bring greetings from your friendly neighbors to the North. Except for one Saturday afternoon each year the people of Minnesota have the warmest regard for the people of Iowa.

It is extremely encouraging to me to note your keen interest, here in the heart of the Midwest, in the postwar world economic problems. It is thrilling to respond to your invitation to discuss with you the implications of the economic situation in other parts of the globe.

You have indicated that you recognize that the long range prospects for a free and sound economy in Iowa and in America, the outlook for future success and peace and freedom of the farmers and workers of this state, the strength in the years ahead of our financial and business institutions, are all closely intertwined with economic developments in other parts of the world.

It is increasingly apparent that we are engaged in this postwar period in a worldwide competition of ways of life. This clash of ideologies is the most significant of all history. It is a conflict between the philosophy that man is an individual of human dignity, that he has a spiritual value, that he is meant to be free, that he is endowed by his Creator with certain inalienable rights, and that therefore political, economic, social and religious systems should be established to provide the maximum of liberty limited only so that one does not unnecessarily interfere with the liberty of his fellowman.

The opposing ideology is materialistic in its nature, evaluates man on the basis only of what he produces in a material sense, and treats him therefore as a cog in an economic machine to be dominated by those in command of a State.

The entire course of postwar events, the opening addresses of the United Nations Assembly, and the announcement two days ago of the formation of the Nine Nation Internationale of the Communist Party all indicate that this opposing ideology is being energetically expounded and ruthlessly advocated throughout the globe.

Clearly sufficient food to prevent hunger and suffering and misery and chaos in Europe is a key factor affecting the future economic situation of the world. The President has now, belatedly, moved on this problem and initiated a nationwide voluntary "save food" campaign. This program should be and will be supported by the people of America. It will succeed. There will be sufficient food saved in America, coupled with the remarkable food production, through the hard work and the ingenuity of our farmers and the favorable weather of this last season, except for corn, to meet the urgent needs in Europe.

But I would like to urge upon you, and upon the President, that there is much more to this world economic clash than the question of food to prevent starvation. If we are to start the economies of Europe on their way to health and

vigor, with freedom and independence for their people, we must begin to rebuild the productive industries and trade of these peoples. This takes more than food. It requires coal and critical machinery and stable currencies. In our discussion this evening I would particularly like to spotlight the importance of stable currencies in the European economic picture and point out the sad neglect of this problem since the war.

It does not seem to be sufficiently recognized that a free economy absolutely requires a reasonably stable currency. A regimented socialist system conducted by dictatorship, whether it be Communist or otherwise, does not have as vital a necessity for sound money as does a free economy. Under those systems the compulsion of force by government is substituted for the incentive provided by money as a medium of exchange in an economy of free choice. Notwithstanding this elementary fact our government has been derelict in its policies toward currencies of other nations since the war. The German mark is an amazing example. Immediately after the end of the war our government gave a complete set of the engraving plates for the printing of German occupation marks to the Russian government. With those plates an enormous quantity of German Marks, unknown and unaccounted in amount, have been printed by the Russians. This supply of German marks has been added to the inflationary quantities of prewar German marks, of wartime Hitler marks, and of the restricted amount of occupation marks issued by the British and the Americans. The result is and has been a completely impossible currency situation in Germany. As a result it is almost impossible for any trade to develop between Germany and Belgium, Germany and France, or any other country. As a further result, the incentive for workers to work or businesses to produce in Germany is wiped out. As soon as the worker acquires enough marks to match with his ration tickets and to obtain his small week's ration of food, there is obviously no incentive to proceed to work to earn more, as the additional marks beyond ration coupons are of practically no value. More than two years have gone by and yet there has been no action to straighten out this impossible situation. In the meantime American money continues to be spent in substantial quantities to support the occupation. The very low coal production in the Ruhr, a mere 40% of prewar, pulls down the economies of the rest of Europe. During the past winter, industries shut down in a dozen European countries, schools and churches closed, millions of people shivered half frozen in their homes, because of lack of coal from the Ruhr.

We must move immediately in the establishment of a new currency in Germany. Obviously, in the economic contest that is going on the Russians will not join in such a new currency because the kind of an economy they are running in their zone does not require one and they welcome the stagnation in our zone.

We must also give high priority to the stabilization of the French Franc and the Italian Lire. Unless we do that, we cannot expect to rebuild the economies in Europe regardless of how much aid we pour in. Yet this seems to be neglected by the administration. They have talked about grandiose schemes of convertibility of 18 currencies and trade agreements between 18 countries, which are obviously impossible to attain in the chaotic postwar situation, with the cross currents of politics in Europe. What we need is a sound, practical approach to immediate objectives in the development of islands of convertibility. Specifically, if a new German currency were developed in the British and American zones, which includes the Ruhr, and a definite convertibility established between this currency and the French and Belgium Francs alone, a very strong area for economic rehabilitation would be developed.

To take this action the prompt beginning of a long term approach to our task in Europe is imperative. This requires action by Congress at the earliest possible date. In the recent statements from the White House there is the amazing attitude displayed that so long as we take action contemporaneously with the beginning of actual food shortages in Europe, we will have acted soon enough. It is unthinkable that in such a crucial economic period in the postwar world we should be drifting and timidly approaching the essential requirements of action in the European economic situation. The President should promptly call a special session of Congress.

We should leave no room for doubt in Europe or anywhere in the world of the fact that we intend to move. An American agency with outstanding personnel, a Peace Production Board, if you will, to effectively develop orders and channel food and instigate financial policies is urgently needed. With the delay that now goes on, emergency steps are being taken by European governments impairing their currency stabilization funds, interfering with their industrial foundations, and cannibalizing their own economic structures in an effort to stave off the emergency.

Modern capitalism clearly is the economic system of freedom. It is humanitarian. It is the most productive economic system. Modern capitalism is an economic system of courage and of action and of ingenuity. Unless it is so operated it cannot win. The timidity and the drifting now being manifested in our world relationships is neither American nor capitalistic. The important question before us is not simply to act in aid of Europe, but to act early, to act on a sound business basis, and to be successful.

If we do that I have great confidence in the future. We are basically right that men should be free.

If we support that great principle in our economic policy as well as in our social and political and religious views, we will win through in this terrific ideological contest, and I am optimistic that we will win without the tragedy of a third world war.



MINNESOTA HISTORICAL SOCIETY

Copyright in this digital version belongs to the Minnesota Historical Society and its content may not be copied without the copyright holder's express written permission. Users may print, download, link to, or email content, however, for individual use.

To request permission for commercial or educational use, please contact the Minnesota Historical Society.



www.mnhs.org