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## Germany as a Present Day Market for American Manufactured Goods

*Brief*

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Regest:

*Die vorliegende Quelle zeigt, zu welcher Zerrüttung die Inflation im auswärtigen Handelsverkehr führte. Der US-amerikanische Konsul in Berlin, E. Verne Richardson, warnt aus privilegierter Beobachterposition seine Landsleute eindringlich davor, zu versuchen, US-amerikanische Industriewaren in Deutschland anzubieten bzw. solche Waren aus Deutschland zu beziehen. Durch die dynamische Geldentwertung seien solche Geschäfte mit derartigen Unsicherheiten belastet, dass erst nach der Wiederherstellung stabiler Währungsverhältnisse an einen geordneten Geschäfts- und Handelsverkehr zu denken sei.*

Subject: Germany as a Present Day Market for American Manufactured Goods

Consul: E. Verne Richardson

Berlin, Germany

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Judging from inquiries reaching the American Consulate General at Berlin and the other consular Offices in Germany there is more or less misconception in the minds of many American manufacturers as to the present day possibilities of Germany as a market for the products of their mills and factories. It may be laid down as a general proposition that American manufactured goods cannot today be bought by German merchants at a price to make their subsequent sale profitably probable, the outstanding reason for this being the seriously depreciated value of the marks in its relation to the dollar. When it is remembered that to pay for one dollar's worth of American goods three thousand German marks, perhaps more,[2] must be spent, and when to this is added the related contingency of Germany being in a position to supply from producing centers within the limits of its own geographical delimitations, its actual requirements in manufactured articles, it becomes at once apparent that attempts by American manufacturers to create competition in Germany with Germany's own products must be foredoomed to failure.

In the past it was only because trading in American goods offered to German importers excellent opportunities for substantial profits that the business done in such goods was so large. Therefore, if the hypothesis of potential profit be eliminated as it is to-day by circumstances beyond the control of the commercial classes, it is obvious that the inspiration for importing from the United States is lacking, however great the individual German dealer's desire may be to conduct his business on pre-war lines. It is not difficult to understand that Germany is eagerly anxious for a return of those other days of a happier economy, when a heavy volume of imports from the United States, balanced by a correspondingly heavy volume of exports to the United States, and accompanied by financial exchanges showing a healthy normal equality, spelt prosperity to thousands of German people. In this anxiety both mercantile and governmental Germany naturally participate, but both recognize the futility of attempting to coerce conditions to conformity with sentimental preference in the face of insurmountable fiscal obstacles. It may be that there is here and there in Germany a merchant[3] who is even now endeavoring, by his

own efforts, to sound the American market, hoping for if not really anticipating a fortuitous change to make, independently, a beginning of the difficult task of reconstructing the shattered fabric of a once comfortably established commercial reciprocity. But cases of this character do not accurately reflect the considered opinion of the country at large and are not to be treated seriously. The process of reconstruction cannot be in any sense the result of sporadic effort.

That Germany is ready and willing to buy what the United States is ready and willing to sell cannot be questioned. Many evidences of this spirit are observable, particularly to persons on the spot. There is in general no prejudice in Germany against America's goods, as there is no aggressive unfriendliness towards America's people, facts which would bring their own immediate substantiation were the pressure of extraordinary fiscal stringency relieved. Regrettably, however, this pressure is still a matter of preponderant significance and no act of individual or community can cause it to relax, unless or until the causes directly responsible for it are removed. On this account it is only kindness to tell American manufacturers eager to enter Germany's markets that, at the present juncture, they will be well advised not to attempt to do so. No fears need be entertained of Germany's forgetting American sources of supply. There are too many ties of blood and personal interest uniting the people of the one country with the people of the other to make such forgetting[4] possible, and the American manufacturer may safely rely upon finding in Germany buyers for his goods when buying abroad for German consumption becomes economically possible.