

Address

of

Cyrus Eaton
American Industrialist

at

Luncheon Honoring

Nikita S. Khrushchev
Chairman of the Council of Ministers of the USSR

and

Attended by Representative Americans and Canadians

New York City, Monday, September 26, 1960

Chairman Khrushchev and other distinguished Soviet guests, I take the greatest pleasure in welcoming you and in wishing you well. It is a signal honor to have one of the world's most influential statesmen take time from his urgent official duties to meet informally here with this group of American and Canadian citizens.

I should hope that this luncheon would not only lead to strengthened friendships, but also serve as a forum for discussion of ways and means to increase business between the Soviet Union and North America, and to secure cooperation to the mutual advantage of all three nations in the markets of the world.

Before I address myself to this and other economic considerations, may I express the hope, Chairman Khrushchev, that you will have an opportunity to become further acquainted with some of our typically American institutions, while you are here for the U.N. General Assembly. If the U.S. State Department exercises good judgment and good taste, it will encourage you to see as much of America as possible in the time at your disposal.

For example, in the New York area, I should like to take you to see the Hall of Fame of Great Americans, of which I have the privilege to serve as an Elector. I believe you would also enjoy attending at least one game of the annual American baseball contest that we modestly call the World Series. I should hope that you might then wish to urge the athletes of the Soviet Union to take up baseball, so that some day there could be a true World Series.

I need not tell you that we Americans, in a light hearted and good natured way, are somewhat given to exaggeration. If you have been following the campaign oratory of Messrs. Nixon and Kennedy, for instance, you realize that more than

-2-

one grain of salt needs to be taken with the claim of each candidate that the United States cannot survive the election of his opponent. If you go to a World Series baseball game, you will witness an athletic contest that the American public, by its ardor, might persuade you to believe is more important than the presidential election.

I wish I might also show you some of the wonderful sights of Ohio, where I live. In Cleveland, we take justifiable pride in our modern steel mills and other great industries. You and I were both born on farms, so I know you would admire my champion beef Shorthorn breeding cattle.

Now let me turn to economics. We who are here today represent different systems, each of which has dramatically demonstrated its capacity for success. I, as a capitalist, believe there is abundant room for both of our systems, and others, to flourish side by side on the same planet.

I have seen with my own eyes the impressive progress that has been made under the socialist economy of the Soviet Union, in steel, electric power, transportation, mining and agriculture, fields with which I am acquainted. You will have observed for yourself that capitalism, as illustrated by solid accomplishment in the same fields, has made good in America. My conclusion is that the success of any system depends primarily on the dedication and the enthusiasm of the people practicing it, and on their willingness to work with diligence and self discipline.

We of the West have not failed to note superb Soviet accomplishments in other than economic areas. For some years, I have had the privilege of knowing many of your scientists, whose eminence is evidenced in numerous ways, but particularly by your brilliant advances in space ballistics. I have seen your great

-3-

schools, colleges and libraries, which testify to the soundness of your educational methods. Most recently there has been the admirable performance of your athletes at the Olympic Games in Rome.

Again, you will have observed that we in America can also claim proficiency in these fields. I do not look on your triumphs with envy or jealousy. Rather, I wish to tender you hearty and well-deserved congratulations. At the same time, I wish that America, the country I love, may go on to even greater heights, and further that my nation and yours, the two most powerful the world has ever known, may help each other to greater heights.

The lesson of business history, of which I have for three-quarters of a century been a close student, is that the success of a great industrial corporation does not derive from impeding or retarding its competitors. On the contrary, when two or more rival enterprises prosper simultaneously, it is to the highest benefit of not only the companies themselves, but also the entire national economy. Similarly, in an expanding world economy, any nation with natural resources and energetic people can and should prosper without hindrance to other nations, but with benefit to all nations and to all mankind.

Unfortunately, the greatest present obstacle to constructive worldwide economic progress is the arms race. Many of us recognize the mortal hazards to humanity of modern warfare fought with the fantastic new implements of nuclear annihilation. Appeals to the highest ethical and religious principles of mankind to forswear preparation for such a holocaust have, alas, fallen on deaf ears. Nor has the prospect of complete and universal extermination turned humanity aside from the absolute folly of arming for the final conflict.

Since lofty ethical considerations and terrifying prospects of destruction

-4-

have failed to move mankind, I suggest that we now earnestly put forward the unquestioned economic advantages to both our countries of terminating the arms race. We can discuss these matters with complete frankness, because I am sure you know the facts. The world is now spending more than \$100 billion a year on armaments. Close to half of this amount, I must add regretfully, is being spent by my country and, to my even greater regret, some well-meaning men in the United States are actually urging an increase of 20% in annual American outlays for armaments.

What dividends can the arms race yield but death and destruction? Conversely, think of the untold benefits to all mankind of the equivalent in trade and commerce of the \$100 billion now being wasted each year on armaments.

I am disclosing no secrets when I say we have some economic problems in the United States today. All nations have problems, and presumably you have a few of your own, too. We in America have been going through a business recession, from which we will emerge and go on to new and greater prosperity, as we always have.

Then there is the present weakness of the American dollar, which, for instance, is currently worth only 97% of the Canadian dollar. Our American gold holdings have fallen below \$19 billion for the first time in 20 years. Inflation and taxes, mounting as they inevitably must with increasing armament expenditures, impose a heavy burden on Americans in all walks of life.

I am concerned not merely with the soundness and the integrity of the American dollar, but particularly with its popularity at home and abroad. I want to see American bankers loaning money in every possible part of the world, and I want to see American investors risking their cash around the globe, wherever

-5-

the capitalistic system is welcome. This obviously requires that we Americans make friends, and avoid inspiring envy and resentment.

Even as I aspire to broader American economic activity around the globe, I recognize the eminent suitability of Soviet investments and loans abroad wherever that will augment your trade. As a means of increasing commerce between our countries, as well as with the rest of the world, I want to see ill conceived and hastily adopted American restrictions on trade between us repealed. Let each of us respect the other's system.

May I say that the future of your country, like mine, looks most promising. In geographical area, the Soviet Union is more than twice the size of the United States. It is obvious that you are moving vigorously forward on a vast scale to develop your natural resources and agriculture, and to increase and expand your industry.

My fervent wish, Chairman Khrushchev, is that you will continue your tireless efforts to persuade the statesmen of the world to agree, without reservation, on universal and complete disarmament. I am convinced of your complete sincerity in desiring peace. I am also convinced that you clearly appreciate the advantages that can accrue to our countries and the world from new and closer understanding and cooperation in the economic sphere. I hope and I believe that the time is near when the United States, Canada and the Soviet Union will declare for collaboration on a program dictated by common sense. Let us replace the arms race by a concerted effort to expand international trade in a peaceful world.