

The Economic Club of New York

Chairman Nikita S. Khrushchev
Soviet Premier

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Questioners:

J. Wilson Newman
President, Dun & Bradstreet

Gardner Cowles
President and Editor of *Look Magazine*,

Dr. Mervin J. Kelly
Retired President, Bell Telephone Laboratories

Introduction

President Woodman

As you may know, President Eisenhower has designated Henry Cabot Lodge to accompany Mr. Khrushchev around the United States. It is with great pleasure that I present to you at the outset of the meeting the man who bears this very important responsibility, Ambassador Lodge.

(Applause)

The Honorable Henry Cabot Lodge

U.S. Ambassador to the United Nations

Mr. Chairman, Chairman Khrushchev, Your Excellencies, Distinguished Guests, Fellow Americans: The Economic Club effectively symbolizes the leadership of our economic system—a leadership which genuinely respects the material achievements of the Soviet Union.

This Club is a good place in which to point out that the robber barons, the predatory villains, which is the phrase used by some to describe the capitalism of a century ago, this is a monopolistic system in which a few controlled and exploited the efforts of many, is something to which we are opposed. (Applause)

In fact, on July 2, 1890, we declared war on monopoly capitalism when the Sherman Anti-Trust Act became law. (Applause)

That law I scarcely need to say is still being actively forced. (Laughter)

If robber baron or predatory villain is the definition of the word capitalist, then we are no capitalists at all. (Applause)

There are, for example, 14 million Americans who own shares in American industry. In our country two-thirds of the gross national product goes into consumption, such things as food, entertainment, refrigerators, and automobiles.

Three out of four families in this country own their own automobile. More Americans are engaged in providing services to the American consumer than in producing goods, although our production of goods is the highest in the world.

Three-fifths of all homes in America which are not on farms are owned by the families who occupy them, and three out of four of our farms are operated by the people who own them. (Applause)

One out of every ten families makes \$10,000 a year or more, which is triple the proportion of ten years ago.

Family income adjusted for change in the value of the dollar—that is real wages, real income—has gone up 50 percent in ten years. Let me add that a coal miner gets between \$25 and \$28 a day.

I submit that economic humanism rather than monopoly capitalism best describes such a system
(Applause)

I have been told and I am sure that Chairman Khrushchev will correct me if I am wrong---

CHAIRMAN KHRUSHCHEV: I was saying that only the grave can correct a hunchback.

THE HONORABLE HENRY CABOT LODGE: Anyway, I have been told, and correct me if I am wrong, that in the Soviet Union a man can own his own home, that he can make a will, and that he can use a bank, and that there is no limit at all on what his income can become. Now such things have been generally considered to be attributes of capitalism.

CHAIRMAN KHRUSHCHEV: Invest in our banks then.

THE HONORABLE HENRY CABOT LODGE: In our country, on the other hand, all corporations above the smallest must pay 52 percent of their profits to the Federal Government, in addition to many other taxes, and we have a steeply graduated income tax, which at the upper levels rises above 80 percent and is almost entirely confiscatory. (Applause)

Eleven percent of the American taxpayers—and I am getting to the end of my statistics now—that is those earning over \$8000 a year pay 51 percent of the personal income taxes.

Such things are generally considered to be attributes of socialism, so you can see capitalism and socialism are very confusing words, which can mean many different things in different places depending upon who is using those words. (Applause)

Now, Mr. Chairman, here in this room are men to symbolize American business, which is one of America's principal activities.

Let me say that it is a way of doing things which retains the confidence of the American people. It is what makes us thrive. It was only two years ago that the recuperative power of American business played an indispensable and vital part in leading us away from the then threatening recession.

The thing that seems paradoxical to theoreticians and doctrinaires is that American business prospered at the same time that the Federal Government in ways large and small pervades our lives.

That, for example, one adult in every five gets regular checks from the government and that countless others receive occasional payments; that federal warehouses gave out food to more than 5 million persons and that 2 million persons live in government subsidized housing.

The truth is, and it doesn't fit into any rigid theory, that we live in a welfare state, which seeks to put a floor below which no one sinks but builds no ceiling to prevent men from rising.

(Applause)

I make no comparisons, but I simply say that our own experience with wartime economic planning and controls centered in Washington convinces us that the plants of tens of thousands of independent producers leads to greater production, a more dynamic economy and a richer life for all than can ever be achieved by a few plans by public officials. (Applause)

American business recognizes the deep desire for people for peace, and they recognize that there is no profit and only disaster in war. (Applause)

Therefore it would be a mistake to think that our business leaders are America's ruling class or that you are in the presence of men who want other than a peaceful world. (Applause)

There is only one ruling class in this country, and that is the American voter. (Applause)

The men in this audience have great capacities and great responsibilities. They are creators and innovators. They are Americans all who are in harmony with all the great national aspirations of our country. I conclude, Mr. Chairman, by saying this: That I was struck, as I am sure your audience was, by your statement at lunch today to the effect that you could see no difference between the abuses of early capitalism that Marx describes and our modern system of economic humanism.

The difference is as great as the difference between black and white, and we believe this will become crystal-clear to you as you see things for yourself on your tour around the country.

This country exists for the benefit of the everyday rank and file of citizens. (Applause)

Whenever they have wanted to change the system in the past, they have done so through the ballot box. They can do so again whenever they want to. We have this system today because the rank and file approves of it and because it has given them the highest standard of living in the world. (Standing ovation)

PRESIDENT WOODMAN: I think that it is more than apparent that the guide and the companion who is going to accompany Mr. Khrushchev on this tour has been doing an excellent job of his homework. (Applause)

We are very grateful to you, Mr. Lodge. As I look around this tremendous room tonight I hope I am not violating security when I report a conversation that took place across my plate earlier this evening. The Ambassador said to Mr. Khrushchev, "I have been in this room many, many times, and never have I seen it as full as it the case tonight. It speaks a very great interest in you, Mr. Chairman." (Applause)

Mr. Khrushchev responded instantly, "In my country there are many people who have never seen a camel. If you brought a camel to that part of the country, they would all turn out." (Laughter and applause)

In keeping with our usual custom Mr. Khrushchev has consented to answer questions at the conclusions of his address. I think that if Mr. Khrushchev had been born in America and had displayed the same willingness and ability in fielding batted balls that he is demonstrating in fielding questions, he would undoubtedly have been a great baseball player.

At these meetings it has been our practice that the speaker had no advance knowledge of what the questions were going to be, and there has been no departure from that practice in this

instance. The questions will be asked by a panel consisting of Mr. Gardner Cowles, President and Editor of Look magazine, Dr. Mervin J. Kelly, the recently retired President of the Bell Telephone Laboratories, Mr. J. Wilson Newman, President of Dun and Bradstreet.

For reasons of security we have one very specific and important request to make. At the conclusion of the question period, everyone at the head tables and everyone in the audience is requested to remain seated until Mr. Khrushchev has left the room. He will be escorted by the Vice President of the Club, Mr. Hobart Ramsey.

There is not, I feel sure, in this room tonight a single individual who does not have a sense of history in the making, of momentous history in the making, as he contemplates the exchange of visits between the President of the United States and the Chairman of the Council of Ministers of the Union of Soviet Socialist Republics. There isn't I think a single individuals in this room who does not hope that there will come from this exchange of visits an increase in each of our countries in the comprehension, the understanding of the others, its leaders, its people, its institutions, its objectives, its accomplishments, and who does not hope that this increase in understanding will represent a step forward on the path of peace.

I was struck, Mr. Chairman, by something in the most recent issue of the magazine, *USSR*, published by your embassy in Washington. In it you are described as a leader whose most characteristic trait is nearness to the people. It goes on to explain the Soviet citizens by the

thousands know your hearty handshake, that in the course of a year you visit innumerable plants and collective and state farms. It states that through your close contact with people at many levels and your first-hand look into many activities you have been able to acquire a deep knowledge of life and to check on the efficacy of governmental undertakings.

We wish most sincerely that it would be possible for you to gain this kind of knowledge, of understanding of the many things in the United States. One of them is the capitalist system as it actually operates in this country today, not 50 or 75 or 100 years ago, but today.

I think it will be no surprise to you that the men in this audience believe in the capitalist system.

(Applause)

You have made it abundantly clear on many occasions that it is your belief that the capitalist system bears within itself the seeds of its own destruction. If you were right, and if those seeds were at the management level, this room tonight would represent a whole granary full of such seeds.

Obviously we do not think that it is the case. As Ambassador Lodge said, during your very effective appearance at the Mayor's luncheon today, you said that you did not see, you did not know what the difference was between the capitalism in the United States of today and the capitalism about which Karl Marx was writing.

I can assure you, sir, that the differences are very real and very important, and you have the opportunity while you are in this country to learn a great deal about those differences. (Applause)

In this room there is represented a remarkable cross-section of the managers, the executives of American industry and finance. If you were going to make a first-hand study of capitalism as it actually works in the United States you should know them. You would find that they are men who take their many responsibilities very seriously, responsibilities to the business who employ them and to all the other people employed by those businesses, responsibilities to the communities in which they work and in which they live, responsibilities for the preservation of freedom.

You would find that a great many of them are the sons of miners or farmers or mechanics or other people of very modest circumstances. You would find them vitally interested in the furtherance of world peace.

You would find among them strong differences of opinion, strongly and freely stated, about almost everything, including many aspects of government policy, and at the same time you would find an attitude of very broad support for the policies being pursued in international relations by President Eisenhower. (Applause)

But in knowing these men, Mr. Chairman, you would not know the owners of the enterprises, which employ them. To name only the largest, the American Telephone and Telegraph Company is owned by over 1,600,000 stockholders.

The best estimates available show that at the present time one out of every eight adults in the United States owns stock in one or more American corporations. If you could know these people, you would know the owners of the capitalist enterprises of American today. (Applause)

That would be fortunate because it would give you a greatly increased understanding of the capitalist system, but much more importantly it would mean that you would know a great deal about the American people in every walk of life.

You have said repeatedly that you have come to the United States primarily to help solve the difficult problems which exist between our two countries. If you get to know our people, Mr. Chairman, you will find in them a deep conviction that the solutions to certain of these problems depend upon some basic principles of freedom that go far beyond questions of economic systems, and you will find that these people will not be diverted from their steadfast support of those principles. (Applause)

Mr. Chairman, it is the profound hope of everyone in this room that you will carry back to the Soviet Union after this visit to our country an increased understanding of these and many other

aspects of the United States and its people, but the primary purpose of our meeting tonight is on the other side of the coin. It is to increase our understanding of the Soviet Union.

We already know a great deal about the enormous accomplishments of your country in the fields of science, of education, of public health, of industrial production.

Our knowledge has been greatly extended in recent years, most recently and impressively by the Soviet Exhibition here this summer.

We think that you and your people can be justly proud of these accomplishments. (Applause)

We appreciate tremendously the opportunity now to add to our comprehension of your country, Mr. Chairman, by listening at first-hand to its dynamic leader. (Applause)

Every contribution that can be made toward narrowing our bridging the chasm of misunderstanding between our countries is important indeed. It is the great privilege of The Economic Club of New York to provide the opportunity for such a contribution. Gentlemen, I present to you the Chairman of the Council of Ministers of the Union of Soviet Socialist Republics. (Standing ovation)

Chairman Nikita S. Khrushchev

Soviet Premier

(Through interpreter) Before starting on my prepared text, gentlemen, I would like to say a few words on some of the remarks that have been made here addressed in part to me.

It is true that the Chairman and the President said he had not known of a day when interest in this Club would be as it is today, and in reply I did say that there are areas in our country where people had never seen a camel and if a camel appeared many people show great interest in him, and some even want to pull him by the tail. (Laughter)

You will excuse me if I draw another analogy. The flower of New York and perhaps not only of the New York business world is represented here, and naturally when a live Communist appears in such a distinguished company, there is a great interest in him, to look at him, to hear him, and if he has a tail to pull at his tail.

I don't know whether Mr. Marshall McDuffy is present here. He was at the Mayor's luncheon today. He is an old friend of mine who headed the UNRRA during the postwar years in the Ukraine when I was Chairman of the Council of Ministers there.

I had very close contacts with Mr. McDuffy in those years, as I didn't with the late Mayor LaGuardia, who also headed the UNRRA and whose memory I respect deeply.

When, after Stalin's death, I started working in Moscow, I received Mr. McDuffy a couple of times. He came to Moscow, and he insisted that it would be a very good thing if I were to come to America.

I asked him why he thought so, and he said that many Americans really thought that I had horns on my forehead and it would be a great achievement for the Soviet Union if I could prove otherwise. (Applause)

Mr. McDuffy can confirm that we did have a conversation of that nature in Moscow. I should say that the gentlemen present here can easily see that I have no horns on my forehead because there isn't much hair to hide them if there were.

If I can prove to you that that is the case, that there are no horns, then as Mr. McDuffy said, that would in itself be a big achievement. You would see a Communist before you with no horns, no human horns.

Therefore, the only difference that exists between us is the difference in our views on political and social matters.

We must come to an agreement with you that there should be no interference in each other's balance sheets. You don't let your competitors see your books. Well, there is no reason why our corporation should let other people see its books.

Let us rather compete honestly and peacefully as the corporations might do in this country. We represent the Communist corporation and you represent the Capitalist Corporation, and let the two cooperate and compete in peace. (Laughter)

I have no intention to try to convert you to our view. I know you believe in the capitalist system, and it would be, in fact, a sign of disrespect on my part if I were to try to preach to you. You have a different system, the Capitalist system. We have the socialist system in our country, and let history decide which is best. (Applause)

You, Mr. Lodge, are a very effective defender of the capitalist system, of the system prevailing in this country, and that is as it should be because if you weren't, you wouldn't hold the high position you do. (Laughter)

The only question that arises is what prompted Mr. Lodge to put up such an effective defense of capitalism here from this rostrum? One possibility is that he thought he would try to convert me to his ideas, which is rather doubtful.

Another possibility is that perhaps there was apprehension that when a Communist addresses an assembly of businessmen here he might try to convert them to Communism. (Laughter)

But I can assure the audience that I have no such intention. If Mr. Harriman will allow me, I will tell you in a few words of a conversation we had when he was in Moscow. He told us that he was unemployed now, having lost the job of Governor to Mr. Rockefeller, and one of us—I believe it was Mikoyan—said that if Mr. Harriman was in need of a job, we could offer him one. I added that I could offer him the job of my advisor with good pay and a country house, a dacha, near Moscow. (Laughter)

I realize that I am speaking before a distinguished assembly of people of business and people who mean business and who know how to do business. They wouldn't be holding the positions they do if it were not the case. We have here with us our Minister of Higher Education, Mr. Yelyutin, who is accompanying me to this country. He will confirm that we have many good people who know their job in our country, but if any one of you want to have a good job in our country, you would be paid as well and have as good a position as you do in any corporation in this country. (Laughter)

We value good people, and if anyone present here wants to try his hand at building socialism in our country, he is welcome to call me up at the hotel, and we can come to terms with him.

(Laughter) This is the end of the few introductory remarks I wanted to say. I can assure Mr. Lodge once again that he need not be apprehensive. I shall not try to convert anyone present here to my principles, and I can also assure him that I shall not be converted to any other principles but ours either.

So each of us will stay as he is. You will not lose anything; neither will we. (Applause)

Mr. Chairman, gentlemen, it gives me great pleasure to meet representatives of the business circles in The Economic Club of New York. My visit to the United States enables me to see at first hand the life of your great country and to establish personal contacts with your people, with all sections of your people, including you gentlemen, representatives of the business world.

You too I think will find it not lacking in interest to make a closer acquaintance with us Soviet people representing the socialist system of economy and to hear a first-hand account of how we live and how we build our economy.

I know that businessmen want to speak without diplomatic niceties, with utter frankness.

Therefore, I shall take the liberty of saying with all frankness what may not perhaps prove to the liking of some of you, but which will be useful both to you and to us.

Some people blinded, to put it mildly, by their dislike of Socialism and Communism are dreaming of the rule of countries which have taken to this road of development; and in his dreams a man usually sees what he hopes for while awake, and he is sometimes disappointed when he awakes. He opens his eyes and sees the same faces and the same things he saw when he dozed off to see his unrealizable dream.

Some people often dream that Socialist Russia is the same as it was before the Revolution, but let us compare the rate of development of the Soviet Union since we overthrew the old regime and of the United States of America during this same period.

Comparing it with 1913, industrial production in the Soviet Union has increased 36 times over and only four times in your country. Why are we developing our economy and culture more quickly than you?

I do not want to impose my ideology on you, even though I do not hide my membership in the Communist Party or my political views. They are well known to you, but we think that figures show convincingly that the source of our rapidly growing progress is our Socialist Revolution, which enabled our country to take to the road of development along which the locomotive of Soviet economy advances ever more quickly.

The old Russia could not even dream of such a rate of development. You will disagree with me perhaps, but how then are this miraculous events to be explained?

In old Russia, for instance, 76 out of every 100 people over the age of nine were illiterate. Nearly 80 percent of the children and teenagers were unable to attend school.

Today all our children go to school, and there are practically no illiterate people in the country.

We now have nearly 40 times more specialists with a specialized secondary or higher education than there were in pre-Revolutionary Russia, and in our higher schools we train nearly three times more engineers than the universities and colleges of America.

Last year, for instance, we graduated 94,000 engineers, while you graduated 35,000.

We have now worked out and made a start on a fast seven-year plan for the development of our national economy. I will mention only one figure to give you a measure of its scope. Our capital investments alone will total a sum, which is equal to \$750 billion in these seven years.

Implementation of this plan will bring us close to the level of economic development obtained by the United States. Where do we get the means for all this? Where do we get the money?

The answer we think lies in the advantages of our system for there are no miracles in life, as you know.

It may be that some people still do not believe in the reality of our plan, but this is an ostrich policy. When an ostrich sees that he is being overtaken, he is said to hide his head in the sand. Our development will not cease if some people choose to shut their eyes from reality.

I can already disappoint those who are trying to play the ostrich. Do you know how our seven-year plan is being fulfilled in the very first year of its operation? Our plan for 1959 provided for a 7.7 percent increase in production. Actually our production increase 12 percent in the first eight months of the plan.

Apparently we shall be able to produce more than \$10 billion worth of goods and above the plan this year.

Consequently far from setting an impossible rate of economic development, our plan provides favorable conditions for industry, so as not to create stresses in our economy, to insure additional accumulation through over-fulfillment of the plan and make more rhythmical the work of our industries. Consequently we can catch up with the United States in overall economic development, and then later on in per capita production even more quickly than had been envisioned.

Before my departure to the United States, the Chairman of our Planning Committee reported to me on the plan for 1960 recommended by the Committee, which dovetailed in the main.

True is it only a draft, but it already has been coordinated with all the republics making up our country, and consequently is close to the form in which it will be approved.

This will be some time after my return from American, at the end of October or the beginning of November.

The figures of this plan are not without interest. For instance, in 1960 we shall be able to produce 2 million metric tons more rolled metal than was originally envisaged in the plan for a second year of the seven-year period.

Oil production is to increase by more than 14 million metric tons in a year. This too is not bad for our economy.

Excellent prospects are opening up for our gas industry. For the time being America ranks first in the world in known reserves of gas, but we have been using gas more and more in recent years. Our geologists have discovered such huge deposits of natural gas they will suffice for decades to come, enabling us further to raise the consumption of gas and to catch up with you in this respect as well.

These, gentlemen, are only a few words about our possibilities.

We have everything we need in our country. Our people are closely rallied behind their government and are full of enthusiasm. They seek to do their job in the best possible way, and thereby further to strengthen the social system they prefer.

Some people may have thought perhaps that I would come to the United States to lobby or the development of Soviet-American trade without which in their opinion the seven-year plan cannot be accomplished.

I want to say in full frankness that I have not come here to beg. We have always advocated the development of international trade since the inception of the Soviet State in fact, and if we raise the question it is certainly not because the seven-year plan cannot be fulfilled without such trade.

Those who think so are deeply mistaken. We attach considerable importance to the development of international trade, guiding ourselves by the same rule that many people seem to follow in your country as well, judging by the motto reproduced on the postage stamp issued recently in the United States—“World Peace through World Trade.”

We agree with that approach. True, when I said something of the kind a while ago, remarking that trade was important as a means of relaxing international tension, I was criticized by some people in the United States.

Your papers wrote at that time that Khrushchev only started to talk about trade because to him trade was nothing but politics.

Now if it comes to speaking of who has turned trade into an instrument of policy, one would have to mention first a certain American agency you all know well which has developed a special embargo list by which you businessmen have to abide with trading with the Soviet Union.

Let us no quibble, however. History will establish who has geared trade to politics and how.

I want to stress that the Soviet Government always has been and always will be for international trade on the basis of equality and mutual advantage without any discrimination.

The trade spoken of by Benjamin Franklin, those words, “Commerce among nations should be fair, equitable,” can be seen engraved above the main entrance to the United States Department of Commerce, I believe.

We are opposed and we shall continue to be opposed to all embargo lists in trade as an unreasonable practice. If you do not want to trade in so-called strategic or other goods, do not. It is your business. But do not introduce discrimination against any one country or group of countries. This practice disrupts the normal flow of international trade and leads to political complications.

Indeed it is known from history that countries resort to restrictions in trade when they contemplate a military campaign against a country against which they discriminate.

Let us then clear the road to insuring normal commercial relations among all countries regardless of their social system.

We trade on the basis of equality with many countries. Suffice it to say that the volume of our foreign trade last year was seven times the 1938 figures, and we reached in world prices 34,589,000,000 rubles or more than 8.6 billion dollars.

Our trade with Britain, for instance, is not going badly at all. Trade with West Germany also in on the rise.

It should be noted that the Government of Western Germany correctly understands the interests of the country in this matter and far from obstructing, contributes to the development of trade with the Soviet Union.

We welcome this. Good economic relations are now being built up with Italy. Our relations with France in this field are not bad at all.

Why then should America remain apart? However, that is up to you. The question of trade is one of profit. If you do not find it profitable to buy our goods or to sell your goods to us, do what you consider necessary.

Do not forget one thing, however. It sometimes happens that too choosy a bride will wait too long and find herself an old maid. (Laughter)

Such maidenly conduct is especially out of place in business where more than anyone else the rule so aptly expressed is “First come, first served” reigns supreme.

We also have a rather good proverb, “He who comes late must be content with a picked bone.”

Some people who are politicians rather than businessmen say in justification of the stagnancy that has persisted in American-Soviet commercial relations for ten years, that this situation is normal and even to the advantage of the Western World.

They seriously maintain that by refusing to trade with us the United States retards the economic development of the Soviet Union and weakens its defensive might.

There are few people in this hall, however, who would believe this I think. You are all familiar with press reports on Soviet Sputniks, rockets and the growth of our economy, which has never been so swift as in the past decade.

If any of you, however, still have any doubts, however small, come to the Soviet Union and see for yourself, as you colleague, Mr. Harriman, did recently. By the way, I discussed a number of matters with Mr. Harriman including the question of trade. I told him, and I can repeat it here, that the results of the ban on trade with the Soviet Union imposed by the United States as a repressive measure against our country have been the very opposite of those hoped for by its authors.

We have even benefitted to a certain extent by the policy, which the United States pursued with regard to the Soviet Union in the field of trade.

We have had to develop the manufacture of machinery we did not have before and intended to purchase from you, so that we are no longer dependent on anyone in this respect.

Thus the artificial curtailment of trade with the Soviet Union has strengthened rather than weakened us.

Look at the tremendous successes we have been able to achieve in our economy within the past ten years, how our technology, our science has developed. We were the first to reveal the secret of using hydrogen energy before this country did. We have developed ballistic intercontinental rockets earlier than you did, and which I believe you have not got in fact to this very day, and ballistic intercontinental rockets is indeed a condensation of creative human effort, scientific effort, so what sense is there in these restrictions?

The continuation by the United States of America of the policy of discrimination against the Soviet Union in trade simply represents obstinacy.

Since time immemorial trade has been considered a good omen in relations between states.

In present conditions international trade to a still greater extent becomes a kind of barometer of international relations, so may the pointer of this barometer move at least in the direction of variable, and as soon as it passes that line we are sure that given the effort on both sides it will soon point to fair weather.

All of you are well aware of the fact that we are offering you economic competition. Some describe this as our challenge to the United States, but speaking of challenges, one might say, that would be even more correct perhaps that it was the United States that first challenged the world.

It is the United States that developed its economy above that of all other countries of the world, and for a long time no one was in a position to challenge your supremacy there.

But now time has come when there is a state which accepts your challenge, which takes into account the level of development of the United States, and in turn is challenging you in this field.

We have no doubt that the Soviet Union will be able to stand on its own in this economic competition, and in time overtake you. But what is wrong about that? No matter who wins in this competition, you or we, both the Soviet Union and the United States will gain because our nations will live in conditions of peace and even better than we do now.

Incidentally, competition as we Soviet people see and practice it by no means excludes cooperation and mutual assistance, and we are ready to extend this rule to the United States of America, if that is acceptable to you.

Have we not cooperated with you in the past? About 30 years ago when our country started building up a large-scale industry, good economic ties were established with the largest United States corporations.

Ford helped us to build the automobiles works in Gorkiy. The prominent American specialist, Cooper, acted as consultant for the construction of the hydro power plant on the Dnieper, which was the world's largest at that time. Your engineers helped us to build tractor plants in Stalingrad and Kharkov. Americans along with the British acted as consultants during the construction of the Moscow subway.

We were grateful to your specialists for that co-operation, and many of them returned home with Soviet decorations and honors, not to speak of material remunerations. Still what is there to prevent us from resuming and developing economic cooperation at the present qualitatively new phase, when not only could we learn from you but you too could learn a lot from our engineers, designers and scientists?

Such cooperation could definitely be of mutual advantage. Your and our economic successes will be hailed by all the world which respects our two great nations to help those peoples who are hundreds of years behind in their economic development to get on their feet more quickly.

For the present I shall say nothing about whose fault that is. You know that yourself perfectly well. Let us better decide a just and humane way how to help these countries out of the plight in which they find themselves.

The position of the Soviet Union on this question is clear. Although our country has not made single ruble out of exploiting the natural resources and labor of other countries, we are prepared to continue rendering assistance to the countries of Asia and Africa which have risen to independence.

At the same time it would only be fair for the countries using the natural resources and labor of other nations to loosen their purses more.

Gentlemen, I read in your papers that the policy of peaceful coexistence we are offering to you means in effect the establishment of disunited world. Nothing could be farther removed from a correct understanding of the ideas of peaceful coexistence than such an interpretation.

In reality is it exactly the opposite that we want to achieve. Peaceful coexistence and competition imply ever-increasing economic and cultural intercourse between nations and vice versa, rejection of peaceful coexistence and competition signifies the disruption of all intercourse between nations and the further whipping up of the cold war.

Anyone who does not want to deliberately close his eyes to the realities of life will admit that the only reasonable way for the development of international relations in our time is that of negotiated settlement of outstanding international issues.

Our coming to the United States of America and President Eisenhower's forthcoming visit to the Soviet Union will make it possible, we would like to hope, to hold a frank exchange of views on existing disputed questions and facilitate agreement between us. (Applause)

To live in peace as good neighbors or to slide towards a new war, such is the alternative now facing the Soviet Union, the United States and the entire world.

There is no third alternative, barring naturally the remote possibility of either one of us desiring to move to some other planet. But I don't believe in that possibility. The Soviet people are rather well off on the earth, and you too I suppose have no intention of booking passage to the moon, where it is not very comfortable as yet.

Quite a few possibilities are concentrated in your hands.

You are influential people, and that is why addressing you today I should like to express the hope that the businessmen of the United States will use their influence in the right direction and

embrace the cause of peaceful coexistence in competition between us, as some of the outstanding representatives of your economy have already done.

I respect, for instance, Mr. Cyrus Eaton, who I think displays courage and sagacity.

True they say there are some who are displeased with the fact that certain representatives of the American business world support the idea of peaceful coexistence. They even come under criticism from the press, but as they saying goes, “He who wants to have eggs must out up with the cackle.” (Laughter)

Naturally, gentlemen, I am not urging you to adopt our world outlook nor do I believe that you expect to win me over to your capitalist faith.

It seems we are already past that age. You probably believe in the victory of your system, and I am confident in the victory of ours. I see some of you smiling. A person convinced of the justice of his own views usually treats with irony the other side, which is equally confident of its own views, but although I do not claim to be a prophet, I can say that I believe that some apparently will have a few bitter moments when they realize one day that they have incorrectly assessed the situation.

But if they are businesslike and clever people, as I already said earlier, then as experience has shown even the transition to a new social system will give them an opportunity to apply their knowledge, their energy and their abilities.

You will forgive me this joke. I did not mean to offend anyone. I simply wanted to express my thoughts about the future as I see it. Allow me to end at that.

I want to end my asking you all to think what each one of you can do to contribute to better relations between our two countries which have such a profound importance for peace between the United States of America and the Soviet Union, for world cooperation and international peace. Thank you, gentlemen. (Applause)

QUESTION AND ANSWER SESSION

PRESIDENT WOODMAN: Gentlemen, Mr. J. Wilson Newman of Dun & Bradstreet will ask the first question of Mr. Khrushchev.

MR. J. WILSON NEWMAN: Chairman Khrushchev, by the standards of this occasion the hour is late. You have had a very strenuous schedule. We observe that you have a distinct need for seeing much more of America. Without further do, our question will be brief. You have said on the one hand that you believe in more trade and in peaceful coexistence, and on the other you

have expressed the desire to submerge capitalism, the American way of life, under the tide of Communism. From our side this seems somewhat inconsistent. Will you in a few words reconcile these two point of view?

CHAIRMAN KHRUSHCHEV: Don't be offended, please. Don't be offended if I say that when you laughed before listening to the answer, you show that you have no deep knowledge of the question asked.

It was a progressive historical development when the young capitalist systems in times past fought against feudalism, when your country fought for its independence against the British colonizers, and when in other countries too there were social developments and revolutions to clear the way in the transition from feudalism to capitalism.

When your country entered the path of capitalist development, when it was economically a very highly developed country, Russia was a very backward country, a feudal country, and yet the two of them managed to coexist without war, although the social systems in the two countries were poles removed apart.

Yours was a Republican nation. Ours was a Czarist and absolute monarchy. Yours was a capitalist country and still is. Ours was a feudal state.

The two systems had great contradictions between them, and yet they managed to live together in peace without war. So why cannot the two systems which now exist, the Soviet Union with its new socialist system and your country with its capitalist system, why cannot there be peaceful coexistence, life and friendship within the two of them?

Perhaps you want a different answer from me, but that is the way I consider the matter, and in any case, whatever anyone thinks does not change the situation. A girl who has given birth to a child will not remain a girl even if the court says that she is. (Laughter)

MR. NEWMAN: Chairman Khrushchev, I believe from our side to your comments with respect to the question left one part uncovered to the satisfaction of this group. Is it your motivating purpose and that of the country, which you represent to flood capitalism, to flood to extinction the American way of life with Communism as you know it?

CHAIRMAN KHRUSHCHEV: I have been told that Mr. Newman is Editor of a big magazine. I cannot offer any guarantees or recipes for the preservation of the capitalist system in this country, but what I can say is that whatever happens in this country is a matter to be decided by the country itself, by the people of this country, but the working people of this country, by the nation itself.

But as I said, I can offer no medicine, if there is an illness. I can say what I said repeatedly, we favor the principle of non-intervention in your internal affairs. We have no intention of interfering with you, and you must correct and solve your problems yourselves. That is your own responsibility. (Applause)

DR. MERVIN J. KELLY: Chairman Khrushchev, would it in your judgment be desirable if a very large exchange of students in the schools of science and technology be arranged between our two countries? By “large” I mean measured in hundreds initially of those that move from one country to the other each year.

CHAIRMAN KHRUSHCHEV: I must say that we are in favor of the extension of this tide, but as I said in my talks with the Senators yesterday, we were surprised in the talks that are now being conducted on Soviet-American exchanges, the State Department has come out in favor of a certain curtailment of these exchanges, both in the field of technical knowledge and in the artistic field.

Therefore, I would suggest that the question be addressed also to the State Department. As far as we are concerned, we are in favor of wide exchanges in this field. (Applause)

DR. KELLY: Thank you, Mr. Chairman. I think the State Department is represented here tonight and have heard the question.

My second question is not indeed a loaded question, but one seeking information. We of science and technology have great admiration for you scientists and technologists, as in recent years it has been possible for us to have much more dealings with them, both here and in Russia, that admiration has increased. We also know from the data you have given tonight and otherwise of the tremendous number of scientists and engineers that you are educating and educating well. With that background, we of science and technology are sort of puzzled to understand the relatively little amount of science and technology publications having nothing to do with military matters in your country and ours. The publications open to the world from Soviet Russia are considerably less than ours, and our thought is that perhaps there is some restriction under which the scientists work. If there are restrictions, what are they, and what are the reasons for them?

CHAIRMAN KHRUSHCHEV: That is a question worth answering, worth considering. I find it difficult to provide a specific reply because the question is rather general, but in general we publish openly all our scientific data with the exception of classified information related to defense, which is not published in our country as in the United States.

You will realize that a country which represents publication of scientific information in its own country does harm to herself because it restricts that knowledge in its own country and prevents its own scientists from making a full use of that data, and we have no intention of harming ourselves.

There is a thought in our country that there are more restrictions in this field under the capitalist form of society because with the competition between various corporations it is sometimes useful for a corporation to hold back scientific knowledge and not to publish it, which is not the case under our form of society.

DR. KELLY: I won't prolong this. The hour is late, and you did say it was general information, and so it is. It was not meant to be other than friendly and inquiring and maybe bring to your attention a situation that I believe exists. I will give you just one example to make the area specific. In the International Geophysical Year, which all countries participated in, and your people did a lot of very fine work up to date, the Russian publication of their work is lagging very, very much back of ours and that of other countries. There is a specific example that you might want to check on. I don't want to prolong this.

CHAIRMAN KHRUSHCHEV: Thank you. I understand your concern, and when I come back home I shall check on the point. I see no particular reason why that is so. There is probably some technical reason. There is not much point in keeping back any information gained in the course of the International Geophysical Year.

MR. GARDNER COWLES: I would like to ask one simple specific question. You have said many times and as recently as in your speech this noon that you favored the people of the Soviet

Union and the people of the United States getting to know each other better and getting to know more about each other and having more information about each other. That being your feeling, why is it, sir, that you will not allow your people, if they wish, to listen to a broadcast from the United States, and why is it that you do not allow American periodicals, magazines, and newspapers be distributed freely throughout the Soviet Union, and why is it that when the Soviet journalists resident in the United States are allowed to send any dispatches they want any day without an interference of the government or anybody else, why do you insist on censoring the dispatches of American correspondents in the Soviet Union? (Applause)

CHAIRMAN KHRUSHCHEV: Please understand me correctly. I have come here at the invitation of the President. We have invited you President to come to our country. We agreed that our discussions will not touch upon the affairs of third world countries and that there would be no interference in the international affairs of each other.

Gentlemen, I am an old sparrow, so to say, and you cannot muddle me by your cries. You might not listen to me, if you don't want to, but surely you must show enough hospitality not to interrupt. If there is no desire to listen to what I have to say, I can go. I have come here not to bed for anything. I come here as a representative of a great country, a great people, who have made a great October Revolution.

No cries can do away with the great achievements of our people. I will reply to the question when there are no interruptions. The reply is this. The question of our public listens to or reads should be decided not by any outside government or any outside influence but by our own people and by its government.

You also jam American voices sometimes. I would refer to this unfortunate fact, for instance. For instance, our people and a great many other people in the world like the great singer, Paul Robeson.

Yet for five or seven years I believe the American Government would not permit him to tour any other country to sing there. Why is that voice jammed? That is a world famous voice. Well, we jam the voice with which some of you want to speak to our people. If the voice with which you broadcast to our country will be a friendly voice, we shall not jam it. I think that should be clear.
(Applause)

PRESIDENT WOODMAN: Gentlemen, I think I can say just as Mr. Khrushchev has offered all of us a job if we wish to change our views and enter his employ, so we can say having seen this great demonstration of ability and all of the other things that should he be otherwise inclined, we reciprocate the offer. (Laughter and applause)

CHAIRMAN KHRUSHCHEV: If in the competition we offer to you, your capitalist system, gentlemen, will be able to give more to the people, provide more welfare to the people than the

Communist society will be able to, I will be the first to come and bow to you and ask you to offer me a job I will be fitted for. (Applause)

But gentlemen I am not being offered anything specific. I have a good job. I think that I am working for a better cause than anything that can be offered me here, and therefor there is no reason for me to accept anything that might be offered.

I have come here to help establish better relations between our two countries, to establish friendship and consolidate peace in the world. Thank you. (Applause)

PRESIDENT WOODMAN: We are glad to have had you come, Mr. Chairman. (Applause)