

sell it at cut prices. The non-communist countries call this dumping...The Russians can flood the market with their surplus tin. In Bolivia, where tin is the vital life stream, there are riots. Against the Russians? No. Against us. It is true that the most recent riot was touched off by a statement in Time Magazine, but the underlying cause was the depressed market for tin.

“Soviet petroleum finds its way to Argentina and Uruguay. This tends to dry up the markets for Venezuelan oil. So does President Eisenhower’s executive order establishing a quota on oil imports into the U.S. This order pleased our oil producers in Oklahoma and Texas, but it cut our purchases of Venezuelan oil by \$250,000 a day...Soviet automobiles are appearing in the German market. They are selling at low prices and they aren’t being advertised. The Soviets haven’t yet learned the power of commercial advertising to help sell their goods in export markets...

“There are persistent Soviet bids for more trade with Britain. Three years ago, Khrushchev, visiting England, spoke contemptuously of current Soviet-British trade as the exchange of Russian crabs for British herrings. He offered to buy almost \$3 billion of British goods if the embargo on strategic exports were removed. And now Mikoyan roams the world markets, beating the drums for Soviet products, ready to buy or sell from either pocket, ready to undercut other countries’ prices, and holding out the hope of Soviet loans at 2 percent for 40 years...

“There is no Marxist nonsense in Soviet banking operations. Russian bankers operate today much as they did under the czars. They don’t believe in Capitalism, but they believe in capital and they handle it along capitalistic lines. Our bankers will tell you that Soviet gold is a pleasure, and a profit, to handle. It is always perfectly assayed. And it is beautifully packaged, so that the banks always make just a little bit more when they handle Moscow gold than with any other country’s gold. Soviet gold now trickles into the West at the rate of about seven million ounces a year... It isn’t enough

to disturb the delicate balance of the gold market. But what did Mr. Mikoyan urge last summer in an article in the Soviet magazine International Affairs? He proposed nothing less than that the United States raise the price of gold. This of course devaluates the dollar...

“In the Soviet view, the ruble is to displace the dollar as the dominant medium of international exchange even in the non-communist world. Such belief would have seemed foolish, or merely a nightmare, a few years ago. And today? I’m not a financial expert, but I wonder...the international ruble will have gold and a growing flood of commodities as its backing. And in a death grapple between the ruble and the dollar, what will be the fate of the relatively free system of finance that has so long dominated the international world of money?”

**George Romney:  
Pondering the Rambler**

*George Romney was president of American Motors Corporation when he addressed The Economic Club of Chicago on December 15, 1959.*

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“It is well to understand that when we speak of challenge, we mean both threat and opportunity, or—as Mr. Nehru put it—peril or adventure. Several years ago, our company became keenly aware that challenge was

a two-edged sword. One edge meant extinction, the other offered unusual success... In more ways than one, I think, the sixties will be a period of extraordinary transition. The change most intimately affecting our daily business is the change in the status and attitude of the consumer. I’d like to discuss this from the standpoint of the automobile business...

“The significance of the change that is taking place

in the automobile field is not yet fully realized... The compact car idea that originated with Rambler is now penetrating the entire industry, and we will soon see so-called luxury 'compacts' following the Rambler Ambassador in medium-price brackets. Last year I estimated that compact cars...would represent 50 percent of the automobile market by 1965. Now that the Big Three has decided to let the public decide the speed of the transition, it will be 50 percent sooner than that...

"The consumer is insisting not only on greater functionalism but greater dependability and value. Originally the automobile gave families mobility and freedom of location, and during much of the past 30 years, gave them an unmatched way to express that part of pride that can be purchased on an installment plan. Now the consumer is in a relatively new position. He has the extra discretionary buying power to express himself in many ways... In addition the cost of complexity—in terms of maintenance, insurance, repair, service—has become significant in itself. What is more natural than that the consumer should turn to the functional and dependable in the basic products that serve him, and turn elsewhere for self-expression?..."

"In the fall of 1954, our competition sympathetically ignored us. It was just two years ago they started explaining us—explaining why we were just a flash in the pan. Then they became irritated, and now they are imitating us... The record clearly shows that Rambler's success was the major market factor in the biggest about-face in automobile history.

"There are some lessons to be learned from Rambler success that apply not only to our industry, but also to some of the larger problems of the nation... I think the lessons we learned are these: First, that success is the result of preparation meeting opportunity... Second, that we need more than three big automobile companies in this country. Had it not been for American Motors, there is no saying when the U.S. car industry would have built vehicles suited for today's needs..."

Third, that nothing is more vulnerable than entrenched success. History is constantly teaching us that. As a rule, those who succeed carry to excess the things that made their success possible. It is not very often that billionaires pioneer...the impossible will yield to vision, faith, courage, persistence, and hard work. The facts are that if you identify a trend and if you have the faith and courage to give expression to that trend, and you then persist and work hard, you can succeed...

"Now I'd like to discuss the challenge to all of us as citizens..."

The material abundance produced by freedom has caused us to confuse bigness and power. Bigness and its benefits are cited as justification of what has become excess power in many instances. There is the theory of countervailing power, one big power group offsetting another. This 'balance of power' theory has always failed, and the balancing of excess industry power with excess union power is now threatening us with permanent concentration of excess government power. The complexity and magnitude of our present problems create individual confusion, uncertainty, and irresponsibility... Indifference and apathy resulting from our extraordinary abundance and superficial security. Most civilizations have expired on the bed of luxury. America has the opportunity to create a great new age by resisting this historical temptation...

"Excessive power on the part of industry required reforms that reduced that power and opened the door to greater power for unions. In the process, our laws became two-faced, banning monopoly power in the market place, but inducing it in collective bargaining. The steel strike is a forceful illustration of the result. The powerful unions banded together. The steel industry massed itself. And there they stood—two massive antagonists, both far greater in their strength than some foes whose struggles have changed the course of civilization..."

"We know that power begets power. If it breeds excessively in one place, it encourages it—even demands it—in another. Labor and industry strive

to outdo each other in their strength, and their impasse can only result in the necessity for still greater power in a third quarter—in government...

“Those who claim to believe in the collective bargaining process and urge final government authority, must fail to see that such a step in reality means the end of collective bargaining and the acceptance of collective bludgeoning, with the big club in the hands of a power-controlled government...

“I believe our antitrust laws, which were enacted in our early stage of industrial development, need to be modernized and strengthened to cope with new problems created by the functioning of the competitive principles now embodied in national law... To think that we have perfected laws on our statute books to deal with the type of economy that has evolved in the last sixty years is naïve...

“It is all very well to speak smugly of the virtues of competition and to assume that all you have to do is applaud it and be in favor of it. If we believe in competition, we must give it more than lip-service, and actively seek to keep it vigorous and fight the forces that restrain it... During the coming decade, I believe we will either meet the present challenges arising from our past progress by building a new and stronger foundation for economic freedom and well being, or we will fail in this opportunity and cripple our future economic development by expanding the role of government...

“To stop the drift toward overwhelming centralized governments, we need to do three important things. First, we must make certain, by modernized law, that power outside government is dispersed and kept dispersed. Second, we must improve the character of state governments and modernize the smaller governmental units...that were set up on the basis of travel and population distribution in a frontier country. Third, we must revive the participation of the people in both political parties and in control of government...

“In the world, we need to decide just how deeply

we believe in human brotherhood, and just how much of our comfort and time we are willing to give up in its behalf to help others help themselves... I believe America is assigned the great world mission in brotherhood and that its pursuit can gain for us as a people inexpressibly more happiness than the materialism that is threatening to possess our hearts...”

### **Eddie Rickenbacker: Conservatism Must Face Up to Liberalism**

*Captain Eddie Rickenbacker was chairman of the board of Eastern Air Lines, Inc. when he addressed The Economic Club of Chicago on April 12, 1961, on States' Rights and the federal income tax.*

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“The battle lines have been drawn between two irreconcilable views of government. Although the modern liberals derive their name from the Latin word for freedom, their actions and goals have consistently tended to increase the power of the central government. The modern conservatives take individual liberty as their battle cry, and they know that individual liberty is imperiled when the government attains unlimited power...

“Nearly fifty years have passed since Woodrow Wilson said that ‘a concentration of governmental power is what always precedes the death of Human Liberty.’ When Wilson said that in 1912, governmental power was not concentrated in Washington. It was scattered through all the states of the union.

“In 1912 the Congress, the President, and the Courts uniformly respected the Tenth Article of our Bill of Rights, which says, ‘The powers not delegated to the United States by the Constitution, nor