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*Selling Peace Through World Trade*

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**Address by Hon. James A. Farley**

Chairman of the Board

The Coca-Cola Export Corporation

at the

Sales Executive Club during the National

Federation of Sales Executives' Convention

Waldorf-Astoria Hotel, New York, N. Y.

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EXTENSION OF REMARKS  
OF  
**HON. SOL BLOOM**  
OF NEW YORK

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I should like to insert an address by the Honorable James A. Farley, entitled "Selling Peace Through World Trade" given at the sales executive club luncheon during the National Federation of Sales Executives' convention, at the Waldorf-Astoria Hotel on June 17, 1948. The address follows:

Mr. FARLEY:

This is a particularly opportune time to talk about selling, world trade, and peace. Selling is what most of us in this room make our living by. Trade, in one form or another, is what practically all the rest of us make our living by. Even the farmer who grows wheat is dependent on world conditions for his market.

Peace—or, rather, the absence of it—is probably the most important single factor in the lives of all of us today. The absence of peace makes necessary a large Army, Navy, and Air Force, and this in turn affects our manpower and creates shortages of goods. The absence of peace is, to a large extent, responsible for the continuing inflationary rise in our price structure. Failure to conclude a world-wide peace has made it impossible to demobilize fully, and has rudely interrupted the return from wartime conditions to normal.

If you are a globe trotter like me, you cannot fail but be impressed by the way the American goods have been broadcast throughout the globe, both during the war and since. In France you see a railroad car and it looks French. It is small and has those peculiar-looking European bumpers instead of couplings as we have here, but if you go up and look at it closely you see that it says

on it, "Made in the U. S. A." You see a bulldozer in India and it is an American product. You see a huge highway truck on the China roads and it comes from America. You are surprised to see a tractor on a small farm in Italy—but your surprise ends in the discovery that it was made in America.

The American world traveler today is amazed at the degree to which our substance—our iron, our steel, our coal, our copper, our wheat, our food, and our clothes—dots the landscape of the world. Everywhere American goods, American money, and American energy have gone to work speeding the rehabilitation and reconstruction of the world. In fact, it is doubtful whether without American aid this world reconstruction could take place at all. Last year about this time it was announced that we were considering the Marshall plan. The announcement was like turning on a light all over Europe.

The Marshall plan, or the ERP, as it is now known, has as its purpose the rehabilitation of nations so that they can again become self-supporting participants in world economy and in world trade.

We need this trade because we need export business. If the American economy is to thrive, we need a larger export business than ever before.

We need this trade because, in many respects, the United States is changing from a have nation to a have-not nation. Many of our raw materials are becoming depleted; and if they are to be replenished, they must be restocked by imports.

We need this trade because it is the history of trade that it increases the standard of living of all the people who participate in it. The nation that trades has always been materially better off than the nation that does not.

In other words, we need this world trade for economic reasons.

797913—26586

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But we also need world trade for a far bigger reason, which, for want of a better name, I shall call a moral reason.

It is not only true that American goods are now all over the world, but if you could see them in all the far-off places—in Brisbane, in Ceylon, in Alexandria, in Paris, in Rome—as I have, you would follow them with a feeling of intense pride. American goods abroad everywhere carry with them a feeling of integrity and of good faith.

This is true practically no matter what the merchandise may be. You see a second-hand coat on the back of a woman in Marseilles and she points out to you, with pride, that it comes from America and pauses to point out the exceptional quality of the cloth. You see a woman shopper go into a store in Genoa to ask for sugar, and she tells the storekeeper that she is not looking for some of that coarse, dingy-looking stuff that passes for sugar at home, but that she wants white, fine-grained American sugar. All over the world American soap and cigarettes have become so known for their quality that they pass for currency and take the place of money. In Greece the word nylon has come to be a synonym for anything fine. They may not have nylon stockings in Greece, but they do have nylon days, nylon weather, nylon health, and nylon friends. To say that you're nylon is to say you're tops.

In fact, the foreigner is apt to appreciate the quality of American goods far more than we do. He does not take it for granted, but is continually surprised and gratified by it.

The American system of a standardized product, uniformly made, of a constant quality and accompanied by a trade-mark which designates its source so that the customer may know who to hold responsible—whom to praise or to blame for it—has never received a more sincere tribute than this preference on the part of the foreigner for our goods to his own.

797913—26586

This is only natural. American products are a product of our way of living—not only of our economic system, but of our morality. Implicit in every American product is a sense of fair dealing, of responsibility, of keeping a promise, of identification of source, and of a contract entered into by buyer and seller in good faith.

This uniform quality of the American product is more important today than ever before. For if you travel around the globe as I do, you are impressed by a startling thing. The world is tired of words. Everywhere the meaning of words is tending to break down—they are used by too many people in too many untruthful ways. The finest words have been used to make so many promises that have not been kept that people everywhere are skeptical. It is practically impossible for the average foreigner to separate fact from fiction. He has heard so many lies that all too often when he hears the truth he is apt to dismiss it as propaganda. Everywhere in the world people have been driven by abuse of language to judge you not so much by what you say as by what you do.

Now, it is a well known fact that people understand things much better than they understand ideas. Even a poor woman who lives in a slum in Naples can see and feel and appreciate a washing machine. When we speak to the outsider of democracy he may or may not understand us—the idea may be beyond his depth, or perhaps a poor brand of democracy has been sold to him by somebody else before. But when you offer him a ride in your jeep or you offer him a cigarette or a bar of chocolate, this is something that he can taste or feel. This is something that he can easily judge for himself.

We are, therefore, in a position where the things that we manufacture are perhaps the best proof and the very best ambassadors of what we are. Perhaps the most impressive thing that can be said to the foreigner about

American democracy is that it is a system capable of producing low-priced merchandise of standard quality for universal distribution—that it is a system capable of producing for ordinary folks everywhere the kind of American merchandise, from trucks to shoe laces, that they saw and appreciated during the war.

I would like to quote a few examples from my own experience with Coca-Cola.

If you were to visit Alexandria, Egypt, you would find there a modern new Coca-Cola plant. It sets new standards of sanitation in the manufacture of foodstuffs. Every food plant that will be built in the future in Egypt will be the better off for the example which this modern Coca-Cola bottling plant has set. A public health official in the Near East told one of our people that the influence of Coca-Cola on sanitation would be one of the most effective factors in promoting health that had ever reached his country. To use his own words, "Coca-Cola is worth its weight in gold as education in cleanliness".

In a Coca-Cola plant in Africa shower baths for the employees are mandatory. In the beginning it was hard to get employees because shower baths were required. Today people come and apply at this plant for work, giving as a reason the fact that they can take a shower.

This influence goes far beyond the physical. For example, again in Egypt, the Coca-Cola man wears a uniform. At first the employees were skeptical. Today they wear it as a badge of honor because it represents to them and to the people that they deal with the whole idea of the fair treatment of a salesman by his employer and of a dealer by his salesman. One of our salesmen is one of the wealthiest people in his community. He sells Coca-Cola not because he needs to make a living, but because it gives him prestige.

Here is a story brought back by one of our men from one of the remote Arab villages in which you would hardly expect to find Coca-Cola at all. An old man stood in front of a

797913—26586

kiosk drinking a bottle of coke. Our interviewer asked him why he drank it. The old man said: "I tried a bottle and found it sweet. It had sugar in it and I liked it. I passed it to my wife to taste and she liked it. The children tasted it and they also found it good. Every morning I have bought a bottle and it is always the same and such a thing has never been with us before."

The more people we expose to American products, the better they will understand the kind of people we are. The more who experience our merchandise, the better off both they and we will be, and the greater the mutual understanding between us. There is no doubt in my mind that a Sears, Roebuck or a Montgomery Ward catalog, if we could distribute one to every inhabitant of the globe, would be better propaganda for the American way than all the propaganda in the world.

Let us now consider the kind of a world we live in. I think that you will readily agree with me that the most important single economic, political, and moral fact in the world today is Russia and Russian communism.

What Russian communism really is is difficult for an American even to visualize. It is so far from our own purposes that even after we see it we refuse to believe it. Its objective is deliberate destruction—to produce chaos and weakness on a world-wide basis, so that the communistic idea may inherit and control. It is a system based on labor camps where workmen are used and thrown away exactly as we might use and throw away a pair of shoes. It is a system of faithlessness where a promise means nothing and all is expediency. It represents a high-jacking of both scientific and intellectual movement for purposes of world control.

This faces us with the problem of what to do. We could follow one of two courses, both extreme.

The first is to depend on words, propaganda, and argument. This is not sufficient. As we have already said, the world is confused about words and too many words have been spoken already. Further, it will do us no good to stoop to the same level as our competitor. All of you engaged in commerce know that the best thing to do about competition is to leave it strictly alone and that no way has ever been devised of winning an argument with a skunk.

The second way is to depend on the atom bomb. This, likewise, as Americans, we find repulsive. The trouble with the atom bomb is that if you use it you have to kill 97 Russians who are plain ordinary well-meaning human beings like ourselves to get at 3 Communist Russian fanatics. Such methods do not fit our way of life, and with us the atom bomb must remain as the last resort in self-defense and not a weapon of attack.

What does this leave us? It leaves us, as usual with Americans, the middle way, and that middle way is trade. Trade leads to an intermingling, interdependence, and understanding between peoples.

Now, some of our Russian friends might contend that trade is the cause of wars. I deny that categorically. Wars are not caused by trade but by artificial barriers raised to trade. The history of trade everywhere is that it makes people so mutually dependent that they cannot get along without each other.

We sometimes forget the extent to which this is true. I should like to quote just two recently carefully considered observations on this subject—one by a world famous historian, the other by a world famous ethnologist.

The first is from Arnold J. Toynbee's scholarly best seller, *A Study of History*. You will recall that he attributes the downfall of Greece to its failure to convert from an agricultural to a trading economy. Instead of attempting to raise their standard of

living by trading with the outside world, the cities of ancient Greece attempted to increase their possessions by wars with each other, and the result was destruction both for warlike Sparta and for the more peace-like Athens.

The second case is from a lecture delivered by Dr. Edwin M. Loeb, ethnologist of the University of California on May 12 in Johannesburg, South Africa. As a result of studies of the cultures of the Ovambo tribes in southwest Africa, Dr. Loeb says: "It is common belief that some primitive tribes live in communistic societies, but I have yet to run across a single society in history that lived under a communistic form of government. The Ovambos have a government similar to state socialism but with an occasional Fascist twist. Their form of society is similar to that of the ancients of Peru and Sparta. Invariably throughout history the pattern is the same. In ancient Peru, in Sparta during the fifth century B. C., and among the Ovambos and other primitive African tribes, the use of money is limited or discouraged; the state takes a hand in raising or training the children or the youth, and contact with the outside world through trade is restricted or prohibited. In every case, countries without foreign trade become aggressor nations because of the threatened collapse of their self-contained economy."

There you have the answer to why the Russian is against trade, why he is against the ERP, and you have further proof that his purpose is an aggressive one. A member of the Politburo cannot afford to let his own people see the products of others, lest his own suffer by comparison. He has to maintain the myth that the world is against him to enable him to keep the yoke on the neck of his countrymen. Let the Russian ruling class admit world trade and their whole premise is lost.

This makes it all the more important that we continue our efforts against all odds and

difficulties to promote and sell world trade today.

Our objective is really a simple one. To exchange goods with everybody to our mutual profit. To make friends. To be as strong as possible, through the cultivation of mutual understanding and through the development of allies as well as through the manufacture of munitions. The greatest possible understanding of our character and purpose forms the best basis for an adequate American defense. The more people who know what kind of folks we are the better. We have nothing to fear and nothing to lose by being known. And world trade—the in-

tegrity of American goods—can do a powerful job of explaining who we are and how we operate. Perhaps a better job than we can do through any other means.

It is thus up to all of us who are engaged in the art of selling, to sell to the outside world—to promote world trade—continuously and as fully as we know how. The introduction of American products to our neighbors is as worthy a cause as any to which a salesman has ever dedicated himself. For where American products go, understanding of what they stand for will not be very far behind.