

TRANSCRIPT

ADDRESS OF CYRUS EATON
AT MEETING OF
NATIONAL PRESS CLUB
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INTRODUCTION

by Mr. Michael Hudoba, President

Our guest speaker has compiled such an incredible series of achievements during his eighty-six years that to relate his various careers and interests would make it appear that I was describing a dozen different individuals. From a \$2.00 a day job working for John D. Rockefeller, Sr., he branched out to earn his first million during his early twenties. Then he began to play Monopoly seriously.

The only difference from the rest of us is that he used real companies and real businesses. He organized and served on the boards of so many major concerns that it would surprise me if he didn't keep his own personal Dow Jones index of his holdings. He is a financier, a capitalist, a tycoon who was once described as looking like a Cardinal. Isn't it a paradox that anyone would have dared to suggest he was a communist? He has entree and has talked, conferred and advised the leaders of Iron Curtain countries. He is the rare individual who can and does communicate with the communist world. In fact, he is a two-troika man. The first one was a gift from Premier Khrushchev in 1959. This was in exchange for some bulls that he gave the Russians for breeding stock. It led him to say that it was better to trade bulls than bullets. The second was presented to Mr. Eaton by the Russian government in February 1969 and this would seem to serve to establish the durability of his relationship with the communist world despite the changes in their leadership.

If, in the popular mind, the name of Cyrus Eaton has meant anything over the years, it suggests the very image and incarnation of the diehard

American capitalist. The thought has occurred to at least one businessman who had a run-in or two with Eaton that the Cyrus he knew acting in his best form might be the fellow we need to deal with the Russians. He is the founder of the Pugwash seminars where world leaders of government, science, education and philosophy gather each summer in Nova Scotia to exchange views and explore common problems. More than forty seminars have been held with over 400 authorities from more than fifty nations, both east and west.

Yes, National Press Club members, there is a Pugwash. To find it our speaker says is not difficult. It is simply halfway between Shubenacadie and Tatamagouche.

Cyrus S. Eaton, in the many years he has been around, has known personally the men of top influence in politics, industry and journalism. He has known all the U.S. Presidents in this century as well as the Canadian and British Prime Ministers. Among industrialists he has known the senior Rockefeller, the first Henry Ford and the first Harvey Firestone. Newspaper giants he has known include the British press lords, Northcliffe and Beaverbrook, and in this country Adolph Ochs and Eugene Meyer. At age eighty-six, however, he does not talk about the past but the present and the immediate future.

Ladies and gentlemen, it is my special privilege to present a modern-day renaissance man giving a capitalist's report from Hanoi, Cyrus Stephen Eaton.

When I saw this snow last night, I thought I was in for another catastrophe in Washington. In March of 1909, we were celebrating the inauguration of one of our boys from Ohio as President of the United States. I had two motives for being here. One, to do honor to President Taft; the other to keep an eye on our railroad facilities here that were expected to carry a great many passengers who were planning to visit the city for the inaugural ceremony. There were few automobiles then. If you look up the weather reports, you will find that was when Washington experienced the greatest snowstorm in its history. Five or six feet of snow had fallen two days before the inauguration, and for four days not a wheel turned on any of our railroad cars.

When I saw the snow last night, I wondered if it would be my bad luck again, but I'm highly honored to have this large group of distinguished journalists here.

Since 1909, I have had frequent occasion to visit Washington, both on business and to meet the statesmen in the White House, cabinet members, Senators and Congressmen. During the same time, my business and financial interests have given me contacts with all five continents.

Last month, Mrs. Eaton and I spent eight fairly crowded days in Hanoi. We met the heads of state. We met many other people, including journalists, heads of hospitals, educators, and what was particularly useful to me, the Ambassadors and their staffs, including their military attaches, from many countries such as Great Britain, France, Canada, India, Poland, Burma and the Soviet Union. We found those Ambassadors men of great knowledge and understanding of the country, and they were of enormous help

to me, because they knew all the personalities in Hanoi, and their views. In addition, I met with a delegation from the National Revolutionary Front of South Vietnam. So I felt that I learned a lot about the country, its history, and its ambitions.

Vietnam was occupied by the Japanese in 1940, and for five years Japan controlled the country. At that time, Pham Van Dong, the present Prime Minister, who in my judgment is a very able man, was in contact with President Roosevelt. Roosevelt had said to him, "Expel the Japanese and we will promise you complete independence for your country." The Prime Minister was the man who conducted the negotiations for his country at Geneva, and he thought he had made what to him was a satisfactory arrangement. Japan's soldiers had been expelled, and he had an understanding that there would be a temporary division between North and South, and subsequently a vote would be taken to decide whether or not the South would join the North.

Secretary of State Dulles was opposed to that plan, and President Eisenhower supported him. Dulles said, "If a vote is taken at this time, 80 percent of the people in the South will vote to join the North, and to have a common leader." So our Government gave encouragement to the French to reassert their control and domination of the country. A French Foreign Office official told me a few years ago, "The Vietnamese people asked for their independence but we French wouldn't give it to them. They went to war, and after 10 years they threw us out, even though we had tremendous support from the United States. I warn you, the same thing will happen to the United

States, who have gone into this thing without our approval or without any promise of help from us."

I found the North Vietnamese people not especially interested in communism, but very greatly interested in nationalism. That is the ruling passion in that country, to be independent. Independent of China, independent of the Soviet Union, independent of France and independent of the United States.

My feeling is that they ought to have been supported in that ambition. Now they have reached the conviction, which is shared by all the leaders there and by all the people that we saw in many walks of life, that the Nixon administration does not wish to end the war, but is making plans to continue it. Any small withdrawal of troops is considered just a tranquilizer to quiet the American people who are protesting. That is their conviction.

I tried to persuade them to the contrary. I said America is a peace-loving country. I speak for the businessmen, and there is nothing in the view held by many that businessmen like this war because of the profits they make from it. That is completely untrue. The businessmen of America would like to see this war ended. That is true of people in all walks of life, college people, the clergy, farmers, labor leaders, everyone.

I found that the Vietnamese are not only sharp and tremendously well informed, but that they watch everything that goes on in America. Every speech made by the President or interview given by him or by Secretary Laird, Secretary Rogers, or anyone close to those people, are received there instantly by shortwave, and translated.

When I told them America is for peace, they asked how that can be true when

our appropriation for military activities is \$80 billion a year, and is more than the military appropriations of all the rest of the countries of the world combined, capitalist and socialist?

That was a little hard to explain.

They are also well aware that \$30 billion are directly used in Vietnam.

I did not offer a single argument as to why I thought our Administration does not want to end the war. I tried to advance every reason I could to persuade them that it was in their interest to get the war ended, so they could devote their efforts to improving their agriculture and their industry and the many other things they need to do. But they are going to be hard to convince. If our country wants peace with them, we can't be half-hearted in our approach, or in our statements.

I do not feel the problem is in Hanoi. I believe it's right here in Washington. Do we want to end the war? If we do, there is no problem of negotiating. Great exaggerations are made that they are hard to deal with. There is nothing to that. Here I am, an American capitalist. They talked to me, and I believe with great frankness and freedom.

Mind you, they have problems in receiving a visitor from America, not only because they must concentrate on the demands of the war but also the relations they must maintain with their very important allies, China, with the largest standing army in the world and 600 miles of common frontier with them, and the Soviet Union.

Military attaches of our allies there told me that they consider the Soviet Army the best equipped, the most efficient and the most modern of any in the world. That army, under the Soviet's contract to defend that country, is

at their disposal.

How are we going to end the war? I would just say a word about the situation as I see it in America. You have only to read the front page of today's newspapers to know what is wrong with America. You will see that the U.S. Department of Agriculture, an important branch of our government, is raising \$350 million by selling bonds to yield nearly nine percent. When you have our government paying nine percent for money, you are right on the verge of a financial crisis that will be catastrophic.

Look further on the financial pages and you will see that some of our greatest corporations are floating bonds with a triple-A rating, at nine percent interest. These are companies whose three-percent bonds six years ago sold at a premium. That high cost of money, that almost complete scarcity of credit, affects not only the large corporations but also weighs heavily on the farmer who wants to buy a new tractor, or on the laboring man who wants to build a new house.

On the front pages you will also see that our government is protesting against any move to bring our troops back from Germany, where we are sustaining over 300,000 men.

How can we maintain those military establishments around the world with the great scarcity of money?

On the way back from Hanoi, I stopped in Japan and saw leading industrialists, bankers and government leaders. I said to them, "You can't get any money now from America for expanding your industry, where are you getting it?"

They replied that German industrialists and bankers are supplying them great amounts of money at eight percent, and convertible into the common stocks of their industries.

Here you have Japan and West Germany, two countries that are forbidden to spend any money to speak of on military equipment, with the soundest currency in the world. Does that mean nothing to us?

We keep saying we are going to maintain 300,000 men in Germany at tremendous cost when we are going bust over maintaining our military activities in one little country.

Mind you, America's treaty obligations, if carried out, would take us into 43 wars on behalf of 43 nations all over the world that we have agreed to defend. We simply cannot do it.

What is going to happen? We are going to have a revolt by the businessmen of America. No longer can we afford to see our resources spent all over the world on military undertakings.

The great difficulty which corporations face today to get money is also shared by our cities. Yesterday the City of New York floated a bond issue. Not only did they have to pay seven and a half percent on a completely tax exempt issue, but they had great difficulty in selling the bonds. A few years ago New York City with its high credit rating would have been able to do that financing for about a third of what it costs today.

What is the main reason for this? It is this unwise and costly war that we are carrying on in that little country.

Various arguments to attempt to justify our involvement in Vietnam are constantly advanced, but from the standpoint of an American businessman, after visiting that little country and seeing those gentle people, I can't see one single sound reason in the world for our being there or continuing the war.

I would like to see us do what General de Gaulle did in Algeria. As you will remember, that war went on between Algeria and the French for years and years before negotiations were started to end it.

Those talks then went on and on, getting nowhere.

Finally de Gaulle said he was going to quit the talking and act, and overnight he decided to end the war.

He had to withdraw 500,000 French troops and over one million civilians, some of them of the third generation, who had been there.

What we need here is not talk. Our government recognizes the facts. They understand the whole problem. There is nothing I can tell them they don't already know.

What is needed is the courage of someone in Washington to end the conflict. If it can't come from the executive department, then it has to come from the Congressmen and the Senators. After all, they control the purse strings. This is one thing of which I was reminded in Hanoi. I was proclaiming the dedication of America to peace. They said to me, your Senate and your House are elected by popular vote. Yet they put up \$80 billion a year to carry on war. That was very difficult to explain.

So I look for action in the House and the Senate that will indicate we are no longer going to bankrupt America and continue this drain of men and money in a useless undertaking. The time will come when no longer will there be any funds available to carry on this war.

Don't forget, these people are very capable, and they know what is going on in international affairs. When we say that we want to end this war but make preparations to continue it by authorizing vast sums for military undertakings, you can't convince them.

MR. HUDOBA: Thank you, Mr. Eaton.

For the members of the audience, a typed transcript of Mr. Eaton's talk, including the questions and answers, will be available this afternoon at the club desk.

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QUESTION: With the death of Ho Chi Minh, there is much speculation about who leads North Vietnam. Some say it is Le Duan. Some say Troung Chin. What do you say on the basis of your visit, and who will be his successor as number one Communist in North Vietnam?

MR. EATON: I must not be dogmatic on a question of that kind, but my opinion is that there is at the present time complete cooperation and understanding between the three main men in the North. Sometimes when a statement is made by one who is interested in building up the local economy, it is said this man is against war; or there is a statement from a man directing the war operations, and it is said he is on the side that is prevailing.

Each one of these men is doing his own job in his own way, and I think there is, so far as I could detect, complete cooperation and understanding among them. That is verified to me by the Ambassadors of other countries, including our own allies and friends who are there.

I feel many Americans keep kidding themselves all the time that there will be a falling out among these leaders in North Vietnam. There will be no disagreement among them so long as they are fighting us.

QUESTION: This may seem like a repetition, but could you make an

assessment of Hanoi's views on Communist China from your observations in Hanoi? Do you expect any change in U.S. -Taiwan relationship in the foreseeable future?

MR. EATON: There was every evidence of fairly generous support in Vietnam from China. Food, money, small arms.

I'm among those who feel that the sooner we can relieve tensions among nations of the world, the better. Some people have been saying, "Well, there are conflicts between the Soviet Union and China that would be for our benefit." I feel that our own attitude toward Taiwan is likely to undergo changes if the present leader there disappears.

My grandson, Fox Butterfield, had an interesting article in the New York Times on Sunday. He is highly familiar with what goes on there, and it seems to me he stated it pretty well in his views that those people want independence. I believe they would be glad to have Chiang Kai-shek out. Neither do they want to join the mainland, but I don't believe that that is a problem that affects Vietnam.

At the present time the Chinese are giving everything to North Vietnam that North Vietnam asks for. North Vietnam doesn't want any Chinese soldiers. Over the years they have fought with China. They don't want any renewal of that. But the support that China is giving these people is on a very generous scale, as is that of the Soviet Union. The same is true of all the other Communist countries of the world.

The Ambassador of Poland in Hanoi struck me as a man of very great ability, and with a real desire to see this war settled, not with any animosity toward the United States or undue feeling toward the other side. That is true

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of all the Ambassadors there from other countries. They think this is unwarranted warfare that ought to be settled, and I think every one of them could be helpful.

France, for instance, dominated the country for hundreds of years. They would like to be helpful. Of course, the Asiatic countries probably have most influence with them, because they are on the same continent and have similar ancestry and interests.

But whether it is India or Burma or any of the other countries of Asia, I feel they all want to be helpful in getting this war settled, and I think our State Department would be well advised if they would seek the help and support of these people who have experience with this country, and with that area. But vanity keeps us from asking any help from outside.

I found these representatives extremely able, well-informed men, who would be constructive to the highest degree, if given a chance.

QUESTION: Did you balance your talks in North Vietnam with a visit and talks in South Vietnam? Have you discussed any of these issues with the South Vietnamese side?

MR. EATON: Only with the representatives of the National Revolutionary Front. I met with a group from there and heard their side, but I have not had talks with any members of the Government of Saigon.

I have talked to a lot of our soldiers, both officers and privates, who have come back after having completed their service there, and I take very seriously their appraisal of conditions in that country.

QUESTION: Senator Fulbright had urged President Nixon to send a representative to Ho's funeral. Was it a mistake that President Nixon didn't?

MR. EATON: Well, I am one of those who feel that any courtesy that we can show to these people is wise and well advised. I don't believe we gain anything by being rude. Good manners always pay in any situation, whether it is in business or otherwise.

I feel that perhaps nothing better could happen than a meeting between President Nixon and the Prime Minister of North Vietnam. I think the Prime Minister would respond to an invitation to meet the President at some neutral place where, without any propaganda from people in between, there could be a discussion of the real issues. In other words, we would be asking the boss in each country what are the terms on which we can settle this? It wouldn't be so good perhaps for you journalists because there wouldn't be as many things to speculate about or talk about. But I have found in the business world that if you get two heads of rival corporations together, you are more likely to get cooperation and understanding than if they refuse to see each other and only say mean things about the other fellow.

QUESTION: You visited Japan on your way home. What do the Japanese think about the Vietnam situation?

MR. EATON: Japan is the one nation that is prospering out of this conflict, because so much of our activities center from there. Japan's prosperity is astounding. There is nothing like it in the world.

Tokyo now is a city of twelve million. The largest city in the world. Japan is doing business on a vast and profitable scale all over the world.

Japan has difficult problems of its own. One is that I believe they are being urged to rearm with the idea that they would become a valuable ally of the U. S. against China or against the Soviet Union.

Those of us who can remember Pearl Harbor will look upon the rearming of Japan as a hazardous undertaking. I believe the present government of Japan is opposed to that. In my opinion, subtle pressure is being put on them to rearm with the idea that they would become an immense ally of the capitalist world. This is a very dangerous doctrine.

Many Japanese people are opposed to that. They know what the bomb can do. They had an example of it in their two cities that were destroyed.

Japan, in spite of temptations, ought to stick to their policy of no rearmament. There are plenty of scientists in Japan that could produce a bomb but I believe they will resist that course.

Japan and West Germany are two countries that are not spending money on armaments. They are the two countries flourishing most in the world. We ought to take a look at that and see if a similar course would not benefit us.

QUESTION: Moving to the West, Mr. Eaton, are you just as much in favor of reunification of East and West Germany as you are in favor of reunification of North and South Vietnam?

MR. EATON: I feel you have a much more difficult problem there than in Vietnam. East Germany has a long border with active communist countries. I am a great admirer of the German people, both East and West. They are among the most remarkable, thrifty, and hard working people in the world, but I don't believe it actually matters much whether they are united or not, as long as they drive ahead.

The war destroyed them. But now they can devote themselves to their agriculture, industry and finance. It does not make too much difference whether they are under one government or two.

MR. HUDOBA: Before asking the last question, Mr. Eaton, it is my privilege to present to you a certificate of appreciation from the National Press Club for your service to correspondents in commemorating your visit with us today.

MR. EATON: Thank you very much. I had the privilege of being here 12 years ago and I hope 12 years from now you will invite me back again.

MR. HUDOBA: Well, we certainly shall. I would also like to -- this is perhaps one of the most redundant things that could happen, but at the risk of a pun, for a man who owns two railroads, here is another tie.

MR. EATON: Blessed be the tie that binds.

MR. HUDOBA: Do you plan to give your money away the way that young Brody is doing?

MR. EATON: I want to devote much of the rest of my life to promoting peace in the world. Carnegie, whom I knew, and who was one of the greatest of American industrialists, dedicated his fortune to peace, but with little effect. I want to be very active in the cause of peace.

I expect to come back to Washington frequently. I want to see my friends in the Senate and the House, and in the executive departments of the government. I want to try to persuade them that war is folly and that there is no point in our going bankrupt, especially in these wars that we can't win and we are not much better off if we do win them.

Japan and Germany are examples of what can happen to countries that are defeated but yet have the energy and the skill to work hard and forge ahead.

So I expect to continue to come to Washington. I expect the mayors of some of our big cities, will come here privately with me to help influence their

friends in Congress. I also expect the heads of big corporations to come to Washington, not for any publicity, but to talk with the Senators and Congressmen who put up the money to carry on this war in which we are making no progress, and which, if continued at the present pace, will cause us all to go bust.

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