

Address
of

CYRUS EATON

at

Cleveland City Club Forum
February 5, 1971

"Impressions of Chile, President Allende and the Wise
New United States Policy Towards This Socialist Country"

To take most American newspaper coverage at face value, since Dr. Salvador Allende emerged from last September 4th's three-way presidential election with the largest number of votes, one could easily be led to believe that Chile had suddenly succumbed to militant communism, and that the rest of Latin America would shortly plunge down the same revolutionary path. I chose instead to go see for myself, and I should like to share with you some firsthand observations at distinct variance with the cabled dispatches.

I looked, and I now speak, from the viewpoint of a practising capitalist. The difference between me and a good many of my fellows is that I have consistently advocated tolerance in political, economic and religious theories, and I refuse to denounce men or nations for their opinions. To the bigots who criticize my unwillingness to censure other systems than ours, I must reply that I firmly believe in the necessity of diminishing the mutual hatred between capitalists and communists, especially in this nuclear age when political misjudgment could send all mankind up in flames in a matter of minutes.

This is not to say that Chile has gone communist; far from it. Nor do I think Chile will, if the United States follows wise and restrained policies toward the new Allende regime.

Dr. Allende himself is not a communist, but a socialist and a Catholic. I would pigeonhole him as no farther to the left than the leaders of the labor party who recently ruled Great Britain. Chile is a constitutional republic, and the Allende government is a socialist coalition. The cabinet consists of fifteen representatives of six political parties, and includes only

three communists, these by no means the most influential of the new ministers.

In visiting Chile, I was determined to meet as broad a range of leadership as possible, and to study personalities as well as policies. In the course of ten crowded days, I had separate and private conferences with each of the three contenders in the recent election. I conferred individually with influential members of the Senate, and was entertained at luncheon at the Senate. I met a number of members of the new cabinet, and had long private interviews with the ministers of foreign affairs and agriculture. I talked with local heads of American corporations with important interests in Chile, as well as with Chileans who are heads of business there. I saw prominent educators, scientists and journalists. I held private and confidential talks with the Ambassadors of Great Britain, France, the United States and Sweden, as well as the Soviet Union, Poland, Romania, Czechoslovakia and Yugoslavia. I had luncheon and dinner meetings with various of these Ambassadors, and met their wives and families.

All of these people talked to me, from their special points of view, with complete frankness, about the past, present and future of Chile in industry, agriculture, education and government. What they told me differed considerably from what our journalists have been reporting. There is a tendency, it would often appear, for correspondents to stress defects rather than achievements, and to send home accounts that they think the public there wants to read. In dealing with foreign countries, especially the smaller ones, my own view is that we need to take a more constructive approach. The people of a smaller nation, particularly when they are of different race and language, are highly

sensitive to derogatory remarks, but warmly responsive to any word or deed that shows appreciation of their country and its institutions.

Chile combines delightful climate with magnificent scenery. Its 9,500,000 people, predominantly of mixed Spanish and Indian blood and predominantly Catholic, occupy an area slightly larger than Texas. The coastline stretches more than 2,600 miles from north to south along the Pacific, the approximate distance from Southern Alaska to Southern Mexico. The capital, Santiago, is a big and bustling city of more than 2,000,000. Long a major world supplier of copper and nitrate, Chile is also rich in such other relatively untapped resources as iron ore, coal and oil, and possesses a vast, undeveloped farm potential.

The people of Chile are united, homogeneous and patriotic. They are intensely nationalistic, and they wish to be independent, economically as well as politically. They have become impatient with the slow pace of land reform and expansion of housing and health and educational facilities. At the same time, they cherish their constitutional form of government and political stability. Chile, in fact, is the one Latin American nation in which there has not been a revolution during the past forty years.

It is in this setting that the 1970 presidential election took place. The president is elected for a six-year term, and cannot succeed himself, so the Christian Democratic Party selected Radomiro Tomic, former Ambassador to the United States, to run in place of incumbent President Eduardo Frei. Candidate of the conservative National Party was former President Jorge Alessandri, who had served from 1958 to 1964, and whose father had also held the office of

President in the 'Thirties. Both of these nominees, as well as the far more liberal Dr. Allende, favored economic and social reforms, the distinction among them being mainly the degree and the rapidity with which the changes should come about.

Allende led in the voting with 36%, Alessandri ran second with 35% and Tomic came third with 28%. Under the Chilean constitution, since no one had commanded a majority of the vote, the final decision was left to the determination of the Congress, composed of the 50-member Senate and the 150-member Chamber of Deputies, both bodies being elected at different times and for different terms from the President. When the Congress voted on October 24, Allende's election was confirmed by a 165-to-35 margin, with the support of many Tomic and Alessandri followers.

I met, and was cordially received, by these three political leaders in December. All of them are equally devoted to their country, even though far apart in their policies. Alessandri, the conservative, struck me as a dignified and distinguished gentleman of the old school. Tomic, personable and knowledgeable, has not let disappointment over running third alter his dedication to nation. He and his Christian Democratic followers decided to vote for Allende in the Congress, in accordance with the tradition of confirming the candidate with the highest even if not majority vote, and thus headed off an imminent uprising that might well have led to a bloody revolution. Although the United States professed not to be taking any part in the September election, behind the scenes it was commonly conceded to be supporting Tomic strongly.

Dr. Allende -- he is a doctor of medicine and a past Minister of Health, with long service in the Chamber of Deputies -- appealed to me as able, intelligent, strong and determined. From my assessment of his good qualities, I would expect him to find plenty of opportunities for constructive statesmanship, provided the United States maintains a hands off policy. He assured me repeatedly that he is eager to enjoy good relations with the United States. He asserted that, where he is moving more rapidly ahead than his predecessor to nationalize or Chileanize foreign enterprises, he is not taking them over because they are American, but because he believes it crucial to Chile's economy to do so. He will be strongly influenced in his actions by the attitude of the United States toward his country and its new government.

At the beginning of the year, after my return from South America, President Nixon gave voice to American policy toward Chile in the course of a nationwide television interview. Nixon pointed out that the Allende election was the decision of the people of Chile, in a free election, and that we accepted that decision, we still recognize the government and we will still continue our programs there as long as Chile's foreign policy is not antagonistic to our interests. Nixon also quoted himself as having asked the retiring Ambassador from Chile to tell the new President that, as far as the United States is concerned, we recognize the right of any country to have internal policies and an internal government different from what we might approve of.

If President Nixon means what he says, and the United States lives up to it, this represents a wise change in our foreign policy. It means that we

have at last decided to clamp the leash on the CIA, and to abandon our outworn strategy of trying, by force or by bribery, to interfere with and even overturn foreign governments that do not completely suit our liking. The cloak and dagger artists are certainly due for retirement, after their misadventures and misinformation that precipitated our abortive sorties into the Bay of Pigs and Cambodia.

Immediately after Allende took office in November, and well before the Nixon pronouncement, Chile resumed full diplomatic relations with Cuba. The day after the Nixon statement, Chile and Communist China agreed to full recognition of each other. Neither step should startle us.

Canada and Mexico, for instance, our nearest neighbors to the north and south, never severed relations, but continued to conduct business as usual with Cuba when Castro came to power. Through the Organization of American States, and our Latin American Alliance for Progress, we placed an economic boycott on Cuba under Castro a decade ago, and we have seen to its enforcement by pouring billions of dollars of loans and grants into other Central and South American countries.

We have used the same leverage to pressure the Latin American nations into voting against the admission of China to the United Nations. In addition to Chile, Canada and Italy have recently recognized China, while most of our NATO allies have done so from the start. Well informed observers believe that Chile's action has set the stage for the rest of Latin America to follow suit, so that China will be brought into the United Nations and the embargo on trade with Cuba will be ended.

With normalization of relations, I would look for some of the intelligent and energetic of China's 700 million people sooner or later to be attracted by the great potential for agriculture in Chile and other countries of South America. The Spaniards who originally came to Latin America were ambitious and adventurous men, looking for gold and silver. Their interest was not in farming, but in keeping these colonies attached to the Spanish crown, and maintaining orthodoxy of religion. The other Europeans who came later, and the Canadians and Americans, have been drawn by the opportunities for mining and industry, and have gone into the cities rather than the countryside.

I spent Christmas day at one of the big collective farms, "Brilla el Sol" or "Brilliant Sun" by name, and played host at a picnic lunch for 100 people, farmers and their families. The first happy wife to arrive was accompanied by eleven children, the next by eight. The manpower is there, but the need is for improved livestock, modern equipment and machinery, broadened educational opportunities and a higher standard of living. The Minister of Agriculture is a forceful man, who was educated at the University of New Mexico, as it happens, and I have no doubt that he will push hard for progress.

An interesting occasion was Sunday tea at the British Embassy, the finest in Chile, with beautiful and well tended gardens. The Ambassador's son and daughter were there for the holidays, and hospitably took the younger members of my party off to play croquet. The son is at Eton College and plans to go on to Oxford, as did his father. The Ambassador, a most attractive gentleman, proudly recalled that Great Britain had built most of the railroads,

electric power companies and harbors in South America. His sorrowful comment was that his country had subsequently had to cash in all these wonderful investments, to finance World War I and World War II. Certainly that is a concrete example of the economic folly of war, even in the best of causes.

In closing, I want to remind you that Chile is a constitutional republic, now governed by a socialist coalition and headed by a Catholic president. The parents of probably the most influential Senator were Arabs born in Bethlehem, but he and his family are Catholics. The second in command in the Ministry of Agriculture is the son of Russian-born parents, and he and his family are members of the Jewish synagogue. Truly this is a coalition, with a combination of religions and politics, hardly the pattern for a thorough-going, dyed-in-the-wool communist country, despite the headlines you may have been reading.

Chile insists on independence and is eager for good relations with the United States and every other country on earth, capitalist, socialist or communist. If the United States treats Chile with consideration and respect, all of the nations of this western hemisphere may well arrive at a real Alliance for Progress, with every member an equal and productive partner.

The test for capitalism, I am constrained to add, lies not in staving off the threat of communism, real or imagined, but in demonstrating the success of our own chosen system here in the United States. In the past year, we have witnessed the bankruptcy of our biggest railroad, the Penn Central, and spectacular collapses and near failures on Wall Street, even though we have a government run by three Wall Street lawyers.

It is time for us to abandon our stale and profitless policy of denouncing other nations and other systems, and trying to overthrow them by spending

billions and billions of dollars around the globe like drunken sailors. In pursuing this doctrine of negativism to contain communism since the end of World War II, we have brought ourselves to the brink of national bankruptcy, and half of mankind now nevertheless embraces communism. The policy I advocate is, not anti-anything, but positively pro-American and pro-capitalist. Let us upbuild our own nation and its institutions, and we will not have to worry about the rest of the world.

January 27, 1971

Notes for Mr. Eaton's February 5th City Club Speech on Chile

Mr. Eaton was front page in all of the papers, with great, glowing editorials of welcome and praise. That was true of all of the papers, both those that are for Allende and against him. In no country, has Mr. Eaton been so cordially received by press, radio and television, as well as the people of all parties, including Allende, Alessandri and Tomic. These were the three candidates in the recent presidential election. Alessandri is a former president, whose father was also president at one time.

All three of these men are patriotic Chileans, devoted to their country and holding their constitution in the highest respect, though they differ widely in their economic and political policies. That while the United States professes not to have taken any part in the election, behind the scenes it was supporting Tomic strongly, but he ran third.

I spent 10 crowded days in Chile. I had private conferences with each of the three contenders in the recent election. I also conferred individually with influential members of the Senate, and was entertained at luncheon at the Senate. I conferred with a number of members of the new cabinet, and had long private interviews with the Ministers of Foreign Affairs and Agriculture. I talked with the local heads of important American corporations with big interests in Chile. I also talked to Chileans who are heads of businesses there. I also talked with leaders of education.

I spent Christmas day at one of the big farms, and was host at a picnic lunch for 100 people, farmers with their wives and children. The first happy wife that arrived for the Christmas picnic had 11 children with her, the next had 8.

I had private and confidential talks with the Ambassadors of Great Britain, France, the United States and Sweden, as well as the Ambassadors from the Soviet

Union, Poland, Romania, Czechoslovakia and Yugoslavia. I had luncheon meetings with a number of these Ambassadors, and also met their wives.

All these people talked to me with complete frankness about the past, present and future of Chile in industry, agriculture, government and education.

I desired to meet these people and to see at firsthand for myself, not only the personalities, but also their policies. Sometimes what our journalists write, may be different from what they see. In dealing with foreign countries, especially the smaller ones, I endeavor to look on the bright side instead of stressing the defects. People of smaller nations, especially those of different race and language, are sensitive to derogatory remarks.

Allende's election had to be approved by the joint vote of the Senate and Assembly. Many of the followers of Tomic and Alessandri voted to approve Allende. There are 50 members of the Senate and 150 members of the Assembly. Of the total of 200, Allende received 165 votes, in spite of the efforts of some interests to persuade the followers of Alessandri and Tomic to vote against him.

Our government claims it took no part in the election, but it is well known that, behind the scenes, it was working strongly for Tomic. The American government has wisely decided to acquiesce in the decision of the voters of Chile. See Chicago Sun-Times article. If this is true, there is an important departure in American policy. There are those who are skeptical of the sincerity of that position, because of the presence of mysterious figures who are suspected to be on the payroll of the CIA.

The immediate recognition of Cuba and China by the new government in Chile will have an impact on the United States. That is nothing to be startled about, because Mexico and Canada, our nearest neighbors north and south, have always recognized Cuba and continue to do business with her. (Mexico does not recognize China.)

Canada and Italy have recently recognized China, but most of our NATO allies have always recognized China. The United States has exerted extreme pressure on the Latin American countries, and have had them vote to exclude China from the United Nations in the past. Well-informed observers believe that this will no longer be successful, but that many other Latin American countries will follow Chile's example. If these countries come along, this will assure China's entry in the United Nations.

Chile's recognition of China and Cuba will bring China into the United Nations and will put an end to the embargo on trade with Cuba. Cuba has all but been excommunicated from the world of business and diplomacy. The end of this unwise policy is in sight, with Chile's action. A few hundred years ago, if the Pope was unhappy with a nation, he excommunicated it so that the whole nation was destined to go to hell. Such action is no longer tolerated, even though the United States tries to pursue it.

At enormous cost and effort, the United States has laid this embargo on trade with Cuba, and it has been effective with all North and South American countries except Mexico and Canada. The example of Mexico, Canada and Chile is likely to be followed by all other Latin American countries. That policy, to which the United States has devoted so much time and money, is now bankrupt, a complete failure. The same is true of China. The policy never made any sense, but we spent all kinds of money trying to make it succeed.

See transcript of Today Show for references to CIA. The information furnished our government by the CIA has been discredited by the Bay of Pigs, Cambodia, Vietnam and Laos. The Senate Foreign Relations Committee would render a valuable service by disclosing the number and classes of CIA people who have been in Chile for the past year. That is a policy that is as unwise as it is dangerous.

Chile has a delightful climate and magnificent scenery. It has the Pacific Ocean on its west coast for 3,000 miles, more than Mexico, the United States and Canada combined. That is a very great asset.

In my attitude toward our relations toward the socialist countries, I am seeking the larger interests of America, rather than looking for immediate political or economic advantage.

How much have we spent on the Alliance for Progress? This is another attempt based on the theory that money will buy anything. Such appeals to the pocket are alright while they last, but not a permanent incentive.

Chile has a constitutional republic which now has a socialist-coalition government. Only three of the fifteen members of the cabinet are communists. Allende, who is not a communist, is an intelligent, strong, determined man. With Chile's recognition of China, it would not be surprising if some of the intelligent, energetic people among China's 700 million population found Chile and its farmland attractive in the future. From the standpoint of climate, South America would be a great place for the Chinese to go. I venture this prediction, that Chile and other countries of South America with a vast, undeveloped farm potential, will be attractive to the Chinese. Americans have come into Chile for mining and industry, as have Europeans and Canadians. These people have gone into the cities. Santiago is a city of more than 2 million people.

The original Spaniards who came to South America were vigorous and ambitious men. They were not interested in farming. They were interested in gold and silver, and wanted to keep the South American countries attached to the Spanish crown, and also to maintain the orthodoxy of religion in these countries.

The Chilean farmers, who are called peasants, all have some Indian blood. In the main, they are partly Spanish and partly Indian. From my firsthand observation of farming, I believe there must be marked improvement in the standard of living, the livestock, equipment, machinery and educational opportunities.

The British Ambassador, a very attractive gentleman, told me sadly that Great Britain built all of the railroads, the electric power companies and the harbors in all of South America, but had to cash in all of those wonderful investments to finance World War I and World War II. The British have the finest embassy in Chile, with beautiful gardens. The Ambassador had us there for Sunday tea. His son and daughter were there for the holidays. The son is at Eton College and plans to go on to Oxford, as did his father. The two youngsters were very hospitable to the younger members of our party, and took them off to play croquet. The experience of Great Britain in South America illustrates the folly of war, even when it is in a good cause.

Bribery is the principle tool of the CIA around the world. It is hard on the American taxpayer.

Nobody in Chile seems to have ever heard of Spinoza or Santianna.

It is interesting that Chile, a constitutional republic now governed by a socialist coalition, has a Catholic for president. The parents of probably the most influential member of the Senate were born in Bethlehem. He is an Arab, but he and his family are members of the Catholic church. The second in command in the Department of Agriculture, an extremely forceful man, is the son of Russian-born parents. He and his family are members of the Jewish synagogue. It is truly a coalition, when you have this combination of religions, as well as differing politics. This is hardly what you would expect from a thorough going, dyed-in-the-wool communist country. (In Poland, which is almost entirely Catholic, I do not think

that the government includes a Catholic or a Jew.) To label Chile communist is to incite hostility. A journalist likes to write what the people back home want to read.

The president is elected for 6 years, members of the Assembly for 6 years and senators for 8 years. Senators, and possibly members of the Assembly, are not all elected in the same year.

From my assessment of Allende's good qualities, I would expect him to find plenty of opportunity for constructive statesmanship.

The University of Chile was founded in 1540, 100 years before Harvard. Chile takes pride in its history and in its institutions.

Chile has never had a revolution.

The Minister of Agriculture is a forceful and influential man. He was educated at the University of New Mexico. He is out to improve agriculture. On our visit to the farm, we were accompanied by the man whose parents were born in Moscow, and who is a member of the Jewish synagogue.

Consider the vast sum we spend to prevent the spread of communism. In World War II, our most heroic allies were the Russians. The moment the war was over, we announced the Marshall Plan and formed NATO to crib, cabin and confine communism. We immediately embraced our enemies, Germany and Japan. None of this was designed to improve our economy, but was based on ideological theories. Why go broke trying to destroy the economy of our recent allies and reviving our enemies?

Chile has a strong sense of nationalism. Tomic and his Christian democratic followers decided to stick to the constitution when they voted to seat Allende, rather than precipitate a bloody revolution.

Allende, Alessandri and Tomic are all patriotic Chileans. Alessandri is a dignified and distinguished gentleman of the old school. His father was president and he himself was president for one term. He is a very conservative man. Tomic ran third in the presidential race, but he is devoted to his country. Allende has force, decision and ability and deserves the respect and support of the United States.

The famous scientist who attended my birthday party told me he had two reasons for coming. One was that he professed to be a great admirer of mine and the other that he was the same age. His wife told me not to be too impressed by him, since she is one year older.

Horse racing is the favorite sport and pastime of the Chileans. I went to the races on Sunday as the guest of the directors of the track. It was a beautiful track and the horses were fine. Betting on the races is conducted on a tremendous scale.

I met with journalists, scholars and scientists. The scientist who attended the birthday party is very famous in his field, and others were impressed by the fact that he came.

I had private interviews with each of the three candidates in the recent election for the presidency, with members of the cabinet and Senate, as well as with leaders of industry and agriculture.

Santiago is a busy, commercial city of 2 million people.

Chile has rejected the unwise policy of the United States with respect to China and Cuba, and given full recognition to both. This policy will be followed by other Latin American countries despite efforts in opposition on the part of the United States.

As President Allende told me, Chile desires independence. He does not want to adopt the policies of any other country, but he wants the people of his country to be free to adopt the economic and political policies that will be best for their country. Chile would like to have friendly relations with the United States and other nations of the world.

In Chile the people are united, homogenous and patriotic, in spite of the 3,000 miles in length.

A Chilean responds quickly to anything said or done to show appreciation of his country and its institutions.

When we deal with another country, we are disposed to be unduly impressed by the defects that we see.

Agnew excommunicates someone who disagrees with Nixon as Pope Paul did with Venice.

I have advocated tolerance in political, economic and religious theories or opinions. I refuse to denounce men because of their opinions. Bigoted men criticize me because I am not more positive in my protest against socialism or communism. I seek to diminish the mutual hatred between capitalists and communists. I follow this policy in spite of some criticism and reproach.

The New York Times article of January 20 predicts business failures and high taxes for Chile. These are not confined to that country. In the past year we have seen the bankruptcy of Penn Central and colossal failures on Wall Street exceeding those of any other period even though our government is run by three Wall Street lawyers.