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Optimism Views Find Cyrus Eaton Cool in Chicago

BY NORTON KAY

Cyrus S. Eaton doesn't share the optimism presently pouring forth from most of his business colleagues that bright days are immediately ahead for the nation's economy.

In fact, Eaton, whose business career spans the 20th century as a powerhouse financier [he once bested Samuel Insull], believes we are in a "deep recession" and that we have too much capacity to ever be filled by domestic demand.



Cyrus Eaton

Eaton was in Chicago yesterday to attend a luncheon of the Citizen's board of the University of Chicago in the Sheraton Blackstone hotel. Eaton is a trustee of the university.

"The economy needs very greatly to be stimulated," Eaton said.

And the stimulus has to come in the form of greatly reduced federal taxes, he said. The slash, he feels, can be made in arms, military aid and withdrawal of American troops from 36 nations overseas.

Favors Red Trade

The second step in Eaton's program is a dramatic increase in exports which can be accomplished thru the tax cut. That is, the tax relief would so greatly reduce costs that American prices would be competitive in overseas markets.

The third step in the Eaton program, also involving exports, is trade with the Soviet Union and Communist China. He defends this on the grounds that our allies are already involved in such trade.

Eaton, a white haired, courtly executive who amassed a 100 million dollar fortune before the depression, lost it and remade it in the years that followed, has been accused of Communist leanings.

He has been a guest of Premier Khrushchev in Moscow and in turn has held luncheons for the Soviet chieftain on his visits to the United States.

Eaton's vast investments in this country—chairman of the Chesapeake and Ohio railroad, an owner of coal mines, steel companies, a paint company, and utilities would tend to belie a serious interest in Communism as a way of life.

Need More Outlets

The government's welfare programs, Eaton concedes "may be all right, I don't know, but they are superficial. What we need are outlets for trade."

Unless trade is expanded, according to Eaton, this nation is in for a long siege of an economy operating in low gear, far below its potential. Eaton declined any specific estimate of the probable length of the recession on the grounds that it may be too upsetting.