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Mr. Eaton, to begin with, I suppose we should ask what you think the outcome will be of the United Nations General Assembly meeting that is opening with all of these world leaders especially from the communist, socialist countries being present.

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It's going to be the most important meeting in the history of the United Nations. My uncle, the late Congressman Charles Eaton, was one of the creators of the United Nations, so I have been following its history very closely from the time of its formation. This is going to be the big time.

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Do you see any particular reason why Mr. Khrushchev, why Kadar, why Castro, why all of these people would come to the UN for this particular meeting?

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I don't see why any statesman should miss being there upon an occasion that's as important as this. I think that Mr. Khrushchev is going to put forward two very important and fundamental proposals, and I think in those you have the warm backing not only of these socialist nations, but of many other nations, so that I should think the head of any state would want to be there to participate in the show.

It's not a case of Khrushchev asking them to be there for this particular reason, you don't think so?

E

I don't think so; I think they wouldn't miss it. I certainly wouldn't if I were the head of a nation. In a business matter, if there is something very important coming along, I want to be around to participate in it.

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There's something of an irony there, then, in that we still don't know whether Eisenhower or Macmillan or DeGaulle are going to show up on the Western side of this.

E

Yes, I don't know about De Gaulle. I would predict that all of the others will be there before the Assembly adjourns, because Mr. Khrushchev is going to put forward two tremendous proposals. One for complete universal and immediate disarmament, and the other for the admission of China to the United Nations. And I think he's going to win on both of them, if you want to know. (I'll tell you why)

D

Why, yes, we would like to know why you think that he'll win it.

E

He has all the advantages on the disarmament question. For instance, the United States has more than 1400 military bases outside the United States in 36 countries. In addition, we have provided money and men to maintain our allies, to enlarge their military forces. We are putting up around 50 billion dollars a year to sustain this great military effort. That I think puts us in a bad way. I think that the conscience of the world, the religions of the world, will all be on the side of disarmament, and I think the industrialist has come to the point where he is quite unhappy over the vast sums that we have to put up by way of taxes to create this military which, if we ever attempt to use, will destroy all of us. And then, of course, we know. . . I've seen a lot of the Russians, scientists, for instance. They are the leaders in the world at the moment, in the Sputnik and intercontinental missiles, and the rest of the world I think will support Khrushchev in this desire for complete disarmament.

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E Now on the Chinese question, are you interested in that?

D Yes, go ahead.

E The United States has been successful so far in keeping China out of the United Nations, but the Assembly last year, out of 82 nations that were then members, the United States was able to muster only 44. It was a majority, but many of those voted against the admission of China reluctantly and did so only because of the great pressure of the United States. But since then 15 new nations have been admitted. In other words, there will be 97 nations voting this time. If Khrushchev presses it, which I think he will, you'll find that China will be admitted to the United Nations. That will be an enormous victory for Khrushchev, a sad defeat for the United States, and it will have a strong tendency to put in Khrushchev's hands the leadership of the world, a leadership which the United States ought to enjoy.

D Well now, what . . . are there any . . . what repercussions, or can the United States and the Western world get along if the leadership passes to the communist bloc, shall we call it?

That'll be a great challenge to us in the United States, to reassert our strength. I am an American. I love America. I am a friend of democracy. In economics I am a dedicated capitalist both in theory and in practice. I want to see our system survive and thrive. I don't want to see it wiped out by the folly of statesmen or by the vainglory of military leaders. I think we have been wrong in our belief in military power, I think we have been wrong in our attitude to China, and I think that this will arouse us in the United States to wisdom and to very wiser, much wiser decisions and policies in our government.

Much of our diplomatic theory has often been based on that we can't let the communist world dominate the world, that our capitalistic democracy would be at a disadvantage and couldn't survive. You obviously don't share that feeling.

I don't share that at all. I have faith in America, I have faith in our system; I want to see it applied, I want us to get away from the folly of military preparation. I want us to devote ourselves to sound policies and the upbuilding of our country, and I want to see us get free of this crushing burden of taxation put upon us for the provision of military weapons for ourselves and for many of the other countries of the world. It just doesn't make sense.

Let me ask this now. People are bound to say that this military budget is for defensive purposes only, and made necessary by the policy of the Soviet Union.

Well, that's one of the propaganda things that misleads all of us. Of course, the Soviet people say the same thing, that they are making these preparations of defense in the interest of peace. We say the same thing, and both of them are unsound and unwise, and I think it's time for common sense to prevail.

Let me go back and ask this question. People are bound to listen to you as a leading businessman in the American capitalistic democracy. How do you feel yourself that people, about people often resent, they say that it doesn't make sense for you, a businessman, to have these friendly attitudes towards the Russians.

Well, I think it does make sense, and I am absolutely sure that I am right, and I am confident that the United States is going to get around to my point of view, and that the businessmen have. I have visited these socialist countries, I have conferred with their statesmen, I have conferred with the diplomats who are there from the Western world and from the Eastern world, and when we get over this jingoism, much of which is engendered by the stirring up of anger and bitterness, I think the press and the radio have some responsibility there for an attitude of stirring up our hatred of other people with whom we disagree.

Well, somebody is bound to say, then, they pick up the revolution of Hungary in '56, they will say now this isn't just propaganda, this happened. How does that fit into this picture?

Well, you go to Hungary and see what took place there, and you'll be astounded. And many of the people who are in this country protesting about what happened then were devoted followers of Hitler and the Nazi regime. They were overthrown and defeated, and they are having a big swing in the United States and Canada. A lot of them very fine people, but many of them were adherents of Hitler and of the Nazi regime, and the stories that we get that are printed about what happened in Hungary are completely misleading. I never was more surprised in my life than when I visited Budapest this summer and saw that prosperous and happy city. I thought I must be dreaming because it's so different from what I had read about in the newspapers.

You mentioned something before Mr. Eaton, I meant to ask about. This distrust. We say we're for peace, but the Soviet people don't believe us. They say they're for peace, and we don't believe them. Now, can we get around this trouble?

I think we can, I think we could very easily if our newspapers, our politicians, our military people, would quit stirring up animosity. We can trust the Soviets to this extent: any man will live up to his bargain if it's in his own great interest to do so, and there is no doubt that the Russians and all of those socialist countries can benefit immensely by peace. They haven't anything to gain any more by warfare, they want to upbuild their industry, improve their agriculture, build themselves more homes and schools. They want to increase their standard of living. They'll live up to their commitment so long as it is greatly in their favor, it's in their advantage to do so, and that is true of us. But the risk of trusting each other here is very much less than the certain annihilation that will come to all of us if we get into a nuclear war.

You put this question in my mind, but what is the danger though if it's no longer to their advantage to live up to a commitment or to a promise. Then where are we?

It will always be to their advantage to do it. For demonstrating again and again, it's folly, and now that it would be attended by the annihilation of most of the human race. There is just no incentive for anyone who is not insane to get into it.

- D Well, this would run counter to the idea that the communist leaders still hope to dominate the world from the old Karl Marx and now the Lenin doctrine.
- E People who are in authority in Russia now, they believe in their system. They think that socialism is superior to capitalism, just as I am sure that capitalism and democracy is superior to their system. They believe in it, and they are making great progress under their system, and that makes them have great faith in it. I think Trotsky maybe was the one leading Russian who had the idea that by force and other means he would spread his system to all parts of the world. But if I know anything, it is that Khrushchev and Mikoyan and the other brilliant people who are associated with them are quite satisfied to have us go along with capitalism if we want to. They think their system is better, just as I think ours is better than theirs. But I don't want to go and bomb them just because I think their system is inferior to mine. And...
- D Another question that comes to my mind that people would ask, how did you get so well acquainted with Premier Khrushchev. How did this come about?
- E All my life I have been interested in Russian affairs. In World War I I had a great deal of business relations with the Russians. I financed a lot of their purchases in America. And I have followed, I have known their historians, I have read their novels, I've followed their history, and for a good many years we've been having Russians scientists meet with the scientists of 52 other nations at what are called the Pugwash Conferences. I've found those men, those scientists very eminent in their special fields. They invited me to go to the Soviet Union to meet their scientists and to see something of their industry. I went, and Mr. Khrushchev invited me into a conference, and then I met privately and individually I think some 8 members of his cabinet. At the same time I called, had conferences with the diplomats from the Western world and from the Eastern World, so that I have intensive study of what was going on. But I was immensely impressed with Khrushchev's intelligence, with his wide knowledge of world affairs, his understanding of agriculture, he was born on a farm, and of industry, and I became impressed with his ability and became convinced that no matter what the past might be, that his great hope for the future is to get his country free of war that has been so disastrous to them in the past. I think he wants peace, I think he means what he says, I think he is able, and I think we in the United States are very fortunate to have in that position of leadership in the Soviet Union a man of his intelligence.
- D Would you have any comment, or were you surprised at the fiasco we had in Paris last May when he was, shall we say, a little angry at President Eisenhower?
- E I think the U2 incident, our plane taking pictures in his country a week before a meeting to discuss peace, was something that was deeply disturbing to the Russian people. One of their national weaknesses is a characteristic of suspicion, and it was enormously aroused by the fact that when they were about to assemble to talk the way of, some way to disarmament, our military planes were seeking to discover their

(cont) most intimate secrets, that aroused great anxiety and animosity there, and in the light of that I'm sure if the Summit Conference had gone on, it would have done no good. I think it was u just as well that it broke up. I would have been happy if Mr. Khrushchev had been maybe a little more tactful in the language he used in expressing his feelings, but he is a man who has come up in the hard way, and he isn't used to the elegance and niceties of diplomacy as practiced in England or the United States.

D People are bound to say in that regard, now the Russians spy on us too. Is it any worse for one to spy on the other?

E Well, I don't think that our great country, with its enormous resources, with its wonderful people, that we have anything to gain in the long run by spying all over the world. We're doing too much of it, I hope we'll give it up, and I hope the Russians will cease doing the same thing. I think it's something that is unworthy of men; it's against all high ethical principles. I think it ought to be abandoned, and I think that any self-respecting nation ought to be ashamed to indulge in it, and that goes for Russia as well as the United States.

D If that were to happen, though, couldn't the criticism be raised that our government was letting down its duties to defend and keep us secure?

E Those who want to stir up strife and who believe in military power, and there are a great many people that get a vested interest. You get the military, you get the intelligence people, you get a vast group of people who get financially rewarded by keeping suspicion and animosity going. But I think someone has got to have the courage to put an end to that and to take the risks that are involved in peace. And I have a lot of hope in President Eisenhower. He has been a soldier as well as a statesman, he is a man of courage, and I think that he might move forward even though he got some criticism from the press and the radio.

D You've seen what the Soviet Union has tried to do in its raising of standard of living and in its industry. Do you have any comment on the progress they're making in steel and so on?

E They are making tremendous progress. For instance the Soviet Union is now producing as much steel as all the rest of Western Europe combined, and they are producing it in the most modern and economical way. I use that as an index, that's an industry that I am familiar with. I use that as an index to their progress in other industries, and I think that what they're doing in industry, in mining, railroading, in agriculture is fairly impressive. An enormous improvement over what they had 40 years ago.

D This could become another economic factor in our differences politically, too, couldn't it?

E Oh, yes, I should like to see us in the United States quit spending money on armaments that become obsolete in 6 months. I would like to see a reduction in taxes, I would like to see us in a position where as private individuals and corporations we

could invest our money in enterprises in every part of the world and not be pouring it into a rat hole.

D Do you have any feeling, Mr. Eaton, as a leader of industry and. . this can also be a personal contribution of yours to try to get peace established throughout the world?

E Well, I am a capitalist. I have a large stake in this country, and I don't want to see the institutions that I have helped create in my lifetime turned into dust and ashes. I have 13 grandchildren, and I'm very fond of them and I don't want to see them destroyed in a nuclear war, and no scientist would dispute statement, that in the first day of a nuclear war, 75 million Americans would be killed and 50 million would be permanent injured in the first day.

D Is it possible in this kind of a situation that we would ever reach the day where our Democratic system and the communist system would meet head on, and we're given a choice of either agreeing to theirs or going to war?

E No, those are the silly alternatives that people have always presented. If you read the history of the 30 Years War in Europe, which was one of the most brutal and cruel and evastating in the history of mankind, that was fought on the theory that Europe could not exist if it were half Catholic and half Protestant. At the end of 30 yars of ruthless destruction they decided they could live together. We can do the same in these two systems. Why not have different systems? Why not try them out. Let each prove over a long run which is the better .

D One thing I didn't ask you about yet was this. I didn't ask about the fact that you've invited Mr. Khrushchev to come to visit you in C eveland, but apparently the State Department will not permit that. Do you still intend. . .

E The State Department, I have no doubt, will adhere to its policy that they wouldn't permit Mr. Khrushchev to come here. I think that it would be to his advantage to come to Cleve land to see a typical American city. I'd like to have him see a ball game. I went to a great athletic contest in Moscow. I'd like to have him see our Art Museum, our Museum of Natural History, I would like to show him one of our great industries and our university. And I'd like to show him my farm. I'd like to have him meet the fine people. I think it would do him good, I think it would be helpful. What have to be ashamed of? Why should we act in such a crude way that we would say that the head of a great nation, even though we disagree with ~~the~~ <sup>his</sup> ~~way~~ completely, that he couldn't move around? And I think that the other nations of the world are going to be very unhappy over the restrictions that our State Department has placed on Khrushchev, to say that he can only move in a narrow area in Manhattan Island, that might be thought to be under the auspices of the United Nations. That isn't a wise part of a great and powerful and generous nation to take.

D You expect to see him in New York, then?

E I do.

A lot of people think that there is a split of ideology between the communist brand in Russia and in China, that that may cause world trouble.

converts

The Chinese are newer, and like new converts they're more zealous. And as I see the Chinese scientists and converts, scholars, that come to our place, I find them very dedicated communists. They have enormous faith in that. They'll modify that just as the Soviets have. Give them time.

D You don't see any clash between Khrushchev and Mao, then?

E We, in our wishful thinking and our conception of ourselves, emphasize that. There of course is some. The Chinese at the moment are more hardend communists than the Soviets because they're new at it. They are just like anyone who has adopted some new belief and new faith, he's likely to be more zealous in his performance of it and belief in it than a man who has lived with it for a longer time. Any thought of any fight between them is just wishful thinking on our part. That will not occur, but I think we'd be well advised in America to work along with Khrushchev now with his more modern attitude, than to compel him to work more closely with China, a nation of 650 million people that's also making enormous strides. I visited their agricultural exhibitions in Europe, Red China. I was born on a farm and I know good corn and good oats, good vegetables and fruit. I was astounded at the magnificent agricultural exhibits that I found in Eastern Europe ~~the~~ of the Chinese progress in the field of agriculture. It's amazing.

D Do you regard Khrushchev as the one boss of the whole communist world as he is usually described, does he give the orders that all the others follow?

E No. That is another one of the illusions that is passed around. I raised that question with Mr. Khrushchev himself. He said to me, that is a popular theory that's made a lot of in America. He said, I make no decision that's not joined in by the 15 members of my Cabinet. We sometimes meet every day, sometimes several times a week, and there's no decision that I make that's not backed by my Cabinet. No decision that the Cabinet makes that is not agreed to and backed by our Council, and the Council never agrees on anything and proposes anything unless we know that the people are with us. And he said, so in our relations with these other nations, it's rumored around that I am the boss, but, he said, there is nothing in that. We endeavor to get on with our neighbors, and we work together, but any theory or pronouncement that I am a dictator with absolute power, there is nothing in that, and very far from the Soviet Union, it's run on a very different principle.

D Thank you, Mr. Eaton, for your willingness to answer our questions in this discussion of your views on world affairs at this time.