

CHAPTER I

THE BOY FROM PUGWASH

(presents) Cyrus Eaton's biography is a challenge to any writer, not only because there are such unusual and contradictory features about him but also because his activities are so current and immediate that to stop the story of his life at any point in time is to miss something significant. Here is a man of spirit and imagination, who combines in himself the attributes of scholar and financial wizard, capitalist and political radical, ruler over men and concern about man. Befriended by Nikita Khrushchev and winner of the Lenin Peace Prize, July 1st, 1960, he is revered by some as a leader of progressive, sane and liberal movements, and equally reviled by others - including witch-hunters and financial opponents - as an enemy; coal-owner, yet friend of that patriarchal firebrand of labour, John L. Lewis; a railroad tycoon whose labour relations are a model for any industry; a man who has built a steel and utility empire and yet remains an undeviating foe of monopoly, a kind of knight errant of free enterprise in a world of cartels, the 'outsider' of Big Business.

? of good cause ?

There are not many men who have risen to such heights in the world of business and finance and possess his ideas. Yet he remains consistently devoted to capitalism, albeit his own private brand, and insists, even in his most radical moments, that he speaks and acts as a capitalist - always, of course, with the proviso that he is a same capitalist.

Cyrus Eaton was born in Canada and that country has continued to affect his fortune and his philosophy. But he lives in the U.S.A., is an American citizen and has achieved his main success there in as pure a sense as is conceivable outside of Horatio Alger - the American dream realized - from humble origins to prince of finance. In spite of a material pre-eminence that symbolizes the very essence of the American way of life, his policies, beliefs and actions run counter to the main stream of the philosophy and politics of American Big Business. On the contrary, his views run along the main lines of the American liberal path. He manages to encompass within the largeness of his spirit all that is best not only of the United States but also of Canada.

There is something uniquely Canadian about Cyrus Eaton, beginning with his birth on the granitic soil of Nova Scotia. He was born on December 27th, 1885 in the tiny village of Pugwash, Cumberland County, Nova Scotia. Even as late as 1959, Pugwash is listed in the official Nova Scotia Tour Book as follows: "Pugwash (population 519) has the situation, summer climate and natural facilities that make this town a delightful holiday resort. There

is boating, bracing sea air and salt water bathing on fine sand beaches. Along the Northumberland Strait, Nova Scotia's sand beaches are especially attractive as they are remarkably free of fog and the temperature of the water is higher than in Maine or other parts of the Maritimes...."

A man is a genetic potential at birth and the result of that genetic interaction with the totality of his environment, internal and external, determines what he becomes. Each of us only fulfills a small part of his potential, some more than others. To help us understand the ground upon which Eaton now stands let us examine the path he took to reach it.

His father was Joseph Howe Eaton - the bearer of a Canadian name that echoes out of the historical past. His mother was Mary Adele McPherson of Scottish extraction. But what about his ancestry which created the genetic potential that was to determine what he could become?

In 1640, as part of the great Puritan migrations, a John Eaton and three other members of the family came from Wiltshire, England to Colonaster, now Salisbury, Massachusetts. His appearance was recorded in the town records "on ye 26th of ye sixth month, 1640".

Salisbury, 52 years later, was to become involved in the infamous case of the Witches of Salem when the "devil" visited Massachusetts. One wonders if John Eaton or any of his family were among the 93 good neighbours of Mary Bradbury of Salisbury, a so-called witch who escaped hanging only to be reduced to insanity.

Mary Bradbury had been married just about the year John Eaton came to Salisbury....Or was he a friend of that brave man of Salisbury, the magistrate Richard Pike, who defended reason and justice when they were out of season? Was it then determined that Cyrus Eaton would eventually speak against the witch-hunters of our own time? John Eaton, Puritan, fled Catholic oppression in England to find Puritan oppression in Calvinist Massachusetts. If he had remained in Wiltshire just a few years longer Cromwell would have achieved power. There had been Eatons in Wiltshire as early as the Domesday "Visitation" in 1086.

Some 120 years later, in 1760, a member of the fifth generation of the Eaton family in the New World, David Eaton, left New England for Nova Scotia and founded the Canadian branch of the family. The British had established the fort of Halifax in 1749 in spite of France's colonial claim to Canada, then New France. Earlier, in 1745, the British colonists of New England had taken Louisbourg, only to have Britain return it in 1749 as part of a deal for French conquests in India and Europe. Serious fighting had begun between Britain and France in America in 1755, although war was not formally declared until 1756. It was in this context of historic struggle between Britain and France that a Canadian branch of the Eaton family was formed.

It was to offset the loss of Louisbourg (on Cape Breton Island) that the British had established a fort in Halifax in 1749. Nova Scotia was British, having been won in 1613. James I having founded

New England in 1620, decided to form a New Scotland in 1621. It is interesting that its Latin name, Nova Scotia, has been carefully preserved from the original charter. The colony of Nova Scotia was both French and English in the next 150 years. The Treaty of Utrecht left Cape Breton to France and Nova Scotia to England. The expedition of New Englanders who came to ensure the garrisons of ^{secure} Nova Scotia in 1755 were concerned that the Acadians might betray the colony to the French. They forced the Acadians to take the oath of allegiance and over six thousand men, women and children who refused to do so, were transported and scattered throughout the British Colonies along the American coast. Longfellow immortalized this in his poem "Evangeline".

To describe this period in more detail, in 1755 William Shirley, Governor of Massachusetts and Captain General of the British forces in America destroyed Louisbourg, the "Dunkirk of America". In co-operation with Charles Lawrence, Civil Governor of Nova Scotia, they carried out their "permanent solution" to the problem of the predominantly French population. This was the mass removal of the Acadians, the destruction of their homes and acquisition of their possessions. Nova Scotia was left relatively unpopulated except for the English settlers in Halifax and a European settlement, mainly German, at Lunenburg, 30 miles southwest of Halifax on the Atlantic.

Shirley and Lawrence planned to resettle the depopulated French lands with New England and Middle Colony families whose loyalty to England would be unquestionable. Thus in 1758 the Governor of Nova

Scotia issued a proclamation in Boston and New York offering these lands for settlement in definite tracts. Between six and eight thousand people from New England came to Nova Scotia and by 1766 they comprised half the total population of 15,374.

David Eaton, founder of the Canadian branch of the family, came in the early spring of 1761. He sailed up the Bay of Fundy into / *(L.S.)* Minas Basin and anchored at Cornwallis near the Isthmus of Chignecto. Eaton, a planter or well-to-do farmer, received 666 $\frac{2}{3}$ acres of land. He lived out the rest of his life in Cornwallis and died in his stately house on Canard Street on July 17th, 1803. David Eaton's descendants spread into Annapolis, Cumberland and finally to Pugwash.

Amos Eaton, seventh generation Eaton and grandson of David Eaton was born July 20th, 1785 and in early life moved from Cornwallis to Pugwash in Cumberland County. Pugwash was the name given by the Micmac Indians to the river in Cumberland County. Amos had been attracted by the possibilities in agriculture and shipbuilding. The Eatons married into the McPhersons, the Blacks and the Cranes, all United Empire Loyalists from New England who had come to Pugwash in 1783 and 1784. In particular the McPhersons, a United Empire Loyalist family intermarried to a considerable extent with the Eatons. The Blacks had great prominence in Nova Scotia and it was they who introduced the Christian name of Cyrus into the Eaton family.

One of Amos' sons was Levi Woodworth Eaton. He and his own son, Captain George Eaton, migrated to Auckland, New Zealand in 1860. They had been active shipbuilders and when the golden day of shipbuilding in Pugwash began to wane, they decided to leave.

departing in the last ship they had built.

Another son of Amos Eaton was Stephen, Cyrus Eaton's grandfather, who became a Baptist minister in Pugwash. He was born in Cornwallis on the 26th June, 1819 but lived most of his life in Pugwash where he died 11 days after the birth of Cyrus in 1883. His wife was Mary Desiah (Parker) Eaton.

Joseph Howe Eaton, son of Stephen and Mary, and father of Cyrus, was born in Pugwash on the 26th March 1849. He was an able business man and the owner of wide timber lands as well as other lumber and land interests in the Canadian Northwest. In later years Joseph Howe Eaton lived in Toronto. He married Mary Adele McPherson on 11th February, 1871 and their son Cyrus Stephen was destined to become the most illustrious member of the entire family.

Another son of Stephen and Mary and brother of Joseph Howe ^{Eaton} was Cyrus Black Eaton. He moved to Denver, Colorado, establishing that branch of the family. His son was the Honourable William Robb Eaton, an eminent lawyer of Denver and a former U.S. Congressman. ^(U.S. Congressman)

Certainly the most celebrated of Stephen and Mary's children was Charles Aubrey Eaton, Cyrus' uncle, who was to play such a significant role in his life. He was not much older than Cyrus himself, having been born in Pugwash on the 29th March, 1868. As an ordained Baptist minister, he preached in turn at Hatick, Massachusetts, the Bloor Street Baptist Church in Toronto (1895-1909), Madison Avenue, New York, and finally was pastor at the Euclid Avenue Baptist Church in Cleveland, Ohio. The most famous members of his church were the Rockefellers.

The Reverend Charles A. Eaton's career was varied and exciting. From 1895 to 1900 he was a special correspondent of the Toronto Globe and was eventually appointed sociological editor by the Globe's chief, Sir John Willison. In 1913, he became editor of Leslie's Weekly which boasted a circulation of three million. From 1917 to 1919 he was head of the National Service Section of the U.S. Shipping Board. In 1925, he became a Member of Congress for the 4th New Jersey District. His name was immortalized by the fact that his was the U.S. signature on the founding charter of the United Nations in San Francisco, in 1945. Charles Aubrey Eaton and his nephew, William Robb Eaton, both served in Congress during the same period, this being the only time in history that an uncle and nephew were elected as representatives simultaneously.

We know little of Cyrus Eaton's early days in Pugwash. He attended what must have been inevitably - the little red school house. One of his early teachers who undoubtedly influenced him, was Margaret King, and he later endowed a school in her name. A former physician and contemporary of Cyrus, Dr. G. W. O'Brien, now of Ashurst, Nova Scotia, has said of him. "I'll never forget the first day he came into the schoolroom at Pugwash. He had the bluest eyes, the fairest hair and the pinkest cheeks you ever saw and he was the envy of all the ladies and a perfect little gentleman. He still is one of the best looking men this country has produced." This graciousness of manner, so characteristic of the man, was already apparent at an early age.

Eaton's father, Joseph Howe Eaton, at one time owned a small store in Pugwash. He once said of his son, "When he was six years old I could leave him in the store for hours alone and he never failed my confidence. His qualifications for the world of big business are brains and absolute trustworthiness" (Maclean's, May 1, 1955).

Eaton's early development of a strong sense of personal responsibility is described in his own account of his youth in an article in The American Magazine, December 1950.

"I grew up on a farm in Pugwash, Nova Scotia. My father was quite successful, and it was not necessary for me to do any chores. I was fascinated by the operation of the farm, and by the time I was six I was begging him to let me milk a cow. My father didn't think too much of the idea, but he decided to give me a chance. He made me responsible for Bess, the easiest milker on the farm. I became quite attached to Bess.

"Then, one spring day Bess was missing. All hands on the farm, and our neighbours, spent an entire day searching for the cow. It fell to my good fortune to find Bess the next morning, hidden in the woods, with her new twin calves beside a bed of mayflowers. I was immensely proud of my achievement. I have since imported blue-bloods from Scotland, but I will never see as fine a cow as old Bess appeared to me in those long-ago days. It is all because of the fact that Bess was my first property, my first responsibility...."

Eaton has always had a great respect for human labour. He is opposed to living on inheritance, to coupon-clipping, to indirect management. As he has stated in the 1950 article, "Of one thing I

am sure: No matter what type of society we have in the future, people are going to have to work. If a youngster is trained or has opportunity to work in the present society, he is going to be willing to fight to preserve that society. It is only when youngsters are unable to meet existing competition that they start looking for 'isms'....

"There seems to be nothing that can surpass the satisfaction that comes from creating something.

"I know a little about this from my own personal experience as a young man. I attended McMaster University, then located in Toronto, and although my father was willing to pay my way, I wanted to do it on my own. I paid for my tuition, board, room and books. My reason for this was that there were others in the family to educate, and I could see no assurance that my father would get a return on his investment in me in time to help the others...."

So a pattern emerges even from this meagre evidence - diligence, integrity and drive - many of the qualities that were to make the man. But still not enough, because it is always a matter of wonder how obscurity can lead to fame. However this has happened in a significant number of cases and the possible causes are worth examining.

Two areas in Canada have produced a high proportion of successful people, in both cases out of proportion to their population, which is relatively small. These areas are the Maritimes and the Middle West, particularly the Winnipeg area. There are social forces

at work here which are similar. Firstly, ambition and drive created out of adversity are the most powerful movers. Secondly, ambition will find its outlet in one path or another depending on conditions and inclination. Thirdly, when ambition coupled with ability is fostered in soil not conducive to the best growth, emigration is inevitable. Thus the relatively great numbers of able men and women in a variety of fields who leave the Maritimes or the Middle West to practice their vocation in the lush markets of Ontario or Quebec, is notable. Eaton belongs to this special breed of men produced by the Maritimes, like Sir James Dunn, Andrew Bonar Law and Lord Beaverbrook. Here they first learned to conquer adversity and then went on to conquer the world.

As was previously mentioned, Eaton's father ran a small farm, where Cyrus was born, and a general store in Pugwash. He was named after Nova Scotia's most famous political figure, Joseph Howe, the man who dreamed of and preached federation for most of his political life and fought it when it was to become a reality. After Nova Scotia became part of the Dominion in 1867, Howe led the struggle to become independent. In the end he compromised and obtained a larger subsidy for Nova Scotia. Joseph Howe combined eloquence and vitality in tongue and pen with a canny realism that rarely suffered the purity of his avowed principles to interfere. Eaton has spoken of this background. In an article in The Commercial and Financial Chronicle of December 7th, 1950, he wrote:

"In the early formative years of my life, national policies were one of my studies. In Nova Scotia where my family were farmers,

lumbermen and merchants, we also kept the post office, which was the sorting and distributing center for a dozen surrounding communities. Here was a golden opportunity to learn to know the newspapers of Canada and to read the detailed accounts that they carried of the proceedings and speeches in Parliament in those days before the comic pages.

"Joseph Howe, Nova Scotia's great Liberal, was my grandfather's closest friend and, although Dr., later Sir Charles Tupper, her leading Conservative was the physician who brought my father into the world, my father was named Joseph Howe Eaton. From the beginning, I had the good fortune to know statesmen from both sides, and I have been personally acquainted with every Premier of Nova Scotia since Finlayson.

"When I was 15, I went to Woodstock, Ontario to preparatory school and later to college. During my four years in Toronto at McMaster University I attended meetings of the Ontario Legislature as often as I could to listen to the debates. I have known personally every Prime Minister of the Federal Government from Sir Charles Tupper to Mackenzie King.

"To help put myself through college, I had a part time job in the advertising department of Ryrie's, Now Birks, and it was there that I learned what an important adjunct the newspaper is to successful merchandising. I early made the acquaintance of Sir John Willison, who had left the Globe to found the News. I saw considerable of his successor on the Globe, Macdonald, and of Joe Atkinson, then a rising star in the newspaper world. I regret that

I did not have the privilege of knowing John Ross Robertson. From that time to this, Canadian newspapers have come daily to my desk, and continuous reading of them, and especially their splendid financial pages, has been of great value...."

Now the picture of Eaton's youth and emergent character becomes clearer. Graciousness of manner, a high degree of intelligence combined with discipline and diligence and the moral responsibility of his early training were an excellent basis for his future conquests of wealth and power. But there was another determining factor of equal importance and that was Eaton's early concern with philosophy - particularly the rationalist school. This is described in the article, "Cyrus Eaton and the Pugwash Thinkers" from the Star Weekly Magazine of December 7th, 1957: "When Eaton was a boy in Pugwash....he learned to know the great books. 'To read them was the only way to put in the long winter evenings pleasantly', he recalls today. His father was a combined merchant, farmer and lumberman and the Eatons of that generation were relatively well-to-do. But on both sides of his family there were 'preachers, poets and professors', as Eaton puts it, and 'perhaps too many for their economic welfare'...."

As we have seen, Eaton's hero as a young boy was his uncle Charles A. Eaton. Uncle Charlie was only 1 1/2 years Cyrus' senior. They were more like brothers than uncle and nephew. In 1900 Eaton enrolled at Woodstock College in Woodstock, Ontario. That summer he went to Cleveland to visit his uncle who was then minister at

Euclid Avenue Baptist Church. This was the church attended by Cleveland's first citizen, John D. Rockefeller, president of Standard Oil.

Cyrus Eaton checked into the old Euclid Hotel at Euclid Avenue and East 14th Street where his uncle was staying. Insisting on having a job, he was hired as a night/clerk at the hotel. Again we have an example of his desire always to pay his way.

One summer night in 1900 Cyrus Eaton was summoned with his uncle to a 'command performance' at John D.'s home. Keep in mind that when Eaton sat down at the table to dine, he was still interested in a theological career as a Baptist minister, with all its attendant ideological concepts of rejecting material success and equating wealth with the devil's coinage. Something of great significance must have occurred at that memorable first night. Eaton went in a Baptist theological student and emerged, at least potentially, a Rockefeller-type Christian financier.

Cyrus only went because a day clerk filled in for him. Al Ostrow and Bill Tanner described what happened, in the Cleveland Press, February 21st to 26th, 1955.

"Before he left early that night from Forest Hills, Mrs. Rockefeller changed his life. 'Young man,' she said, 'you ought to be outdoors - not working in a downtown hotel. Isn't there something he can do around here, John?' She was worried about the 'temptations' to which an innocent youth might be exposed in the after-dark activities of a downtown hotel. Rockefeller, bowing to his wife's whim, said, 'Sure. We can find something for him to do.' Rockefeller

gulped when young Cyrus said he would have to obtain a graceful release from the hotel manager before accepting. Then Eaton moved out to Forest Hills and into the company of the nation's richest man. He was employed alternately as errand boy and social companion."

was decided period Eaton recalls in The American Magazine, December 1950, "Every summer on the day school closed, I would board a train for Cleveland and report for work the next morning. I remained at work until the day before school reopened. I did this for four years."

"Cleveland was Mr. Rockefeller's summer headquarters, and I had an opportunity to do everything from running errands to helping entertain guests. Often I was present when important guests discussed finance and industry. I learned much from them, and this experience, of course, was largely responsible for shaping my career."

"More important to me at the time than my connection with Mr. Rockefeller, however, was the fact that when I got my college diploma, I had not only paid my way, but had money in the bank."

Earlier he describes the manner in which he was able to achieve this. "I had no scholarship and took none of the regular student jobs on the campus. I took a job as part-time clerk in a prominent Toronto store, and held it throughout my college career. I also kept books for a physician and helped him collect fees from some of his reluctant patients." Prior to graduation in 1905, with his accumulated savings he says: "I had sufficient money to pay my expenses to and from a ranch in western Canada, where I spent five happy months of rest and recreation as a cowboy. During those months

I learned the true joy of outdoors, and from those strong, courageous

coushands, who were my companions, I came to realize fully that the full measure of a man is not what he has, but what he is. These men enjoyed their work, and in the quiet and stillness of the great open spaces had found satisfaction."

Baton further described his student days in Toronto and his summer employment with Rockefeller. Here he indicates his early interest in politics and economics as well as his strong attachment to his native Canada.

"During my student days in Toronto, Goldwin Smith was at the height of his career as a provocative analyst of the political and economic problems of Canada and the Empire. His home, the Grange, was a Mecca for those who were deeply concerned with what he termed the economic backwardness of Canada, and who, like him, were constantly searching for remedies. Goldwin Smith was not famous for his tact, but he had a penetrating intellect and brilliant pen. For a former professor and a writer, he was no mean financier, as the estate of one million dollars that he left testified.

"The summers of my college years were spent across the border in Cleveland, where I was lucky enough to find employment with John D. Rockefeller, Sr., in my estimation the economic titan of all time. From this inspiring relationship came my decision to make my business headquarters in Ohio, reluctant though I was to leave my loved Canada.

"But before settling in the United States after graduation, I made a tour of western Canada and spent five months ranching in Saskatchewan. I was present at the ceremonies in 1905 when Prime Minister Laurier and Governor-General Grey inaugurated the govern-

ments of the new Provinces of Saskatchewan and Alberta. The next seven years, my vacations all led back to the Canadian west and, ever since, I have maintained social and business relations in the western cities of Victoria, Vancouver, Calgary, Edmonton, Regina and Winnipeg, as well as in the eastern centers of Toronto, Ottawa, Montreal, St. John, Charlottetown and Halifax. In my early days in the electric power business I owned the utilities in Brandon, until I sold them to the Province when John Bracken was Premier of Manitoba."

So the boy from Pugeash, endowed with a particular set of human capacities, came to Cleveland, Ohio, there to have the direction of his life radically altered. But it is not just the external actions of men that determine change. There are also the values and attitudes that are brought to bear on these actions. In this latter sense, Cyrus Eaton never wholly left Pugeash.