

Minister to Millionaire

W. S. Reynolds

Cyrus S. Eaton Rose Rapidly

A chapter in the book "Cleveland the Best Kept Secret" by newspaper columnist George E. Condon could be extended into an absorbing and profitable biography.

The chapter is titled "The Man in the Tower." It is of particular interest here because it tells the story of Cyrus S. Eaton, chairman of the board of the Chesapeake & Ohio Railway Co., which has its Cleveland offices in the Terminal Tower.

Now an industrialist and financier known around the world for his efforts to promote peace as well as his success in numerous business enterprises, Mr. Eaton first arrived in Cleveland in 1901 at the age of 17 with 20 dollars in his pocket.

He had come from the farm country of Nova Scotia to spend the summer with his uncle, the Rev. Charles Aubrey Eaton, pastor of the Euclid Avenue Baptist Church, of which John D. Rockefeller was a member.

Joins Rockefeller Staff

The primary purpose of his visit was to earn money to help pay his way during the coming year at McMaster University in Toronto. Almost as soon as he had registered at the old Euclid Hotel, he got a job as night clerk.

When he went with his uncle to the Rockefeller home for dinner the next Sunday, however, he made such a favorable impression that at Mrs. Rockefeller's suggestion, the oil king asked him to take a place on his Forest Hill staff.

After serving for two summers as office boy, watchman and messenger, the alert young student moved up to a job with the East Ohio Gas Co. which John D. had organized to bring natural gas to the area.

In view of recent suggestions that Eaton might be an effective negotiator with Soviet officials for finding a Vietnam peace formula, it is significant that the young man was soon assigned to the diplomatic task of pacifying Clevelanders outraged by the digging of ditches for pipelines along lawns and boulevards.

As the time for graduation at McMaster approached, the student found himself attracted in two directions. He had studied philosophy with a view to becoming a minister. Rockefeller wanted him to join the Standard Oil staff in New York City.

Becomes Lay Minister

After considerable hesitation he finally took a position as lay minister of the new Lakewood Baptist Church. But not for long.

He was approached by Rockefeller associates who wanted him to obtain gas and electrical utility franchises for them in Canadian cities.

Accepting the job, the eager young man soon obtained the right to build a power plant to serve the city of Brandon, Manitoba. The Cleveland syndicate decided not to undertake the project, however, because of the 1907 panic.

Young Eaton then displayed the courage, the foresight and the enterprise that have made him a leading industrial tycoon of the world. He borrowed money in Canada, built the power plant himself and sold it for a considerable profit.

That was the beginning of the utility empire that eventually rivaled the combine headed by Samuel Insull of Chicago. In 1930 Eaton sold his major interests to Insull for \$56 million.

But before that he had become interested in building a steel combine through the process of mergers and purchases, just as Rockefeller had built Standard Oil.

In his effort to bring Youngstown Sheet & Tube into the family, however, he came into conflict with Bethlehem Steel.

After extended litigation, Bethlehem withdrew, but meanwhile the Great Depression swept across the land, and the Eaton fortune was said to have declined from an estimated 100 million to 100 thousand dollars.

His amazing comeback was achieved to a considerable extent through his control of the investment banking house of Otis & Co. Possibly his most spectacular achievement was the boring of a 3,000-foot tunnel and then the blasting of a hole for draining away Steep Rock Lake, a 4-by-15-mile body of water covering a tremendously rich deposit of iron ore in Ontario.

Steep Rock basin is now one of the principal sources of iron ore for North America. In 1958 Eaton also joined German steel interests in taking over huge iron ore reserves in Quebec Province.

Student of Philosophy

During all the years of his expanding business enterprises, the Cleveland financier has also pursued his study of philosophy, literature and even practical politics. He is an authority on 17th-century French literature and is a trustee of the University of Chicago, Case Institute of Technology in Cleveland and Denison University in Granville, Ohio.

As part of his effort to break the grip of New York bankers on Middle Western business, he was largely influential in bringing about the practice of competitive bidding for railroad bonds. During this effort he came into collision with Sen. Robert A. Taft over a bond issue for the Cincinnati Union Terminal.

The book indicates that Eaton thereafter was a towering obstacle to Taft's quest of the presidency.

Possibly the work in which the financier takes deepest pride and that for which he may win a lasting place in history is his effort to build good will as a buffer between the United States and the Soviet Union.

Host to Farm Delegation

His interest in Soviet officials developed from his serving as host to an agricultural delegation at his Acadia Farms at the request of the U. S. State Department.

Along with his other efforts to promote peace by bringing world thinkers together in his ancestral home at Pugwash, Nova Scotia, he has cultivated the friendship of top Soviet officials.

He firmly maintains his loyalty to the American system, but he has won the respect and confidence of the Kremlin's highest echelon and in 1960 received the Lenin Peace Prize.

Although in his 80s, he still looks forward to what he hopes will be his greatest achievements. He just may realize his hopes and win the Nobel Peace prize by his persistent efforts to convince the United States and the Soviet Union that their different systems of economics and government offer no reason for destroying each other.

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