

F O R T U N E

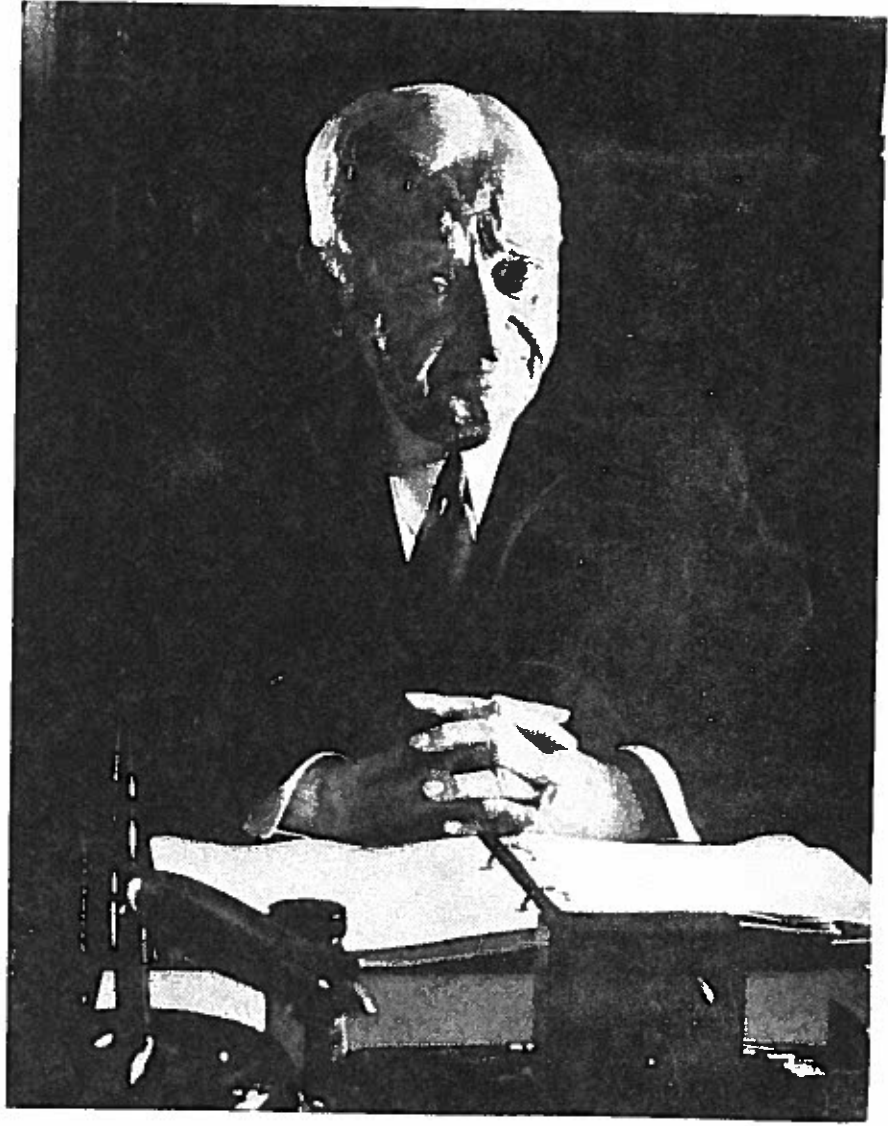
The Man from Pugwash

March 1961

In his forties Cyrus Eaton made and lost a \$100-million fortune. In his seventies he won it all back. He is a friend of Khrushchev, and a foe of U.S. policy. What's the score on this contentious capitalist, anyway?

The Man from Pugwash

by Robert Sheehan



Cyrus Eaton and Friends

No less an enigma than the Soviet Union itself is the emergence of icy industrialist Cyrus S. Eaton as a self-appointed ambassador of good will toward the Russians, and an ardent apologist for the Communist cold-war line, all the way down the line. In the popular mind, if the name of Cyrus Eaton has meant anything over the years, it has suggested the very image and incarnation of the diehard American capitalist of the old school. It is an image, by the way, that Eaton in person—with his lean elegance, silken white hair, and starchily courtliness of manner—certainly does nothing to dissipate. And so it is more in bewilderment than anger that a good many Americans react to Eaton's pro-Soviet pronouncements. They find it just too fantastic that, even in the high name of national survival, he should say the things he does. They observe that Eaton has now reached the age of seventy-seven, and conclude, in all charity, that the old gentleman has lost his grip.

To that one can answer flatly: the bigger fool he who presumes to sweep Cyrus Eaton under the rug with any such assumption. To put politics aside for the moment, would any business competitor dare to deal against Eaton today on the premise that he has suddenly turned soft-headed? Indeed, an examination of the state of his industrial order suggests that Eaton is at the apogee of his powers. For example:

In rails. As this is written, Eaton, as chairman of the

Through his quizzical blue eyes, Cyrus S. Eaton has witnessed a tremendous flow of U.S. business history, much of it his own making. A protégé of John D. Rockefeller Sr., he made his first big strike during the panic of 1907, and fought epic battles with Samuel Insull and Charles M. Schwab. With other businessmen Eaton has remarkably little converse. After office hours, he prefers to gather around the library of his Acadia Farms home, near Cleveland, with friends from the scientific and university worlds (not to mention the weeks devoted to his scholarly Pugwash Conferences). At seventy-seven, he is an enthusiastic skier, skater, and rider. Occasionally he will take over the reins for a spirited workout of the troika presented to him by a grateful Nikita Khrushchev.

board of the prosperous Chesapeake & Ohio Railroad, is quietly savoring a smashing first-round victory over the New York Central in the contest for control of the Baltimore & Ohio. The possibility exists—though Eaton disclaims any such ambition—that he could go on to parlay this combination into a merger with the Central itself. **In iron.** Steep Rock Iron Mines, in northwestern Ontario, of which Eaton took control some eighteen years ago on a \$20,000 cash option, shipped 2,700,000 tons of iron ore in 1959, for total revenues and royalties of \$31,600,000. Steep Rock's reserves of high-grade ore are estimated at more than one billion tons. Up in the subarctic Ungava Bay, Quebec, where only three years ago, in association with Alfried Krupp and four other West



Dr. Heim Chancellor at Pugwas



He greets t Kwa O. Ha, ference on C



Nobel Prize and Sir Norr horn bull on

C
C
p
r
r
C
el
S
C
of
C
in
•
in



Dr. Heinrich Brüning, last pre-Hitler Chancellor of Germany, was Eaton's guest at Pugwash Conference in 1956.



Sir Robert Watson-Watt (left), a founding father of radar, and Soviet scientist A. V. Topchiev at Pugwash Conference of Nuclear Scientists, 1958.



Sir Julian Huxley, British biologist, and McGill University's Dr. F. Cyril James were guests at the first of the conferences, 1955. Sir Julian and Eaton are rather close personal friends.



He greets the representative from Ghana, Kwa O. Hagan, at the International Conference on Continuing Education, 1960.



These lions of labor and industry have long been friendly as lambs. John L. Lewis and Eaton first met when Eaton sought to arbitrate a coal strike. They share a taste for Greek poetry.



Nobel Prize winners Lord John Boyd Orr and Sir Norman Angell admire prize Short-horn bull on visit to Eaton's Ohio farm.



Beaming host bends an ear to his luncheon guest at New York's Hotel Biltmore. Affair preceded Khrushchev's shoe-pounding performance at the U.N.



When Herbert Hoover (here receiving the freedom of the city of Toronto in 1939 from Ontario Chief Justice Mulock) was President, Eaton often joined the "medicine-ball cabinet."

German steelmen, Eaton organized the Ungava Iron Ores Co., the exploration and technical work have been completed, and the company is poised to begin production the minute the complexion of the market changes. Ungava's reserves are estimated at ten billion tons. Finally, there is Cleveland-Cliffs Iron Co., of which Eaton, though not chairman, is the co-founder. Its ore reserves in the Lake Superior area rank second only to those of the U.S. Steel Corp. For 1959 the company shipped 8,331,000 gross tons of ore and had a total income of \$91,100,000. Undoubtedly, Cyrus Eaton controls more iron ore than any other man in the world.

• *In steel.* Eaton's position here, while more modest than in ore, is nevertheless an influential one. Just last year

Eaton reorganized the corporate structure of Detroit Steel, in which he holds a major interest, and took over the chairmanship of the company. Detroit Steel, with annual revenues of \$117 million and a capacity of 1,400,000 ingot tons, is seventeenth in size in the industry. But Eaton has a further voice in the steel industry through Cleveland-Cliffs' extensive ownership of steel shares, beginning with 4.3 per cent of the outstanding stock of Inland Steel, and including Republic Steel, 3 per cent, Youngstown Sheet & Tube, 5.1 per cent, Jones & Laughlin, 2.2 per cent, and Wheeling Steel, 5.2 per cent.

• *In coal.* Seven years ago, Eaton, who has a dogged faith in coal's future, successfully bid for control, and assumed the chairmanship, of West Kentucky Coal Co. With

an annual output of around 7,500,000 tons, West Kentucky is one of the country's largest independent producers of bituminous coal.

Give or take a billion

In addition to these proprietary interests, Eaton is a director, and a large and influential stockholder, of Sherwin-Williams Co., paint manufacturer, and of two big utilities, Cleveland Electric Illuminating Co. and Kansas City Power & Light Co. Taking in account only those companies over which Eaton has demonstrable control (and excluding Ungava), they represent combined assets of \$1.6 billion. But the total worth of the empire over which Eaton exerts either control or important influence is something like \$2.6 billion.

As to Eaton's personal fortune, it can only be surmised. From published proxy statements alone of Chesapeake & Ohio, Detroit Steel, and Steep Rock, Eaton stands to own in these stocks, at the current market, about \$30 million. It is perhaps a good guess that he owns as much as that again in the shares of Cleveland-Cliffs, West Kentucky, Sherwin-Williams, Cleveland Electric, and Kansas City Power & Light. The value of his miscellaneous portfolio, which could be substantial, is something about which FORTUNE does not presume to guess. The round fat figure of \$100 million is frequently mentioned as Eaton's total worth today. He does not discredit it; but neither will he spell it out. At any rate, \$100 million is his target, because that is what he owned at the peak, in 1929, and almost altogether lost in the crash.

This vast complex of interests Eaton directs (aided by a personal staff of fewer than twelve) crisply, firmly, with a minimum of confusion and no bluster at all. For years, Eaton has followed an athlete's regimen of diet and exercise—no fatty foods, coffee, tea, tobacco, or alcohol (except the occasional glass in hand to put a guest at ease). At his Acadia Farms home he rises at five-thirty every morning, and before breakfast jots down notes and memoranda for the day's work ahead. Often he'll make the rounds of his stables or cattle barns before being driven the twenty miles to his offices in Cleveland's Terminal Tower (the C. & O. headquarters), where he arrives not later than eight-thirty. As chairman of the board of five corporations in three separate fields, Eaton delegates operations and organizational details to their respective presidents (he takes no salary for any of his posts), reserves the broad planning and most of the major decisions for himself, and accepts the responsibilities and consequences without regrets or recriminations. No one associated with him can recall an occasion on which Eaton ever lost his temper. (Says his butler, who works the job in full livery, "Mr. Eaton gets up smiling in the morning, and goes to bed smiling at night.")

In conversation, Eaton is alert, shrewd, and capable of an occasional shaft of ironic wit. He is a good listener, and pointedly direct in his responses unless it suits his purpose to be otherwise. Indubitably, unconscious self-revelation is not one of his weaknesses. Despite the gamut of his business activities, he can run through their ramifications, from 1907 to 1961, without once groping for a fact, figure, or name. This is a man in command of his realm, and of himself, at all times.

For that matter, Eaton's approach to the U.S.-U.S.S.R. cold war is by no means irrational, once certain premises are assumed. In his own mind, he has simply brought to bear on the problem the same logic, cold acceptance of

facts, and assaying of aims and interests that he would exercise in negotiating the purchase or sale of a vast property, or a merger, or a proxy contest. He is certainly not unique in his acceptance of the proposition that a nuclear war could result in mutual annihilation, that such a war could be triggered by accident, and that the chances of accidental war increase as more and more nations acquire nuclear capability. In Eaton's case, these are not opinions plucked out of the newspapers; he has been solemnly assured of their validity by top-flight scientists participating in his now famous Pugwash Conferences.

Cold-war balance sheet

Nor is Cyrus Eaton the first U.S. businessman to come back from a Russian visit vastly impressed by Soviet progress in industry, agriculture, technology, and science, and therefore to conclude that for the Soviet people socialism "works." These, then, are the two beliefs on which his position is based: (1) The arms race is inevitably leading to a cataclysmic war that neither of us can win, and (2) Socialist Russia is capable and durable and will not wither away in our time. Ergo, says he, "Let us respect each other's systems, unburden ourselves of \$100 billion spent annually for armaments, and find a way to get on with the world's constructive work in a spirit of amiable rivalry."

By this same sort of commercial logic Eaton is convinced that his friend Khrushchev (to whom he once said, "If you had come to America as a boy you would undoubtedly be the head of one of our great corporations") is completely sincere in his professed desire for disarmament and peace. "The Soviet economy has come a long way," Eaton says, "and Khrushchev does not want to set it back with another war with all its sacrifices and deprivation."

In short, the impression is generally given that Eaton's activities in this area are those of a representative American businessman—free from the fear of public opinion that inhibits the office-holding politician—who is attempting to deal with the realities of the situation in a practical way. Eaton himself likes to draw a business analogy whenever possible.

The sources of skepticism

But is Cyrus Eaton really a representative American businessman? And is the explanation of his attitude on U.S.-Soviet relations actually as simple as all that? On the contrary, his history indicates that he is in many respects an unusual businessman. And there is much in his background, and in the facets of his personality, to suggest that he is a man of complicated moods and motivations.

One of the lesser-known sides of Eaton, for instance, is his lifelong preoccupation with philosophy and scientific inquiry. At sixteen, which would be in the year 1899, Cyrus' aptitude in science won him a treasured high-school graduation prize: sets of the complete works (with framed photographs of the authors) of Charles Darwin and Thomas Huxley. They repose prominently today in the library of Eaton's Acadia Farms homestead. Darwin's theories of "natural selection"—and indubitably the idea of the survival of the fittest—enduringly influenced Eaton's outlook on life. Among the Greek philosophers, he was attracted most by the pre-Platonic figures of Democritus, the sardonic materialist whose theory of atomism was two and one-half thousand years ahead of its time, and Empedocles (440 B.C.), whose ideas on the origins of life foreshadowed the theory of evolution. Among the philosophers of his own time, Eaton

~~Cody~~
USSR Irvine
Sherwin Williams
Ches Bay
Eaton in Sovi
Will H. H. H.
Fred Stetler
Cyrus Eaton
Detroit Tim
Charles I
A. D. H. H.
E. H. H. H.
Baltimore H. H.

was most profoundly affected by, and knew personally with more or less intimacy, Bertrand Russell of Britain, the late John Dewey of Columbia University, and the late George Santayana, the Spanish-born Harvard professor who wrote the classic *Life of Reason*.

There are, of course, many divergencies of views among these thinkers. But common to all their thinking is a basic rationalism, a non-recognition of the existence of God or of a divine purpose and law, and a disposition to regard the traditional religious views of peoples as accidents of birth or geography. They do not, however, generally lack faith in the ability of autonomous man to establish and guarantee his own suitable standards of justice, morality, and peace. None of them is a Communist. Indeed, none appears wedded to any particular political order, and certainly not a universal one. Said Santayana, "I am not a dogmatist in morals or politics, and do not think that the same form of government can be good for everybody."

Now how Eaton thinks, and what Eaton believes, are not to be blindly identified with the books he reads and the philosophers he fancies. But the association may suggest a legitimate clue. It indicates, at least, that this particular businessman has been conditioned to view with lofty philosophical detachment some aspects of the Soviet threat to which many if not most American businessmen react in a deeply emotional way. It is unlikely, for example, that Eaton would be inclined to distrust the Soviets simply because they do not put their trust in God.

Eaton does not, to be sure, want the Soviets to impose their system on *him*. In a recent speech he said, "I live happily and I hope productively by the doctrine that intelligent and enlightened private ownership and operation provide the ideal system of economics for my country, and that the greatest possible separation of politics from economics is desirable."

Dismissing the dogma

This way of saying how politics should relate to economics (i.e., as little as possible) was fashionable among American businessmen at the turn of the century when Eaton was breaking into business. Such conservatives as Madison, Hamilton, and Marshall would have regarded Eaton's formula as superficial, and a generation younger than Eaton's has tended to return to a more complex view of business-and-government. Eaton's oversimplification may be one of the reasons why he sees the difference between free government and Communism as one of degree—a practical matter on which different nations will make different choices. Communists, of course, do not interpret their movement in Eaton's practical terms; they think they are conducting a revolution to reshape all human life. But this is the aspect of Communism that Eaton dismisses as "religious" and transitory. He is deeply concerned with what he conceives to be the reality of the cold war—i.e., the threat of mutual annihilation. About Communist dogma, he is remarkably dispassionate.

Citizen of North America

Cyrus Eaton is Canadian-born (Pugwash Junction, Nova Scotia), the son of the village storekeeper and descendant of New England Loyalists who emigrated from Massachusetts in 1782. Cyrus first came to the U.S. in 1900, and was naturalized in 1913, but if home is where the heart is, he's obviously very much a Canadian still. A good chunk of his fortune is in Canadian properties. He has spent considerable sums in the rehabilitation of his native Pugwash. And he maintains a 3,000-acre estate, called Deep Cove Farms, in nearby Upper Blandford, Nova Scotia. "If I was

starting out now as a young man," he recently told an audience of young Canadians, "I would stay in Canada instead of going to the U.S. The chances of building up a fortune are greater now in Canada than in the U.S."

It was a million-to-one chance that launched him on his American career. Seventeen-year-old Cyrus, prior to his enrollment at McMaster University in Toronto, was spending the summer with his uncle, Charles A. Eaton, pastor of the Euclid Avenue Baptist Church of Cleveland (the same Charles A. Eaton who later became a New Jersey Congressman, and chairman of the House Foreign Affairs Committee during the Truman Administration). There came a night when the pastor and his nephew were invited to dinner at the estate of a parishioner, John D. Rockefeller Sr. Mrs. Rockefeller, distressed at learning that the young man was working as a clerk in a worldly downtown hotel, asked, "Isn't there something he can do around here, John?"

Thereafter, during college vacations, Cyrus served as errand boy, clerk, and companion for John D. Sr., and ultimately as a trouble shooter for Rockefeller's East Ohio Gas Co. Early in 1907 some former Rockefeller associates commissioned him to go to Manitoba, Canada, to secure a franchise for an electric-power plant. He got the franchise, but his backers, frightened of the 1907 panic, withdrew. Eaton borrowed the money to build the plant on his own, and sold it two years later at an excellent profit. With that stake, Eaton went on to develop gas and electric companies in hundreds of cities throughout the Midwest and Southwest. In 1912 he put together his first great utility holding company, Continental Gas & Electric Co. By the mid-Twenties, he commanded United Light & Power Co., and his utility empire was exceeded in size only by that of Samuel Insull and by Sidney D. Mitchell's Electric Bond & Share.

Adventures in rubber and steel

At the height of his utility struggles and triumphs, Eaton began to move in, more or less simultaneously, on the steel industry and the rubber industry. In the case of rubber, it was largely a matter of geography. The Akron companies were his neighbors, and Eaton couldn't help but perceive their difficulties. Most of them had suffered large inventory losses during the 1921 depression, when the price of crude rubber collapsed. This situation seemed only to aggravate the rivalry between the companies, and the competition became intense, bitter, and wasteful. "It was really like the cold war," Eaton now says with an ironic smile. "I tried to be constructive, and look at their problems calmly and objectively." He had quietly bought up virtual control of Goodyear, and also acquired a position in Firestone and Goodrich. Eaton never worked "out front" in this situation—at no time did he assume any official connection with any of the rubber companies. But he promoted a number of board memberships, and arranged a series of friendly meetings among the rival executives in the library of his home. They soon began to recognize each other's virtues, and to see the wisdom of devising more sensible and more profitable policies.

Eaton's invasion of the steel industry was more explosive. In 1925, when the Trumbull Steel Co. of Warren, Ohio, was in financial trouble, Eaton wrote out his personal check for \$18 million and took control. In the next four years he acquired four additional small steel and iron companies, merging them into one of his most notable creations, Republic Steel Corp., third largest in the industry. Eaton also had holdings in Inland Steel, and in Youngstown Sheet & Tube. It was his plan to bring them into the combination and make Republic Steel, at a capacity of 10 million tons, second only to U.S. Steel. At this point, Bethlehem Steel's

Not to be reproduced without written permission of the Western Reserve Historical Society, 10825 East Blvd., Cleveland, OH 44106. This material may be protected by Copyright Law, Title 17, U.S. Code.

3
4
6 pages
Boy & Madhouse 11
7 pages
1 page
7 pages
4 pages
2 pages

Charles M. Schwab and Eugene Grace came storming into Ohio with a bid to buy Youngstown. A titanic proxy war followed, which Eaton lost, but as a Youngstown stockholder Eaton fought in the courts to block the Bethlehem-Youngstown merger and won hands down.

The curtain falls on Act I

"'Twas a famous victory," but at this moment the full force of the depression rolled over Eaton. His major financing vehicle for his various ventures had been Continental Shares, Inc., an investment trust Eaton formed in 1926. At its peak, Continental Shares had capital and surplus of \$150 million and sold for \$300 a share. On the day, in 1930, of Eaton's court triumph over Bethlehem, Continental Shares was quoted at \$8. Eaton was forced out of Continental Shares in 1931, and when the bankers liquidated it two years later there was less than \$16 million to distribute among 18,000 bitter stockholders. Many of them blamed Eaton and some of them (unsuccessfully) sued. Eaton was bitter too—against the big eastern banks for shortsightedly calling his loans, and against President Hoover for refusing to guarantee bank deposits. His personal fortune had shrunk from \$100 million to less than \$5 million (he was not stone broke as most people thought).

The vehicle for his resurgence was Otis & Co., the Cleveland investment-banking firm in which Eaton had owned a controlling interest since 1916. The gimmick, much to the irritation of patriarchal Wall Street bankers like Morgan Stanley & Co., was competitive bidding for the public offerings of railroad and utility securities. Joined with Otis & Co. in this crusade was Halsey, Stuart & Co., of Chicago, and they at once found an eager ally in Wall Street-hating Robert R. Young. In 1938, Young's Chesapeake & Ohio Railroad brought out a \$30-million bond issue, which Eaton and Harry Stuart snatched from the C. & O.'s traditional underwriters, Morgan Stanley and Kuhn, Loeb, by undercutting their offer by some \$2 million.

The association with Bob Young was profitable to Eaton in another way. When Young pulled out of the C. & O. in 1954 in order to bid for control of the New York Central, Eaton was the choice to succeed him as C. & O. chairman.

In another Otis & Co. bid for railroad issues, Eaton clashed memorably with the late Senator Robert A. Taft. It involved a \$12-million bond issue of the Cincinnati Union Terminal, of which Taft was the finance-committee chairman. Taft not only rejected Eaton's bid, but is reported to have said to Eaton's representative, "We've already made a deal with people we trust—and I resent your coming here!" Eaton carried the case to RFC Chairman Jesse Jones, who ruled that since several of the railroads controlling the terminal were RFC borrowers the issue must be thrown open to competitive bidding. (The rule was later made mandatory for all railroad issues by the Interstate Commerce Commission.)

As it happened, Otis & Co. lost out on the Cincinnati issue to a lower bidder. But Eaton—who may rise in the morning smiling, and retire smiling at night—never forgets an affront. In 1950 a congressional investigating committee uncovered the fact that Cyrus Eaton had contributed \$30,000 to bumbling Joe Ferguson's unsuccessful campaign to defeat Taft's re-election to the U.S. Senate. The contribution had been made in the name of John L. Lewis' Labor's Non-Partisan League.* Later, in 1952, when the Cincinnati *Enquirer* was

*Eaton and Lewis have been warm friends ever since World War II, when Eaton voluntarily went to considerable effort to effect a rapprochement between Lewis, so bitterly berated at the time, and the coal operators, many of whom eventually came to think of John L. as a very engaging fellow. Close associates of Eaton cite this arbitration of the "coal war" as more or less parallel to what Eaton is now attempting to accomplish in the field of international relations.

up for sale, and the Taft family's *Times-Star* was eager to acquire it, Eaton (with Halsey, Stuart) heroically rushed in with a \$7,600,000 loan to the *Enquirer's* employees, which enabled them to buy the paper from the McLean estate. The underwriters, incidentally, made \$250,000 on the deal.

Otis and Halsey, Stuart also made powerful inroads into the utility field. Eaton's first target was his old friend and neighbor Wendell Willkie, then president of Commonwealth & Southern Corp. When Willkie balked on honoring Otis' low bid on a bond issue (again, Morgan Stanley was the underwriter of choice), Eaton carried the fight to the SEC, which eventually, in 1941, ruled competitive bidding mandatory for all public-utility issues. With these channels open, Otis & Co. went on to become one of the country's top ten investment bankers, and its profits gave Eaton plenty of financial muscle for his new forays into iron and steel.

One other piece of litigation needs mention, for it did much to heighten Eaton's hostility to the powers in Washington. It involves the U.S. Government's tax suit against Eaton's great Canadian Steep Rock venture. Eaton's wartime financing of Steep Rock in 1942 was very complicated. He got \$5 million from the RFC, \$20 million from the Canadian Government, and \$2,250,000 through the sale of debentures by Otis & Co. He also organized a sales company, Premium Iron Ores, Ltd., of Toronto, of which Eaton owned 74 per cent. The balance was owned by his Otis & Co. partner, William R. Daley, and associates. Premium agreed to buy ten million tons of Steep Rock ore over a ten-year period and agreed also to provide Steep Rock with additional financing if it was needed for production purposes. In turn, Premium was allowed to purchase 1,437,500 shares of Steep Rock at a penny a share. The Canadian Government approved the contracts, and also agreed to waive corporate-income taxes for the first three years of operation.

Thirteen years later, the U.S. Internal Revenue Service, contending that Premium was actually operating out of Cleveland, sued Eaton for \$1,500,000 in back personal-income taxes on the deal; Daley for \$338,000 (the difference between the penny a share paid, and the \$1.67 "fair market value" of the stock at the time of the transaction). When penalties and interest were added, the government asked \$10 million from Eaton, \$2 million from Daley. Eaton's indignation was no little whetted by the knowledge that the Internal Revenue Service was under the command of Secretary of the Treasury George Humphrey, his Cleveland neighbor and former business competitor. Eaton's response denied all charges and claims, and said that if the income was taxable at all, it was taxable only in Canada. The court held for Eaton on all counts, and the decision was upheld in the U.S. Court of Appeals two years later. Cyrus Eaton is a living refutation of that old American saying, "You can't win 'em all."

It started in Pugwash

In all those years of conflict and disputation, there's nothing in the record to indicate that Eaton, whose business interests abroad are minimal, ever concerned himself unduly with international politics generally, or Soviet relations in particular. His first significant meeting with a Soviet citizen occurred, ironically, when the State Department asked him, in 1955, to receive a touring team of Soviet agricultural technicians at his Ohio farm (Eaton is a very important breeder of Scottish Shorthorn cattle).

For years Eaton had been in the habit of throwing open his Pugwash, Nova Scotia, estate to scholarly gatherings—meetings of the Conference of College Presidents and the like. In 1954 he formally announced that he was turning his Pugwash facilities into a vacation retreat for authors, scholars, statesmen, businessmen, and labor leaders, with

Eaton assuming the basic expenses. He wanted "to give thinking men of Canada and the U.S. an opportunity to relax together, exchange views, sharpen their own thinking, and design formulas to live in this brand-new world."

The first Pugwash Conference, in 1955, was a highly generalized affair attended by a dozen or so college professors from the U.S. and Canada, and by Sir Julian Huxley, the British biologist. The 1956 conference, at the time of the Suez crisis, concentrated on the problems of the Middle East. Present were relatively minor figures from European countries, Soviet Russia, Iraq, and Israel. The U.S. State Department sent its officer in charge of Egypt-Sudan affairs.

But it was the 1957 affair—the first Pugwash Conference of Nuclear Scientists—that set Eaton afire. It was inspired by Bertrand Russell (who couldn't attend, but sent along a tape-recorded statement) and attracted the presence of some of the world's topmost physicists, geneticists, and chemists—three Nobel Prize winners among them. The Soviets sent a party of three, and there was one Red Chinese present. The conference wound up with the issuance of a manifesto: "Misuse of nuclear energy could lead to the annihilation of mankind . . . unrestricted warfare would be a disaster of unprecedented magnitude."

Eaton himself, apart from greetings and benedictions, takes no direct part in these discussions. But he bobs in and out of the meetings, and manages to talk informally and privately with most of his guests. He vividly remembers, after one of the 1957 sessions, the foremost American scientist of the group coming up to him and saying with great gravity, "There is nothing we can tell the Russians about the nuclear art. They know as much as we do, and probably more." From that moment, Eaton was an activist in the cause. He arranged, unaccustomedly for him, a number of speaking engagements around the U.S., made himself available to reporters at all times, and even appeared on TV.

In 1958 the nuclear conference was held in March, at Lac Beauport, Quebec, Pugwash being unsuited for the meeting at that time of the year. In the fall of 1958 another conference was held in Vienna under the joint sponsorship of Eaton and the Austrian Government. Present were eighty atomic authorities from twenty-two Western and Eastern nations. But before checking in at the Vienna conference Eaton went to Russia to see for himself.

The red, red carpet

He was the guest of the Soviet Government for ten days, and though he toured at some length he never stepped off the red carpet. Nikita Khrushchev flew up from Yalta to receive him at the Kremlin. It was the first meeting of the two men, and it lasted for an hour and a half. They did not discuss the hot points of U.S.-Soviet conflict, but mostly exchanged views on the desirability of peace, the burdens of armament expenditures, the progress of the Soviet economy, etc. The men met subsequently on Khrushchev's two visits to the U.S., and briefly at Orly Field, Paris, right after Mr. K. torpedoed the Summit Conference.

In the summer of 1960, Eaton toured the Soviet satellite countries, talked at length with Poland's Gomulka and Rapacki, with Premier Novotny of Czechoslovakia (he received an honorary degree from Charles University in Prague), and with Hungary's Kadar, Bulgaria's Zhivkov, and East Germany's Grotewohl and Ulbricht. Last December he went back to Moscow for the sixth nuclear conference.

Credit and debit

Although many thoughtful Americans may question the

directions taken by the Pugwash Conferences, none can doubt that the attention attracted by these meetings has been great and growing. Scientists and scholars from many countries have exchanged views on a wide range of matters affecting both science and public policy. Among those present at last year's meeting in Moscow were M.I.T.'s Jerome Wiesner, subsequently named science adviser to President Kennedy, and Walt Whitman Rostow, now a special assistant to the President on security matters. And the Soviets, with their great scientist Kapitza and Nobel prize winner Semenov on the job, weren't downgrading the conference either.

So as the originator and promoter of the idea, Eaton has scored a success. For the past six years he has been spending about \$200,000 a year in support of the Pugwash Conferences, and very little of it is tax deductible.

There is no reason to doubt Eaton's basic sincerity in engaging in this effort. Like millions of other Americans, he has been personally involved in the agonies of war. He sweated through the capture and imprisonment of his aviator son, Cyrus Jr., by the Germans, and two of his nephews were killed in World War II. And he reminds you, not without emotion, that he has thirteen young grandchildren to whom he is deeply attached. Eaton has never sought, nor been proffered, the conventional civic honors accorded businessmen of his stature. He enjoys being a trustee of the University of Chicago and two other universities; an elector of the U.S. Hall of Fame; and a Fellow of the American Academy of Arts and Sciences. But organized charity, welfare, or booster organizations are not for him. World peacemaking is more to scale.

Has the Eaton line done harm to the U.S.? Only, one suspects, to the extent that it provides useful Soviet propaganda within the Soviet Union—he is one of the few private American citizens to make the front page of *Pravda*. Russian people are sometimes more willing to believe foreigners than their own officials. But to indict him, as one U.S. Senator suggested, under the Logan Act—"engaging in diplomatic negotiations without official license"—would be a higher compliment than he deserves. Incidentally, Dr. George Logan, the good Quaker whose talks with Talleyrand in 1798 gave rise to the act, is credited by some historians with having a good deal to do with staving off war with France; we fought the British again, instead.

The thought has occurred to one U.S. businessman, who has had an uncomfortable brush or two with Eaton, that the Cyrus he knew, acting in his best business form, might be the very fellow we need to deal with the Russians. END



Surrounded by his family, Cyrus Eaton celebrated his seventy-sixth birthday, in 1959, with a rugged skiing party at Lac Beauport, Quebec.

Handwritten notes and page counts: 1 page, 2 pages, 7 pages, 7 pages, 1 page, 1 page, 1 page, 6 pages, 1 page, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.