

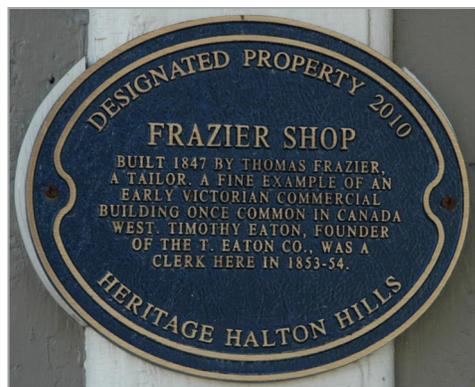
The Timothy Eaton Company

Did You Knowthat before Timothy Eaton established his retail empire in Toronto, Ontario he apprenticed as a clerk in a general store in Glen Williams, Ontario in 1853?

Timothy Eaton was born in March 1834 in Northern Ireland in the town of Ballymena, County Antrim. His father, John, had just died two months earlier at age 50 of Cholera, the epidemic that swept Ireland from 1832-34 killing more than 50,000 people in 1832 alone. His mother Margaret already had five daughters and three son's to look after in their two story home on their forty acre farm. However, the family was considered prosperous for the time.

In 1847 Timothy left school and apprenticed with store owner William Smith in Portglenone located some nine miles from the Eaton farm. Smith sold hardware, grain and liquor. Timothy's mother had to post a £100 bond with Smith to ensure he would stay for five years. Smith was a miserable taskmaster who, although living quite close to the Eaton farm, did not include transportation home for Timothy. As his work day was from sunrise to sunset there was little time left in the day for Timothy to walk home and back so he would sleep under the counter of the shop. Timothy proved a quick learner figuring out measurements, crops and most importantly people. One of his duties as apprentice was to make available a tot of liquor to the farmers heading to market at 4AM. A single tot was half an Imperial Gill, which is 2.5 fl ounces or 71 ml. This experience alone would cause Eaton to become a lifelong teetotaler. In 1848 Timothy's mother, Margaret died at the age of 52. With his mother's passing a greater self-reliance was placed on him. The past year at Smith's had better prepared for life's realities. Now, just fourteen years old, Timothy focused on finishing his apprenticeship and set his sights on Canada.

In 1852, at the age of 18, Timothy decided to leave Ireland and the all too common cholera epidemics and potato famines. His employer, William Smith returned to him the £100 bond. It was customary to bestow a suit of clothes to a departing apprentice and Smith honoured this gesture. He also gave Timothy a silver pocket watch as a token of appreciation.



Timothy's brother, Robert, had moved to Canada and was living in the Ottawa Valley. Timothy's sister Margaret had, some years earlier, married a neighbour Robert Reid. They had moved to Canada and bought a farm in Georgetown, Ontario. Two of his other sisters, Sarah and Nancy, had joined Margaret and Robert Reid on the farm. Shortly after Timothy's arrival in Canada he went to live with his sisters on this farm. He immediately found work in a general store in nearby Glen Williams as a junior clerk.

Photo (right) May 2014

The store in Glen William, Ontario that Timothy Eaton began as a junior clerk in Canada before moving to St. Mary's and eventually Toronto to form his commercial empire.



In the mid 1850's the Grand Trunk Railway opened up south-western Ontario. Timothy Eaton's brother, Robert, established a dry goods business in St. Mary's. In 1854 Timothy and his other brother James set up in business in a log cabin in Kirkton some ten miles from St. Mary's. The business was known as the J and T Eaton General Store. Timothy recognised the advantage of having a post office on the premises and applied to become the postmaster. This had the benefit of increasing foot traffic as well as the revenue that the job provided. In Kirkton, Timothy Eaton taught Sunday school at the Presbyterian church, the faith he had grown up in. However, after a local revival meeting, Timothy turned to Methodism. In 1860, restricted by a rural location, the J and T General Store moved to St. Mary's and enlarged their business to sell, not only dry goods, but kitchenware, farm tools and boots. Throughout the alliance with brother James, Timothy was the proactive partner as James was involved in other business ventures. By all accounts the business partnership was a success but with success came sibling rivalry that ended with a dissolution of the business and a parting of ways. In 1868 J and T Eaton had inventory of \$11,000. James would stay in St. Mary's and Timothy would move to Toronto, a town of 50,000 inhabitants, of which 40 percent were Irish. With his stake Timothy Eaton purchased the dry goods business, from fellow Methodist James Jennings, located at 178 Yonge Street for \$6500 cash. Eaton opened the T. Eaton & Co. business on December 8, 1869 with the declaration 'We propose to sell our goods for CASH ONLY – In selling goods to have only one price'. Although Eaton wasn't the first to try the CASH ONLY business strategy he was the first to try it in the general store genre. For T. Eaton & Co. it's time had come. CASH ONLY was a hugely successful concept when applied with Eaton's business model of 'goods satisfactory or money refunded'.



In 1870 sales at Eaton's were \$24,000. In 1874 sales reached \$55,000 and in 1880 sales eclipsed \$155,000. In 1880 Eaton's sales force was 50 employees and were mostly women. By 1890 the population of Toronto was 200,000, Eaton's sales were one million dollars and employees had reached 750.

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In 1883 Eaton moved to larger premises at 190-196 Yonge St. When competitor Robert Simpson found out about the move he looked to lease Eaton's old space. When Timothy heard of Simpson's interest he continued to pay the rent on his old location until his lease expired the following year.

Eaton's early success did not make him relax. He was always looking to improve on his growing empire. He personally wrote all of his advertising and felt that integrity was paramount. He would *use no deception even in the smallest degree.....nothing you can't defend before God and Man.*

As an example of Eaton's forward thinking Timothy installed an elevator in 1886. The elevator was known as the 'plunger' because it did not stop on the way down until it reached the main floor. The idea was to have customers take the elevator up and then walk down each floor past eye catching displays of merchandise.

Eaton had definitely mastered the art of the retail store and would see it's continued success right up until the day he died. However, a countless number of Canadians will likely remember Eaton for the home delivery catalogue.

This advertisement in the Daily Globe of Toronto dated December 15, 1869 shows Eaton's pricing and his CASH ONLY – ONE PRICE model. At the bottom of the ad is a statement from James Jennings, who sold the business to Eaton, declaring where Persons Indebted could find him and pay what they owed.

Although the Eaton's catalogue was not the first in North America it quickly became the gold standard. First introduced in 1884 it was six inches by nine inches, 32 pages and was called The Wishing Book. The catalogue was available in the store but more importantly was handed out at the Industrial Exhibition in September each year. With the completion of the Canadian Pacific Railway, in 1885, orders could be sent all across the country from Toronto. Most Canadian, then as now, would consider this mail order catalogue as Eaton's greatest enterprise. Emblazoned across the cover of the 1896 catalogue was the self declaration CANADA'S GREATEST STORE. There can be no doubt that the Eaton's catalogue business put tremendous strain on the smaller merchants in towns and villages across Canada. Since many general stores and dry goods businesses had post offices on the premises, as did J and T Eaton in Kirkton, Ontario, customers were known to walk

through to the back of those same stores and get their catalogue to take home, ultimately leading to an order that would result in lost business to that very merchant. While in the United States there were scenes of storekeepers publicly burning the catalogues of Sears and Montgomery Ward, Eaton's would never suffer this embarrassment. He found he could simply smooth things over with the various postmasters by inviting them to attend his lavish Christmas parties.

In 1891 Timothy Eaton now thought about retirement and set out a ten year outlook. As he looked to who could succeed him he drew up a plan. He incorporated as The T. Eaton Co. Limited with himself as president. The incorporated company made available 5000 shares of stock but initially issued only 2485. Timothy was the largest shareholder with 2310, his eldest son Edward, the vice-president and likely successor, held 145. Mrs. Eaton and his two daughters Margaret and Josephine each held 10 shares. Of the remaining shares, some close senior employees were granted shareholder status. The best laid plans often go amiss and Timothy's chosen heir, eldest son Edward, who was diabetic, died in October 1900 at the age of 37. Bill, the next son in line, had little business sense and the era would never have allowed a female at the helm and so his daughters were eliminated from consideration. This left his youngest son John Craig. Jack, as he was known, may have been the last choice but he was likely the best choice. Jack had his father's far-sightedness and good sales skills. If Timothy had doubts he didn't let on. In fact he needn't worry as he had created a corporate structure that didn't rely on one individual but had the support of hand picked senior management. In 1901 John Craig Eaton took control and so began the next generation of Eaton's.

Timothy Eaton died on January 31, 1907 of pneumonia. He left an estate of more than five million dollars.

Eaton's filed for bankruptcy in August 1999. The last store closed it's doors on February 26, 2002.

Authors note:

Interestingly Timothy Eaton was born and raised 27 miles (43 kilometres) away from my grandparents in Ireland and would later come to Canada and clerk in Glen Williams just 2 miles (2.7 kilometres) from my childhood home of Georgetown, Ontario. My mother and my grandmother both worked for Eaton's in Toronto in the 1940's as did many other Irish folk. A loose connection indeed but a connection all the same.

For further reading:

- Northern Enterprise: Five Centuries of Canadian Business. McClelland and Stewart 1987
- Rod McQueen. *The Eatons*. Stoddard Publishing 1999
- Nasmith, George G., *Timothy Eaton*. McClelland and Stewart 1923.
- Gourluck, Russ. *A store like no other. Eaton's of Winnipeg*. Great Plains Publications. 2004

Medals:



A medal commemorating Queen Victoria's Diamond Jubilee of 1897 depicts the Eaton's store on the reverse. Struck in bronze and white metal by the P.W. Ellis Co. of Toronto.

A medal celebrating the International Convention of the Epworth League held in Toronto in July of 1897. The Epworth League is a religious organization of young Methodists (age 18-35) founded in Cleveland, Ohio in 1889. In 1897 the convention had more than 20,000 attendants. Struck in bronze and white metal by the P.W. Ellis Co. of Toronto.



Medals struck for the Athletic and Sporting Goods department of Eatons. One is for the bicycle repair shop and the other for the NEW RAPID bicycle at the cash price of \$110.

In the 1940's encased cents with the motto 'Keep Me And Never Go Broke' were popular advertising pieces. Here are two examples issued by Eaton's. One is from Hamilton (1946), and the other from Toronto (1947ml) 'The Store For Young Canada'



Two wonderful Eaton's stories.

In Winnipeg, Manitoba stores would always round off their prices to the nearest nickel. As a result Manitoba residents never had a use for the cent coin. In Toronto it was common practice to end pricing in a seven, eight or nine. The opening of the Winnipeg Eaton's store in July 1905 would change the Manitoba shopping experience forever. For the grand opening the Eaton's officials had ordered \$500 in cents, or 'coppers' as they were known then, from Ottawa. In the beginning Winnipeg shoppers, not knowing what to do with the seemingly unwanted cents, left them on the counter or placed them in the charity boxes on the counters. Newspapers were sold on the street for a nickel (rounded off) so Eaton's began selling newspapers inside their door for two cents. The shopping public soon caught on and the newsagents got their first taste of the Eaton effect!

The second story is from the book 'Ink On My Fingers' written by Herbert Cranston the son of token manufacturer J.K. Cranston of Galt. Herbert worked for the Toronto Star for many years and was the editor of the Star weekly magazine. In the 1920's one of the columnists was Charlie Vining who was putting together a story on the suspiciousness of native Torontonians. Cranston got an idea and went to the Canadian Bank of Commerce to obtain a \$1000 bill. These large bills were not in circulation and were only used by banks settling daily clearing transactions. Cranston then got Vining and another reporter Greg Clark to take the \$1000 bill up Yonge Street to the retail section and try to purchase something with the bill. The first shop the reporters went in was a haberdashers shop. They picked out some ties and after the clerk wrapped them up and presented the package he was handed the \$1000 bill. The clerk looked at the bill and then called his manager. The manager looked at the bill, studied the two customers carefully and then strongly suggested the ties be returned and the whole matter forgotten. The next store entered was a hosiery shop where the two men picked out stockings for their wives. When offered payment the proprietor threatened to call the police. Store after store flatly refused the \$1000 bill. Tired of fooling around with the small stores the two reporters headed into Eaton's big department store. Each man picked out a handsome shirt and a couple of ties. After the items were wrapped the \$1000 bill was slid across the counter. The Eaton's clerk picked it up, looked hard at it but did not blink. He placed it in a tube and shot it up to the cashiers office. What happened in the cashiers office is unknown but a few minutes later back came the tube with \$992 in fifties, twenties, tens, fives and a single two. Charlie and Greg had to stand at the counter and count out the change in front of a growing crowd of gaping customers. Eaton's had done it again!

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