Our economic and other problems, a financier's point of view

Kahn Otto Hermann
OUR ECONOMIC AND OTHER PROBLEMS

A Financier’s Point of View

BY

OTTO H. KAHN

NEW YORK
GEORGE H. DORAN COMPANY
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PART ONE: THE LAST FIGURE OF AN EPOCH
“His death coincided with what appears to be the ending of an epoch in our economic development. His career was the embodiment of unfettered individualism. For better or for worse—personally I believe for better unless we go too far and too fast—the people appear determined to put limits and restraints upon the exercise of economic power just as in former days they put limits and restraints upon the absolutism of rulers. Therefore, I believe there will be no successor to Mr. Harriman; there will be no other career like his.” (January, 1911.)
THE LAST FIGURE OF AN EPOCH

EDWARD HENRY HARRIMAN

I

I FIRST met Mr. Harriman in the year 1894. At that time what moderate degree of importance attached to his person in the financial community rested mainly upon the fact that he was chairman of the finance committee of the Illinois Central Railroad. It was then a well known circumstance among bankers that the Illinois Central’s finances were managed with remarkable skill and foresight. Somehow or other, it never had bonds for sale except in times when bonds were in great demand; it never borrowed money except when money was cheap and abundant; periods of storm and stress ever found it amply prepared and fortified; its credit was of the highest.

The few acquainted with the facts conceded that Mr. Harriman was a shrewd financial manager, but he had reached the age of nearly fifty years without attracting any general attention. In later life, when in reminiscent mood, he used to say that the fact that he had been born and bred in New York, and had done his work right here in the midst of people, many of

An address delivered before the Finance Forum, New York, January 25, 1911.
whom had known him a great number of years, had militated considerably against his recognition. He thought if he had “blown” into New York from the West, his rise would have been a good deal more rapid.

It was the old story of the prophet having little honor in his own country. Even after he had started on his course of achievements in the Union Pacific Railroad those of us who then began to speak about the man’s marvellous capacities, used to be met frequently with remarks such as:

“Ned Harriman! Why, I knew him years ago as a little ‘two dollar broker.’ What should he know about practical railroading? How could he suddenly be developing these wonderful qualities you speak of? You can’t make me believe that a man can have lived in this community for nearly fifty years, have been known to lots of people, have made a fairly successful career, and then all of a sudden turn out to be a genius.”

My first vivid impression of Mr. Harriman dates back to a hot summer afternoon in 1897, when, looking pale, weary and tired out, he came to my firm’s office to induce us to take an interest with him in a certain business. We did not particularly care for it, and told him that we preferred not to join in the transaction. He argued to convince us of its merits, and, finally, not having made any headway, he desisted. I thought he had accepted our refusal. He got up to go, but turned around at the door and said:

“I am dead tired this afternoon, and no good any more. I have been on this job uninterruptedly all day, taking no time even for luncheon. I’ll tackle you again