

REFLECTIONS
OF A FINANCIER

OTTO H. KAHN

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A STUDY OF ECONOMIC AND
OTHER PROBLEMS

BY

OTTO H. KAHN

AUTHOR OF "RIGHT ABOVE RACE," ETC.

WITH AN INTRODUCTION BY THE
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INTRODUCTION

BY THE RIGHT HON. J. H. THOMAS, P.C., M.P.

THE war was responsible for many strange and remarkable happenings; for the throwing together of all manner of people whose paths in the ordinary course of human affairs would be widely divergent. One of these meetings, for which, probably, there would never have been likely occasion under the old order of things, was between one of the world's greatest financiers and an English labour leader; and although on many questions Otto Kahn and myself differ, the number of things on which we are in agreement is indeed remarkable.

In England financiers are scarcely known outside their own circle and beyond the scope of their profession; some there are who play an important part in the nation's affairs, but their work is unrealised by the great mass of the people, for whom the word financier is merely an unmeaning synonym for the Stock Exchange. I myself certainly have no knowledge of any British financier whose interests are so wide and well-informed and whose sympathies so broad as are those of Mr. Kahn.

If any evidence is needed to show the remarkable mind, the varied tastes, the wide knowledge, and the democratic tendencies of the author of this book, it will be found in the following chapters. He is a man who, apart from his great knowledge of finance and economics, comes out and shows us that he is not unmindful of the fact that while Capital has its rights, it equally has its responsibilities, and he avers that the mere possession of wealth is no endorsement nor even presumptive evidence of the claim to honour;

he maintains that any aspirations beyond momentary success must be realised by public service, and he has acted what he preaches. He says, "It is for those occupying dominant places in commerce and finance to show cause why they should be considered fit persons to be entrusted with their positions, the test being not merely ability, but just as much, if not more, character, self-restraint, fair-mindedness, and due sense of duty towards the public. We business men must more and more get out of the seclusion of our offices, to get to know the people and get known by them. That won't hurt our dignity. A dignity which can be preserved only by seclusion, which cannot hold its own in the market-place, is neither merited nor worth having, nor capable of being long retained." And he warns rich men "to beware of that insidious tendency of wealth to chill and isolate," and enjoins them "not to let their feelings, aspirations, and sympathies become hardened or narrowed lest they get estranged and grow apart from their fellow-men."

The public service performed by Otto Kahn (the donor of St. Dunstan's as a hostel for Blinded Soldiers) has been of the highest order, and has often been rendered under circumstances which nothing but a lion-hearted sense of duty and an utter disregard for self-interest would have faced, and it is not too much to say that, as an individual contribution to the Allied victory, his was one of the greatest. This man, born of German parents, found himself at the immediate outbreak of war having to choose between loyalty to the land of his birth and loyalty to conscience and what he believed to be his duty, and without hesitancy he chose the latter path. His difficulty was made much greater by the fact that at this time America had a very strongly divided opinion with regard to the war; his business affiliations had been heretofore mostly with those whose tendencies and interest were not on the side of the Allies, and

none but a man of the highest integrity and sense of duty could so fearlessly have made his decision and have thrown his weight and influence into the scales of the Allied cause as did Otto Kahn. As he says in his book *Right above Race*, published during the war, "When the war broke out in Europe, when Belgium was invaded, I searched my conscience and my judgment in sorrow and anguish, the powerful voice of blood arguing against the still small voice of right. And it became clear to me to the point of solemn and unshakable conviction that Prussianism had outraged and defied the conscience of the world and challenged right to mortal combat against might, and that the cause which the Allies were defending was our cause, because it was the cause of peace, humanity, justice, and liberty. In accordance with this conviction, I have acted and spoken ever since."

Not only did Mr. Kahn render actual financial assistance and other services to the Allies, directly and indirectly, but he was perhaps more instrumental than any other man in barring access to financial facilities in America to the Central Powers; and particularly the fact that practically the whole of the Jewish finance was turned either to active support of the Allies or at least to complete non-support of Germany, may be largely attributed to his attitude and influence. Had the Allies lost, or merely failed to win the war decisively, Kahn's business position would have been forfeited. He staked his business life on his convictions.

And, in a later stage, he rendered another service no less important. In the face of criticism, misjudgment, vituperations, and threats, he went forth into many cities of the United States, especially in the Middle West where German-Americans and Pacifists were strong, and at public meetings, through newspaper articles and otherwise, explained eloquently and convincingly the origin, the causes, and the true meaning of the war, and summoned those who were

hanging back to rally to the great cause. His speeches and written addresses proved of the highest value.

Although I possess no personal knowledge on the subject, I do not doubt that many bitter and unjust things have been said about Mr. Kahn by those Americans of German birth who differ from him in their views. But however bitterly some people may have felt with regard to his attitude towards the war, it can be maintained with justice by none that his viewpoint was in any sense unnatural—he possessed a clarity of vision and a rectitude of conscience which he refused to have clouded with prejudice, that is all. His attitude in the war was not one of hostility to Germany as a nation, but to the militarism by which it was warped. In his book *Right above Race* he speaks of the German people as one “which was and deserved to be an honoured, valued, and welcome member of the family of nations until misled, corrupted, and systematically poisoned by the Prussian ruling caste.” He speaks of his reverence for “the high ideals and the fine traditions of the old Germany,” and of his resentment against Prussianism “which trampled those ideals into the dust,” a resentment all the more bitter because of his attachment to that old Germany to which he was “linked by ties of blood, by fond memories and cherished sentiments.” He maintains that “the taint is not in the German blood, but in the system of rulership,” and asserts that “history affords no parallel to the spiritual poisoning and the resulting transmutation of a whole people such as Prussianism wrought in the incredibly short period of one generation.”

I well remember the conversation we had together on the subject, and the accent of passionate conviction with which he spoke of the necessity of breaking utterly and permanently the sway of a ruling caste “which preaches the deification of sheer might, which despises liberty, hates democracy, and would destroy both if it could.” Through the whole period

of the war we found this man of wealth and power unstintingly giving of his best to the Allied cause. And, ever since, he has shown himself a true and understanding friend of England, and has never ceased to labour for harmonious, trustful, and genuinely co-operative relations between this country and the United States. On the question of Peace, no less than on that of War, Mr. Kahn is most direct and emphatic in his views. "I have been at pains to read the Peace Treaty from beginning to end," he writes, "and I laid it away sore at heart and sickened. The Treaty falls grievously, most grievously, short of realising the high hopes of the World for a peace worthy of the spirit and aspirations which animated the Allies and America during the war and at the conclusion of the armistice. It falls short in spirit and in letter, of realising declarations solemnly made, and even of abiding by pledges formally given." In a discussion which I had with Mr. Kahn on the terms of Peace, I recollect expressing strong views on some of the clauses which, in my judgment, can never lead to the peace so necessary; and again the author of this book struck the right note when he said, "It would be a tragedy if the glory of the victory were to be marred by an inglorious peace, if the triumph of righteousness on the field of battle were to be followed by unrighteousness in the world settlement. And even apart from moral considerations, apart from the dictates of honour, which compel scrupulous adherence to those conditions on which, wisely or unwisely, the armistice was concluded by the Allies, it would be gross and fatal short-sightedness for the victorious nations to abuse their power in fixing the terms of peace. It is not a question of weak leniency towards Germany or of sentimental condonement of her horrible guilt, but of right and of good sense. The world has been weakened appallingly. It needs nothing so much as repose and recuperation, and it cannot enter into the sorely needed period of con-

valescence except under the terms of an enlightened peace, a peace of vindicated justice, of due punishment, of assured safeguards, but a peace befitting the spirit in which the free people of the world rallied to the war."

In this extremely interesting volume, Mr. Kahn will be found to have dealt with such diverse subjects as railway problems and art; high finance and pictures; taxation and opera; the Stock Exchange and spiritual values; and throughout, whatever the subject, it will be seen to have the impress of wide and thorough knowledge and culture and of human sympathy. Mr. Kahn is a democrat, and he realises that if only the artificial barriers of class distinction could be removed it would be of infinite benefit to the world at large, for every one would realise that we are "all made of the same basic stuff, affected by the same joys and sorrows, and responsive to much the same appeal." Black sheep, he admits, are to be found in every walk of life, but he also claims that "the basis of our civilisation remains the belief that the vast majority of mankind want to do what is just and right, a belief amply justified by experience."

Perhaps no other passages in the volume are more characteristic of the author's spirit and attitude than the following: "Some of the things I propose to say will not strike a popular note. That is additional reason why they should be said. . . . Those who differ from me are free to express their opinions and controvert mine. It is through the meeting of conflicting views in the forum of public opinion that truth is sought and ascertained in a democracy. . . . We must seek to bring truth and enlightenment into the ring against falsehood and error, and then let them have it out in the presence of the people. I have no fear of the result. . . . I have no fear of the forces of freedom unless they be ignored, repressed, or falsely or selfishly led."

Particularly striking are his comments on education,

and no greater truth has been expressed than is found in his assertion that there are few things more conducive to discontent and self-torment than the possession of qualities which are ignored, repressed, or denied expression. Although education progresses year by year, it still remains in surprisingly close contact to the three R's.

Equally worthy of note are the author's views on the relation of Capital to Labour; and there are few public men to-day who will dispute his thesis that the principle on which all concerned should deal with the labour question is the principle that "First, Labour is entitled to a living wage; after that, Capital is entitled to a living wage; what is left over belongs to both Capital and Labour, in such proportion as fairness and equity and reason shall determine in all cases."

There will be many and varied opinions on some of the subjects dealt with in this book. There will be many people who, like myself, cannot subscribe to all of Mr. Kahn's views, but no one who reads the following chapters and remembers all that he did in the great world struggle can withhold his meed of appreciative recognition for the knowledge, character, public spirit, and sympathy of the man whose personality speaks from its pages. As the late Theodore Roosevelt said in the preface which he wrote to Mr. Kahn's preceding volume, "Mr. Kahn has his face set toward the light."

J. H. THOMAS.

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