

Famous New Yorker Edward Henry Harriman



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As an ambitious young businessman in 19th century America, E. H. Harriman learned that railroads were a great investment. His investments made him a fortune that benefited the country in more ways than one.

Edward Henry Harriman was born in Hempstead, Nassau County, on February 25, 1848. His parents were poor relations to a wealthy family of businessmen. Edward attended public schools in Jersey City and the Trinity School in New York City until he was 14. To help his family he worked one summer at an iron furnace. His real career began on Wall Street in 1862.

Edward rose from errand boy to “pad shover,” relaying the latest stock orders and prices on pads of paper. Edward wanted to be a real player in the stock market. In 1870 he borrowed money from a stockbroker uncle to buy a membership on the New York Stock Exchange. He could now trade stock for clients, making money on commissions. E. H. Harriman quickly earned a reputation as a conservative, reliable broker.

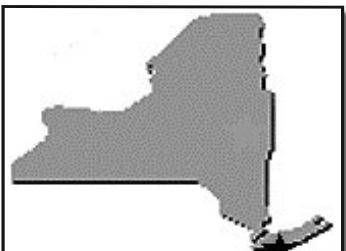
When Harriman married in 1879, he joined his father-in-law on the board of directors of the Ogdensburg & Lake Champlain Railroad. The small railroad wasn’t prosperous, but the experience convinced Harriman of the great financial potential in railroads. In 1881, as vice president of the Sodus Bay & Southern Railroad, Harriman recognized the 34-mile line’s potential value to a growing railroad. Within two years, Harriman bought control of the line, increased its profits, and sold it to the Pennsylvania Railroad at a profit to himself.

Harriman had learned that effective management made railroad stocks more appealing to investors. He realized that he could make more money by managing railroads. Hired to sell investment bonds for the Illinois Central Railroad, Harriman became a vice president in 1887 and soon controlled the company. His knack for reorganizing and refinancing railroads made him the most powerful railroad man in the United States by the start of the 20th century.

Harriman became president of two of the nation’s largest railroads, the Union Pacific and Southern Pacific, and controlled many others. While he’d increased profits by cutting costs in the past, he now understood that investing in steady improvement and expansion made railroads more valuable in the long run. His expansion seemed too aggressive to many people who saw him as a “robber baron.” Others thought that he benefited the American economy by making transportation more efficient.

E. H. Harriman was also an outdoorsman and a philanthropist. He founded the first “Boys’ Club” in the country in New York City in 1876 and built a bigger clubhouse in 1901. He vacationed in the Adirondacks and maintained a large estate in the Ramapo highlands for forest preservation. Told to take time off for his health in 1899, he decided to cruise the northern Pacific coast from Seattle to Siberia. When the ship he hired proved too big for his family, he invited scientists and naturalists to join them. His vacation cruise became the Harriman Alaska Expedition. It discovered hundreds of animal species and published reports that are still highly valued today.

Harriman died on September 9, 1909. His son, W. Averill Harriman, was elected Governor of New York in 1954. E. H. Harriman’s legacy is as wide-ranging as his railroad empire, and more enduring.



The town of **Hempstead** on Long Island’s south shore was founded in 1644, and named after Hemel Hempstead, Hertfordshire, England, the birthplace of town founder John Carman.

For more information about the Union Pacific railroad and E. H. Harriman go to <http://www.up.com/aboutup/history/uplogo/logo4/index.htm>. This is one of a series of Famous New Yorker profiles written by Kevin Gilbert for the NYNPA-Newspaper In Education. All rights reserved 2014.