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Introduction

That Passion for Reality

[He felt] hatred of all shams, scorn of all mummeries, a bitter merciless pleasure in the hard facts. And that passion for reality was beautiful in him. . . . He was a millionaire, and yet scrupulously simple . . .

—GEORGE SANTAYANA, *THE LAST PURITAN*

How can I write objectively about someone I liked and admired? In the case of Paul Cabot, this question almost answers itself. He wouldn't have had it any other way. Paul is often associated with the phrase, "First, you've got to get the facts. Then you've got to face the facts," the quintessential expression of hardheaded rationalism, applied to the investment business. He faced the facts about stocks, business associates, and himself.

Why am I writing about Paul Cabot? To explain this I must go back to 1978. In that year I completed my PhD in history without prospects for a good academic job. So I entered a six-week program that prepared humanities scholars for positions in business, and I went to work at Paul Cabot's State Street Research & Management Company. Six years later, in 1984, the program sponsors asked me to contribute an essay for a book chronicling the experiences of its graduates. The essay traces the path that led to this work.

In that essay I compared the values of successful scholars and successful investors by drawing parallels between the thinking of historian Oscar Handlin and that of Paul Cabot. The former was the dissertation advisor to my dissertation advisor, Bernard Bailyn; the latter founded the company I was then working for and hired, trained, and influenced the men who had hired, trained, and influenced me.