

DR. LEE K. FRANKEL

1867-1931

BY SOLOMON LOWENSTEIN

Lee Kaufer Frankel was born in Philadelphia, Pa. on August 13, 1867, the son of Louis and Aurelia (Lobenburg) Frankel. He was educated in the public schools, Rugby Academy of Philadelphia and the University of Pennsylvania, from which he was graduated with a degree of Bachelor of Science in 1887 and from which he received the degree of Doctor of Philosophy four years later. He had specialized in chemistry in the University and was an instructor in that department in the University of Pennsylvania from 1888 to 1893. Thereafter he practiced as a consulting chemist in Philadelphia until 1899, when he accepted an invitation to become the manager of the United Hebrew Charities of New York City. A year earlier he had married Miss Alice Reizenstein of Philadelphia. There were two children of this union, Lee K. Frankel, Junior, and Eleanor Frankel (Mrs. Richard Rafalsky).

During his residence in Philadelphia, Dr. Frankel had been interested as a volunteer in Jewish social work. As early as 1894, he had been associated with the activities of the Baron de Hirsch Fund in Philadelphia. Through his intimate relationship with Dr. Henry Berkowitz, Rabbi of Congregation Rodeph Sholom of Philadelphia, in whose Religious School he was a teacher, he became a participant in the work of the Jewish Chautauqua Society, organized by Dr. Berkowitz, and, some years later, undertook the responsibility for a series of summer assemblies devoted to social work.

The managership of the United Hebrew Charities of New York City was Dr. Frankel's first professional position in Jewish social work. In a sense, this marks the beginning of professional Jewish social service in the United States, for,

while there were already at that time a few men engaged in a professional character as executives of some of the larger social agencies, and Dr. Frankel had had several such predecessors in the United Hebrew Charities of New York, he was the first of American birth and academic training who devoted himself on a full time professional basis to this service. Since that time, as will be indicated below, the field of Jewish social service has become thoroughly professionalized throughout the country but at the time of his appointment the field was largely occupied either by volunteers or by workers employed specifically for the purpose but giving to it only part of their time and largely drawn from other professional groups such as the Rabbinate, the cantors, teachers, etc.

Dr. Frankel's entrance upon his new task coincided with very heavy immigration of Jews to America from Russia and other countries of eastern and southeastern Europe, the great majority of whom found their way to this country through the Port of New York and many of whom remained there, producing problems of congestion, Americanization and assimilation into the industrial and social life of their new country, challenging the greatest resources of the community. Then, too, this was at a time long before the American public as a whole had learned to give in large amounts to private social work, an education not completed until the period of the World War, so that the task of raising the funds required to meet the needs of this large mass of newcomers also presented problems to the executive of the individual society which to-day are either assumed by the Federations or the Community Chests, or which have been greatly lightened by the increased generosity of the community as a whole.

Dr. Frankel was fortunate in that the lay management of the United Hebrew Charities at that time included within its membership men of experience, enthusiasm and progressive outlook and that he had the cordial assistance and advice of such men as the late Henry Rice, Nathan Bijur, Morris Loeb, Jacob H. Schiff, Louis Heinsheimer, and Cyrus L. Sulzberger.

At the same time he formed close and intimate associations with a group of leaders then active in the non-Jewish

social service field in New York, including Dr. Edward T. Devine of the Charity Organization Society, Mr. Frank Tucker of the Association for Improving the Condition of the Poor and Mr. Homer Folks of the State Charities Aid Association. Through these lay and professional associations he rapidly assimilated the principles then in vogue in the most advanced family agencies and provided himself with a fund of knowledge that enabled him not only to become the outstanding leader in his own field of Jewish social work but one of a small group throughout the country who vastly stimulated the development of social work generally, and family case work technique in particular along the lines which it has pursued to this day.

In this, as in all the other tasks which he was to undertake, his extraordinary executive and organizing skill manifested itself from the beginning and soon produced a modernized organization divided into adequate sub-departments to meet all the needs of the field and to develop as fully as its financial resources permitted programs of self-help and independence, dealing with each family on a case work basis, destined so far as possible to avoid pauperization of the individual or the family and seeking complete social rehabilitation of the family as its goal.

Two problems of outstanding importance presented themselves very early—first, the building up of a staff of workers properly qualified to undertake the solution of the difficult family problems presenting themselves to the agency, and secondly, the realization that the New York City problem was not purely local but also national, related to the work of Jewish communities throughout the country; that New York, as the port of entry, was bound to receive the great majority of immigrants to this country, and that many of them would remain in New York but that a large proportion would immediately or gradually depart for interior cities to become foci for the building up of new communities in those places, destined to attract their relatives and friends from eastern Europe as these in turn would feel the urge or necessity for emigration.

The second objective was easiest realized. At about this time throughout the country, new personalities had been manifesting themselves in the different communities greatly

concerned with the problems created by the vast new immigration from eastern Europe. They also felt this need for an organization through which they might have opportunity to meet for discussion of their common problems and the formulation so far as possible of common programs of action. Among these one of the leaders was Mr. Max Senior of Cincinnati who had been successful in organizing the first practical Federation of Jewish Charities in that city. In 1899 he issued a call for a meeting in Cincinnati which resulted in the organization of the National Jewish Conference of Charities. Dr. Frankel with several of his colleagues from New York participated in this conference and became one of its leading members from the beginning. For many years thereafter he manifested great interest in its work, participated in the formulation of its programs, and acted as its President at the sessions of 1910-1912. Among the early achievements of the Conference, in which he played a large part, was the formulation of a set of rules governing the treatment of transients who were a source of great difficulty to the various cities of the country by reason of the fact that, without acquiring settled residence in any one place, they wandered from city to city living without any settled means of support and securing temporary relief and transportation to the nearest city. The Conference established standards of residence, and regulations by which such relief would be granted only upon agreement with the home community of the applicant, and, in general, so devised as to discourage this form of relief, make each community responsible for its own residents, and thus raise an effective barrier to a practice which had theretofore caused concern to practically every city in the country.

More important were the constructive discussions at the Conference relating to the distribution of immigration from New York City to the other communities, which resulted in the creation of the Industrial Removal Office which for a long period of years, until immigration ceased as a result of the war conditions and restrictive immigration legislation, served to divert settlement from New York to the interior communities in a large number of cases, thus reducing the congestion in New York City and stimulating the growth and development of substantial communities in interior

towns. In all these and other measures conducted by the Conference, Dr. Frankel played a leading role.

In 1906 the Biennial Session of the National Conference was held in Philadelphia very shortly after the San Francisco earthquake and fire. Reports had been received indicating serious need among the Jewish residents of the city, with the result that the Conference appointed Dr. Frankel and Dr. Judah L. Magnes as a commission to proceed at once to San Francisco to act on behalf of the Jews of America. Fortunately, this particular need had been exaggerated, but Dr. Frankel remained in the city for some time cooperating directly in the general relief work with Dr. Edward T. Devine, then the Director of the Charity Organization Society of New York City, who was in charge of the general relief work of the Red Cross, and with whom Dr. Frankel remained for some weeks until order had been completely restored in the city and a definite relief program established.

He early realized that no matter how high might be the ideals of the executive officer of a social organization, the measure of his achievement would be determined by the character of the staff personnel with which he was enabled to work. As has been said above, social work in general and Jewish social work in particular had not been professionalized. No standards of experience and training could be set up in the absence of all facilities for training prior to being accepted for the work. The salaries paid were low and, for the most part, the workers were recruited from women without academic background who were unable to secure employment as teachers or in other professional or semi-professional activities in which preliminary training was demanded. Moreover, there was no coordinated body of experience and knowledge available for study. In the light of these handicaps, it is remarkable that such organizations as the United Hebrew Charities achieved such successful results as were then attained.

In 1899 the Charity Organization Society of New York began the movement for the training of social workers by the inauguration of a summer course in Philanthropy. Dr. Frankel was one of the instructors in this school from the beginning. After several years, limited to the work of the summer school, funds were made available which made it

possible for the school to become an all year round academic institution which has since developed into the New York School of Social Work, with which Dr. Frankel remained in close contact during his entire social work career. This original example in New York was rapidly followed by the creation of other schools, either independently or with university affiliation, and there was increasing agitation for the establishment of a specialized training school for Jewish social workers. The matter was finally brought to a head through the activity of a committee of the National Conference of Jewish Social Work, and, in 1925, the Training School for Jewish Social Work* was founded, of which Dr. Frankel became a member of the board and vice-president, serving continuously until his death. As chairman of several of its important committees, he had a profound influence on the development of the program of this school.

As has been said above, during all this early period Dr. Frankel was not only occupied with the development of the relief and professional work involved in his directorship of the United Hebrew Charities but was also in large measure responsible for the securing of the necessary financial support. Under these circumstances, it was inevitable that he should have found great interest in the movement for the Federation of local philanthropic agencies, which was rapidly gaining headway throughout the country. Initiated, as we have said, in the city of Cincinnati, the movement was copied rapidly by Chicago, Philadelphia, Boston, St. Louis, Cleveland and a large number of other cities. In New York, however, because of the magnitude of the problems and the multiplicity of agencies involved, the idea met with a great deal of opposition and it was many years before a Federation was finally effected. The Federation idea may be very briefly and generally, though inadequately, described as the centralization of the collection and distribution of funds for communal or philanthropic work in one organization, which prohibits independent solicitation by its constituent bodies and apportions the funds collected among its affiliated societies in proportion to their budgetary requirements and importance in the community scheme of organization. As

* Now called Graduate School for Jewish Social Work.

a general rule these organizations insist upon direct cash contribution on an annual basis and prohibit the securing of funds by means of entertainments, bazaars, theatre parties or any similar function previously in vogue. Administrative costs are held to a minimum so that the largest proportion of the amount collected may go into direct philanthropic usage. Individual competition between the soliciting agencies is avoided and the general result of the establishment of such Federations has been a very large increase both in the number of individual contributors and the total sum made available for philanthropic purposes. In addition it will be generally admitted that it has resulted in a more equitable distribution of the available funds among the agencies performing different types of service for the community in the family relief, medical, child care, educational, recreational and other fields of social work.

The original protagonist of the Federation idea in the Jewish group in America was Professor Morris Loeb of New York City. Though unable for many years to see his idea realized in his own city, through the energy of his brother-in-law, Max Senior, it was brought into actuality in Cincinnati and thence spread generally throughout the country. Dr. Frankel from the very beginning endeavored, with a few associates in New York, to establish such a body in that city. Various attempts were made in this direction with resulting studies of numbers of contributors, their distribution among the different agencies, the amounts given, etc., etc. Finally one of the group, Mr. Louis Heinsheimer, in his will left the sum of \$1,000,000 as a nucleus for the foundation of such a Federation, provided that six of the outstanding Jewish agencies in New York, specifically named in the will, would unanimously agree upon the formation of such a Federation. Two of these refused to accede to the formation of a Federation within the time specified by the will, and the million dollar fund, therefore, under the terms of the bequest, reverted to a brother of the decedent, Mr. Alfred Heinsheimer, who being unwilling to accept a fund intended by his brother for social purposes, utilized it for the creation of the New York Foundation, of whose governing body Dr. Frankel became a member and served as such until his death.

While Mr. Heinsheimer's desire for a Federation was thus for the time being unrealized, there was created a loose organization without financial responsibility known as the Council of Jewish Communal Societies, of which likewise Dr. Frankel became a director. This organization served to bring together, about a common table for the discussion of common problems, representatives of the major agencies whom it was desired to federate and as a result of these discussions and other factors, not relevant to this memorial, there was ultimately created on January 1, 1917 the Federation for the Support of Jewish Philanthropic Societies of New York City. Dr. Frankel had been a member of the committee conducting the negotiations during 1916, which adopted the principles on which the Federation was founded and led to the formulation of its by-laws. He was a charter member of the Board of Trustees of the Federation and continued his service thereon until his death. During that period he served as secretary and vice-president of the Federation and was a member of many of its most important committees, notably the Distribution or Budget Committee, of which he was a member during his entire period of service, and to which he contributed very greatly from his vast knowledge of relief and medical questions, though there was no field of service covered by the Federation in which he did not manifest a large and intelligent interest.

His work during this period was by no means confined to Jewish affairs. Along with his activity in the National Conference of Jewish Social Work, he was also important in the non-sectarian general National Conference of Charities and Correction, which later became the National Conference of Social Work. He served a term as vice-president of this organization and was at various times a member of its Executive and other important committees. During the early years of his work with the United Hebrew Charities and the National Conference of Jewish Charities, he established a small publication known as *Jewish Charities* of which he became editor. Later this was combined with an existing non-sectarian organ of the same general nature originally established as *Charities* and later, by combination with another publication known as *Charities and the Com-*

mons. The merger of all these publications resulted in the creation of a larger magazine entitled *The Survey* which to-day is one of the outstanding social publications of the country; Dr. Frankel served its Council from its initiation until his death.

During this period he was active in all kinds of public enterprises and, as outstanding examples, may be mentioned his appointment by President Roosevelt to serve on a commission to investigate conditions at Ellis Island, the receiving station for immigrants in New York Harbor.

In 1921 and 1922, Dr. Frankel served as volunteer director of a welfare organization created in the United States Post-Office Department for the welfare of the employes of that branch of the government, and operated upon plans devised by him as the result of a preliminary study and investigation. He was also active in the organization and direction of the White House Conference on Child Health and Protection organized by President Hoover in 1930.

His outstanding public service was as a member of the New York State Department of Public Welfare, formerly known as the Department of Public Charities, to which he had been originally appointed by Governor Whitman in 1918. He was re-appointed by succeeding governors, so that he served continuously during the remainder of his life in this very important position. Here, too, he contributed of his unique organizing ability and was a very important factor in the work of its board, which is responsible for the granting of charters to new institutions and for the supervision of all those previously chartered by the State, particularly in the medical and child care fields.

Space in this article would not permit of enumeration of all the details of his service in this board, but his knowledge of public health and of social insurance in particular was of the greatest influence in the formulation of the policies of the board in relation to work for the sick, for children and for the aged.

During his service with the United Hebrew Charities, Dr. Frankel had become interested in the problems of so-called industrial insurance, namely, insurance in small sums with premiums payable in weekly instalments, frequently

carried by the poor chiefly to provide against expenses of burial and other needs resulting from death. It had seemed to him, from his experiences with the families in the United Hebrew Charities group as well as in those of the other non-sectarian agencies with whose work he was familiar, that such insurance was not only unduly costly to the purchaser but not protected by the safeguards then in vogue against lapses in the case of ordinary insurance policies. Many families continued such premium payments for protracted periods, then, when unable to do so by reason of unemployment, illness or other causes, lost the entire amount which they had paid in and all hope of meeting the expenses for which this insurance was destined. These and other evils in the conduct of the insurance business were startlingly brought to the attention of the American public by the investigations of a New York State Legislative Committee of which the Honorable Charles E. Hughes was then Chief Counsel in the year 1905.

In his belief that, at that time, the formation of a Federation of Jewish Philanthropic Societies in New York City was unlikely, and because he was of the opinion that he had accomplished as much as was possible in the United Hebrew Charities in default of such a Federation, because of his intense interest in this problem of social insurance of all kinds for the great mass of the people, and his belief that it was possible to create a socialized insurance company to meet these needs, Dr. Frankel decided to retire from the United Hebrew Charities and to devote himself to a study of this problem, in the hope that his investigations might result in the establishment of such an insurance organization on a social basis. He had in mind, as an example of the type of agency which he desired to create, the success achieved by the Provident Loan Society, a socialized business organization with legally limited returns to its investors, which had succeeded in very large degree in overcoming the evils theretofore existing in the chattel mortgage field and providing a means of combining business safety and humane and social relationship with the clients in a field in which hitherto heartless exploitation of the client had been the rule. He believed that, under some such auspices, the vastly greater opportunities provided by the demand for industrial insur-

ance could be met with reasonable profit to the stockholders of the proposed company and with minimum rates and absolute protection and safety for the purchasers of such insurance. He succeeded in interesting the trustees of the Russell Sage Foundation in his plans and received from them the grant of a sum necessary for a two years' study of the various forms of social insurance then being worked out under governmental or other auspices in the more advanced European countries. Upon undertaking this investigation he soon realized the need of professional actuarial advice and assistance, and, having secured this from the Foundation, developed plans providing for the organization of such a body as he had in mind.

In discussions of this topic which he stimulated, he met Mr. Haley Fiske, at that time vice-president of the Metropolitan Life Insurance Company, in December 1908. Mr. Fiske was impressed with the validity of the ideas advocated by Dr. Frankel, and the latter, in turn, realized the immense advantages to be secured from the adoption and promulgation of his program by a great organization already familiar with the difficulties and the advantages in industrial insurance through long experience in the field. Convinced that in this way many of the mistakes and possible disasters inherent in the creation of an entirely new organization could be obviated, Dr. Frankel accepted an invitation from the Metropolitan Life Insurance Company to become the manager of the Industrial Department of that organization in February 1909. About a year later he became an assistant secretary of the company, a sixth vice-president in December 1912, a third vice-president in November 1916, and a second vice-president in January 1924, which was his position until the end of his life.

Dr. Frankel's connection with the Metropolitan Life Insurance Company marks the socialization of the Industrial Department of that great institution. It had always been a successful business enterprise. Henceforward it was to combine this business success with a widespread, tremendously influential social program affecting the health and life of millions of its policyholders of this class. For Dr. Frankel it marked the beginning of a great career of usefulness in the field of public health, education and admin-

istration. Henceforward this was to be the predominant activity of his life. It would be impossible to enumerate in detail all his services in this relationship. Certain phases are so important as to require some brief treatment. Several of these group themselves about the general theme of education.

One of his first activities was the creation of a series of pamphlets starting with one on tuberculosis and ultimately covering diphtheria, scarlet fever, pneumonia, measles, care of the teeth, and practically all the other ailments manifesting themselves in the lives of so widespread and varied a group as that of the Metropolitan industrial policy holders. While thoroughly scientific and authoritative in their factual matter, these booklets presented their subjects in simple and easily digestible form. They were published not only in English but also in all the other languages native to the large foreign-born groups so widely represented in this form of insurance, and their publication literally extended to hundreds of millions of copies. It is impossible to exaggerate the effect they have had upon the living habits of their readers, conducing not only to greater healthfulness and comfort in their daily living, but also to the rapid reduction of morbidity and mortality rates.

Of almost equal importance, as an educational activity, was the utilization of the field force of life insurance salesmen, solicitors, etc., throughout the country numbering about 25,000, who became the immediate agents through whom Dr. Frankel conducted his educational propaganda. Hitherto devoted solely to the extension of their business, they now became quasi-trained social workers receiving from the central office information and knowledge of the social programs organized by Dr. Frankel and carrying them out in their daily contacts with their clients and prospects.

In many sections of the country standards of public health nursing were either non-existent or extremely crude and rudimentary at this time. In New York and in a few other cities, notably as a result of the pioneer work of Miss Lillian D. Wald of the Henry Street Nursing Service, and other devoted workers, district nursing of high standard had been established. Dr. Frankel had been intimately connected with Miss Wald's work through his service at

the United Hebrew Charities. It was natural that in his new field he should realize the great good that might result from the utilization of this service in the homes of the holders of industrial policies. An arrangement was effected, which has grown in volume and quality, whereby the Henry Street Service was made available to the Metropolitan insured, and this has since resulted in the organization of a Nursing Department in that company which is a model in its accounting and in its technical performance. It has been of profound importance in the development of such service by other companies and in public health work generally throughout the country.

From the beginning Dr. Frankel was of the opinion that the test of theories of public health, education and administration consisted in a demonstration of their actual working out in a selected area for trial. His name is thus indissolubly associated with the demonstration method which has become so general in many forms of social activity. His first attempt at this method was the so-called "Framingham Community Health and Tuberculosis Demonstration" conducted by the National Tuberculosis Association under the supervision of a special committee on which were represented the National Tuberculosis Association, the Massachusetts State Department of Health, the United Public Health Service, private anti-tuberculosis organizations in Massachusetts, Connecticut, New York and Pennsylvania, Framingham official and private health agencies, and the Metropolitan Life Insurance Company which at the suggestion of Dr. Frankel established a fund of \$200,000 to be devoted to this purpose. In his letter, dated May 3, 1916 discussing this project Dr. Frankel wrote:

"The Metropolitan Life Insurance Company is much interested by reason of the fact that over 16% of the deaths in its Industrial Department are due to tuberculosis. In 1915 the Company paid claims of over \$4,000,000 on the lives of 14,325 policyholders dying from this disease. The Company believes that an intensive experiment might well be made in the United States to determine whether it is possible to substantially reduce the mortality and morbidity of tuberculosis in the hope that the disease may eventually be eradicated.

“To this end, we are prepared to place at the disposal of the National Tuberculosis Association the sum of \$100,000 [later practically duplicated] for the purpose of conducting a community experiment over a period of three years in the control of tuberculosis, on condition that the Association selects a community of approximately 5,000 inhabitants [later raised to 15,000 or 20,000] preferably in New York or Massachusetts, in which conditions would be favorable for such an experiment and that a special committee of the Association be appointed, on which the Company shall be represented, to whom full power shall be given to institute the necessary preliminary survey and to conduct the experiment along the lines finally determined upon by the committee.”

This offer was accepted and full details concerning the experiment may be found in a monograph on the subject published by the Metropolitan Life Insurance Company as Framingham Monograph No. 10. The demonstration was entirely successful; it stimulated the development of health and tuberculosis activities in many other communities and was the forerunner, directly or indirectly, of many demonstrations of a similar character elsewhere.

Similarly, through the stimulation of Dr. Frankel and the support of the Metropolitan Life Insurance Company, a demonstration in child health was conducted at Thetford Mines, Quebec, Canada. Before the demonstration was undertaken the mortality of children under one year of age in this Canadian mining town was 300 per thousand. The rate was reduced to 79 per thousand and the impression of these facts upon the general public was such that the Province of Quebec appropriated a sum of \$100,000 to continue the health work thus initiated.

In a similar way Dr. Frankel participated in the movement to eliminate diphtheria by instituting preventive measures based upon the utilization of the Schick test, and was active in practically every form of public health enterprise conducted under public or private agencies throughout the United States.

This great interest expressed itself through his participation in the work of the American Public Health Association, in which he filled many offices and served on many impor-

tant committees and of which he was president in the year 1919.

Through all this work he was keenly alive to the important function played by the public and private hospitals as part of a public health program and gave much thought to possible re-organization of their work or their correlation with public health activities along lines that had been worked out in Europe. As a member of the Distribution Committee of the New York Federation for the Support of Jewish Philanthropic Societies he was urgent that more be done in the way of socializing the work of these agencies and tying them up directly with the lives of the families in the districts in which they were located. It was his thought that efforts be made to enlist every family within such district in an organization to which they would pay an annual membership fee that would secure them diagnostic and out-patient service through the various departments of the hospital and a certain amount of bed care if required during any given year. It was his belief that the development of some such plan would greatly conduce to the stable financial support of these hospitals, would reduce morbidity and mortality by regular periodic examinations of the members of the society and would ensure skilled treatment of acute disease. He further believed that membership in such societies would remedy many of the abuses now inherent in the utilization particularly of the out-patient facilities of the large hospitals. It was his thought that such service might be extended not only to neighborhood groups but also to fraternal organizations, labor unions, etc., and had he lived he would undoubtedly have continued the agitation for a demonstration along the general lines of the Framingham and Thetford experiments in connection with some particular hospital in a given area in some large city.

As his connection with the Metropolitan Life Insurance Company was embodied in his studies of social insurance against the vicissitudes of old age, widowhood, orphanage, etc., so the last phase of his career was concerned with the same problem. As a result of the economic crisis manifesting itself throughout the world after the World War and precipitated in the United States by the stock market collapse of 1929, problems of unemployment gave great impetus to

the agitation for some form of unemployment insurance either from governmental or private agencies. To secure authoritative data that might be useful to the American public and its legislative bodies in determining such policies, not only in relation to unemployment but also to other forms of social insurance, Dr. Frankel secured the appointment by the Metropolitan Life Insurance Company of a commission to study once more all these forms of insurance as conducted in the countries of western Europe which had a long experience in one or more of these various forms of social insurance under governmental or private supervision. As the head of this commission he went to Europe in the summer of 1931 and conducted investigations in Great Britain, Scandinavia, Germany, Italy and other countries, the preliminary studies of which had definitely been concluded just prior to his death and the results of which are now in process of publication by the Metropolitan Life Insurance Company.

It will appear from the foregoing that Dr. Frankel's activities were by no means limited to those agencies in which he was professionally employed. It was inevitable that the social and economic problems created by the World War should be of tremendous concern to him. This was true in general but it specifically applied to his relationships within the Jewish group of which he was a part. The campaigns in the eastern fields of war were particularly destructive of Jewish life. Communities in those centers of Jewish life located in the Galician, Polish and other parts of the Austro-Hungarian and Russian Empires were subject to invasion and destruction by the alternating advances and retreats of the armies of both groups of contestants. Whole communities were wiped out or their populations dispersed, family life broken up, communal agencies disrupted, communal life completely disorganized. Under such conditions the only hope for any kind of salvage rested in the resources of the great new community of Jews in America, at the beginning absolutely untouched by the war and, even after the entry of America into the war, by no means so seriously affected as the Jews of the other warring countries. Early in the war three committees representative of different

groups in American Jewish life were organized to raise funds for the relief of Jews suffering from the war, particularly in eastern and southeastern Europe. One of these instituted by the American Jewish Committee, known as the American Jewish Relief Committee, included Dr. Frankel in its membership. Ultimately the three collecting agencies combined in a single group known as the Joint Distribution Committee for the Relief of Jews Suffering from the War, of whose board and Executive Committee Dr. Frankel was a member from its inception and on which he served throughout the remainder of his life.

After the war had been ended and the task of re-construction of Jewish life in eastern Europe had to be undertaken, the Joint Distribution Committee assumed responsibility for this task and as a part of its activities dispatched in 1922 a Commission on Survey to eastern Europe to report on the results achieved and the methods pursued up to that time and to recommend a program for future operation. Of this commission Dr. Frankel was chairman and he and his associates carried out their mandate and subsequently reported a program to the Joint Distribution Committee which met with its full approval and commendation. While generally responsible for the conduct of this commission, Dr. Frankel's particular interest was in the field of health activities conducted by the Joint Distribution Committee, and as one striking result of this study may be mentioned the creation of a model training school for nurses in Warsaw, the first of its kind in Poland, which has since been continued, because of the superior results achieved, under the auspices of the Polish Government.

During the course of the war, the Balfour Declaration promulgated by the British government in conjunction with the other allied governments and that of the United States assured the development of Palestine as a homeland for the Jewish people. Irrespective of their previous adherence or non-adherence to the official Zionist propaganda for a Jewish state in Palestine, this declaration and its subsequent inclusion in the Mandate for Palestine granted to the British Empire, imposed upon the Jewish people generally the responsibility for an orderly development of Jewish life in the ancient home of the Jewish people. Negotiations were

undertaken for an agreement between Zionist and non-Zionist elements in Jewish life for the creation of a common agency for the furtherance of the economic, social and religious development of the Jews in Palestine, in accordance with the terms of the Mandate. To ascertain the actual situation in Palestine and to propose a plan for the organization of such an agency, a commission was appointed as the result of negotiations between Dr. Chaim Weizmann on behalf of the World Zionist Organization and Messrs. Louis Marshall, Felix M. Warburg and others, on behalf of American non-Zionist groups, resulting again in the appointment of a commission for study and report, of which Dr. Frankel was made chairman and which, through a corps of expert specialists, proceeded during the summer of 1927, to study every phase of Jewish life in Palestine. The results of this study and the report of the commission are embodied in documents accessible to the public so that it is not necessary at this time to enter into their details except to say that they will undoubtedly be authoritative for many years to come. As an immediate result the Jewish Agency for Palestine, which had, until then, been identical with the World Zionist Organization, was reorganized in a manner which gave representation to Zionists and non-Zionists in its council and various committees. The enlarged Agency was formally constituted at an historic meeting held in Zurich in the summer of 1929. At this meeting, Dr. Frankel made a noteworthy address in which he indicated his belief that successful work in Palestine for Jewish settlement of the country and development of Jewish communal life therein was dependent upon the setting up of a business corporation with large capital resources which could undertake the establishment and development of various forms of economic, industrial and agricultural life necessary to the upbuilding of the country and as a foundation for cultural, educational, social and religious superstructure. This address created a profound impression and resulted in a subsequent meeting in Washington for the establishment of such a corporation, to which some substantial stock subscriptions had been pledged. Unfortunately, the ensuing financial crisis and depression which still prevail have prevented the further development of this plan. At the second

meeting of the Jewish Agency held in Basle in the summer of 1931 Dr. Frankel, just a few weeks before his death, was elected Co-Chairman of the Council of the Jewish Agency.

The central representative Jewish organization for national and international relationships in the United States is the American Jewish Committee, founded in 1906, of which Dr. Frankel was a member from 1912 until his death.

Throughout his life Dr. Frankel was intensely interested in Jewish religious problems. As was already stated, he had been in early life, a teacher in the Religious School of Congregation Rodeph Sholom of Philadelphia, as was his wife before their marriage. His connection with the Jewish Chautauqua Society was another form of expression of this religious interest. He was deeply concerned with the problem common to Jewish and other organized religious bodies in this country of the falling off of the younger Jews in formal membership adherence to congregations. He believed that the survival of Jewish life and the practice of its ideals were bound up with a strong congregational activity, and, while in no sense Orthodox in his Jewish practice, he had a very strong sense of Jewish identity. He became a member of the Free Synagogue of New York City when it was organized and remained a member for many years, serving on its Council, and when, under the auspices of the Free Synagogue, there was founded the Jewish Institute of Religion, he was the first chairman of its board, continuing in that capacity until 1927.

Through these positions he became active in the work of the Union of American Hebrew Congregations, serving as a member of its executive board for many years. While devoting himself to its entire program, his outstanding contributions to this work consisted in his activities as chairman of a committee to devise and put into execution a plan for the pensioning of Rabbis, and in a study of Jewish religious attitudes in America, the results of which were formally embodied in a publication entitled "Reform Judaism in the Large Cities—a Survey."

His final congregational affiliation was with Congregation Emanu-El of New York City, from which he was buried, after his sudden death from a brief illness in Paris on July 25, 1931.

It would be improper to conclude this memoir with this merely formal statement of Dr. Frankel's public activities, with no mention of those personal characteristics which contributed to the supreme success that this varied and useful career represents. Reference has already been made to his very great organizing and executive ability, which was manifested in every one of these fields of service in which he had a place. It is obvious that he could not have achieved such results without intelligence of a very high order. Though making no pretensions to scholarship or qualities of academic research, he had a wide range of reading and a knowledge of general literature, education and art which marked him as a highly cultivated spirit. These resources, acquired from studies and from books, were supplemented by wide and frequent travels throughout America and Europe. He was a master of several languages so that he was able to pursue his personal investigations at first hand with personalities of importance in the many fields which he was studying. Of distinguished and handsome physique, he had a genial nature and a sense of humor which made him a charming and delightful companion in all social relationships. He was tireless and indefatigable in his industry, spending himself completely in the task at hand. His general charm of manner, his humor, his excellent speaking voice and his dignity of appearance all contributed to make him a most effective platform speaker, helping in no small degree to his success in furthering the causes whose interest he had at heart. He had a rare quality of understanding and of human sympathy which prevented his work at any time from becoming dry as dust and routine in nature and above all, his accessibility, his sympathetic understanding and wise advice helped him to exert an influence on young men and women desirous of entering into the professions, with which his work was concerned, that has resulted in the creation, throughout the country, of a large group of influential and valuable social, public health, and other communal workers, who owe much of their inspiration and success to his example, encouragement and support.

JULIUS ROSENWALD

By PAULINE K. ANGELL

One morning, when Julius Rosenwald, sat at work in the simple office which he occupied, first as vice-president and treasurer and then as president of Sears, Roebuck and Company, a department manager walked in with a ragged sweater in his hand.

"This sweater," he said, "has been sent in by a woman who bought from us the wool with which she knitted it. She says her husband has worn the sweater only eighteen months and that its present condition indicates that the material we sent her was faulty. What shall we do about it?"

Worn only eighteen months! What a problem for a commercial concern!

Without a moment's hesitation, Mr. Rosenwald replied: "Send her another consignment of wool."

Then he dictated a letter to the woman expressing his personal regret that she had wasted so much time in knitting a garment that had proved unsatisfactory. In addition, he enclosed a check for \$5 which he hoped would partially reimburse her for her labor.

The significance of this story is that the woman lived in a village of three hundred inhabitants. Business from that source had never yielded Sears-Roebuck more than \$50 a year. But in the year following, their receipts from the town rose to over \$900.

The qualities that made Julius Rosenwald an outstanding figure—both as businessman and philanthropist—were his warm interest in human beings, which lent a personal touch to all his contacts, an understanding that the other fellow's point of view was the important consideration in any transaction, and sufficient courage and grace of character to carry through, in the face of opposition, a policy of whose soundness he was convinced.

Julius Rosenwald, at the time of his death on January

6, 1932, was chairman of the board of directors of Sears, Roebuck and Company, largest mail order house in the world, with an annual turnover of approximately \$450,000,000. "Satisfaction guaranteed or money refunded," a policy which was inaugurated by Mr. Rosenwald in 1895 when he first became associated with Richard W. Sears, is generally accepted as a vital factor in the consistent growth and success of the firm. This policy caused a revolution in business methods generally. *Caveat emptor*, "let the buyer beware," was the prevailing business maxim of the eighteen nineties, and Mr. Rosenwald was scored as a visionary whose idealistic policy would wreck the business. But to everybody's surprise, the actual expense of the money-back guarantee proved to be less than the cost of the staff which had previously been maintained to receive and examine complaints, and increased business testified to the fact that it pays to do business on the square. This unexpected demonstration that the Rosenwald policy was not only high-minded but also practical has had the effect of raising the standards under which all business is conducted today.

The same principles applied to his philanthropy. Of the many millions which came to him largely as a result of his keen insight and generous faith in human nature, he gave upwards of \$62,000,000 for the promotion of human welfare. At the same time, he was practical enough to pledge his millions under conditions which have prompted the giving of many times that sum by other individuals and communities. His idea, however, went further than inducing others to give. This is a community responsibility, he would reason, and I want to make the community feel that responsibility. Take the matter of public schools for Negroes in the South on which Mr. Rosenwald spent more money than on any other single project. The money would be wasted, he felt, unless the white citizens and taxing bodies of each district, where a school was to be built, would guarantee a community interest in the enterprise by joining with the Negroes in contributing their share. He, therefore, made it a condition of his gift that the funds be thus jointly raised. In consequence, the Rosenwald schools are not a sporadic manifestation of private benevolence. They have become an integral part of the public school system and are render-

ing continuous service in the solution of one of the country's most difficult social problems.

His giving was never perfunctory. It is a striking interpretation of his nature that Lowell's line, "The gift without the giver is bare," was one of his favorite quotations. In order to run his many-sided philanthropies with a minimum of waste and a maximum of result, he examined reports critically, looked carefully into plans submitted to him, and sought the opinion of men more closely in touch with the situation than he. It was this same critical and open-minded attitude which made him invaluable as a trustee. "Executives have found that it is dangerous to bring up a half-baked policy if Rosenwald is on the board," said Dr. Abraham Flexner of the Rockefeller Foundation. "He does not attend a board meeting without knowing what it is to be about before he comes, so that he may have a background for very pertinent questions."

When he died, Julius Rosenwald was giving active service as a trustee in the University of Chicago, the Rockefeller Foundation, the Art Institute of Chicago, Tuskegee Institute, and Hull House, indicative of the wide range of his interests in the fields of medicine, education, the Negro, and general social betterment; he was at the same time honorary president of the Jewish Charities of Chicago which he had been largely instrumental in organizing and which he had previously served as active president, vice-president of the Jewish People's Institute, the American Jewish Committee of New York, and Sinai Congregation of which he was a member, and trustee of the Baron de Hirsch Fund, showing the profound interest he took in all that pertained to his race; he was chairman of the Chicago Bureau of Public Efficiency and a member of the executive committee of the Chicago Plan Commission,—a citizen putting his experience as a business executive at the disposal of his community.

The Rosenwald Fund, whose chartered purpose is "the well-being of mankind," is revolutionizing the technique of large-scale giving, much as Rosenwald's business policy revolutionized the technique of commercial transactions. When he created this fund in 1917 with a gift of shares in Sears-Roebuck stock whose market value as of June, 1929, was \$34,439,971, he expressed the desire that the trustees

should expend capital as well as interest. When the fund was reorganized in 1928, he further stipulated that the entire fund, both capital and interest, must be expended within twenty-five years of his death.

"I want no monuments, either outside of the cemetery or in it," was Mr. Rosenwald's comment when, at one time, it was proposed that his name appear in that of the firm. As for the immortality which is achieved by a permanent endowment fund, Mr. Rosenwald remarked with characteristic humor, "The names of Harvard, Yale, Bodley and Smithson, to be sure, are still on men's lips, but the names are not those of men but of institutions. If any of these men strove for everlasting remembrance, they must feel kinship with Nesselrode, who lived a diplomat, but is immortal as a pudding."

When, after ten years of personal management, Mr. Rosenwald turned the administration of the Fund over to a board of trustees, he explained that the stipulation "does not mean profligate spending. It simply is placing confidence in living trustees; it prevents control by the dead hand; it discourages the building up of bureaucratic groups of men, who tend to become over-conservative and timid in investment and disbursement of trust funds. I have confidence in future generations and in their ability to meet their own needs wisely and generously." In the meantime, he wished his own money to serve as actively as possible in disclosing present needs and in demonstrating sound methods of meeting them which would stimulate the eventual handling of such problems by society at large. "I consider," he said "that timeliness is the chief essential of worthwhile philanthropy."

The precedent against endowments made in perpetuity, thus established by the Rosenwald Fund, is affecting similar foundations in all parts of the world.

To supplement the work of the Rosenwald Fund, Mr. Rosenwald bequeathed \$11,000,000 to be distributed through the Rosenwald Family Association, composed of his five children and incorporated on December 24, 1931, for "philanthropic, educational, scientific and charitable purposes."

In accordance with his belief that each generation will prove able to take care of itself, Mr. Rosenwald made no bequests to his grandchildren. "It is the duty of every man

to provide for his family," he said. "As I have provided for my children, I expect them to provide for theirs. If they don't, their children must suffer the consequences—or perhaps the benefits—of their parent's neglect."

Julius Rosenwald was always modest in his attitude toward his wealth which he considered to be the result of luck rather than evidence of any superior ability on his own part. "I believe," he said, "that success is 95 per cent luck and 5 per cent ability. I never could understand the popular belief that because a man makes a lot of money he has a lot of brains. Some very rich men who made their own fortunes have been among the stupidest men I have ever met in my life. There are men in America today walking the streets, financial failures, who have more brains and more ability than I will ever have. I had the luck to get my opportunity. Their opportunity never came. Rich men are not smart because they get rich. They didn't get rich because they are smart. Don't ever confuse wealth with brains. They are synonyms sometimes, but none too often."

Rarely does a rich man refuse to accept the credit for his success. It was this attitude which endeared Rosenwald to the general public, this and the simplicity with which he met human beings as human beings, irrespective of wealth or social position.

As a young man, Mr. Rosenwald's ambitions were unpretentious and very human. Walking home from work one night with Moses Newborg, then a business partner, he said, "The aim of my life is to have an income of \$15,000 a year—\$5,000 to be used for my personal expenses, \$5,000 to be laid aside, and \$5,000 to go to charity." As they neared the house, they saw Lessing, his first child, then a baby pressed against the window pane watching for his father. Mr. Rosenwald turned to his partner and said, "Man, why don't you get married? This," indicating the baby, "is the greatest joy of my life. No man can have a greater."

But, in spite of the fact that he had no ambition to accumulate great wealth, his fortune grew by leaps and bounds, until in the peak year of 1929, it was estimated at between \$200,000,000 and \$300,000,000. Still his attitude did not change. "I really feel ashamed to have so much money," he said one day to his friend Judge Henry Horner of Chicago.

I.

It was natural that Julius Rosenwald should have developed the particular qualities which characterized his business conduct. At the time when he was born, on August 12, 1862, his father, Samuel Rosenwald, was proprietor of the leading store in Springfield, Illinois, and it was a one-price store, representing a policy as radical in that day as the money-back guarantee was in 1895. It took a man endowed with both courage and integrity to run such a store in 1862, when haggling over prices and discrimination as between customers was still the rule. It meant that the merchant must deliberately fix a price on an article which would then be subject to the criticism of customer and competitor alike and by which he must be prepared to stand or fall. Nothing since the adoption of money as a medium of exchange had gone so far toward establishing fair prices as did the publicity thus given to the amount charged for goods. Indeed, the one-price store is recognized as the second great step forward in the advance of trading, the money-back guarantee being the third.

Samuel Rosenwald came to America from the north of Germany. He landed at the age of twenty-seven with but twenty dollars in his pocket. He began his business career with a peddler's pack, soon buying a horse and wagon. A year later, he married Augusta Hammerslough who also had come over from Germany and who was living with her brothers in Baltimore. For a time the young couple lived in the South, but at the outbreak of the Civil War they moved to Springfield, Illinois, where they took a house just a block from the home of Abraham Lincoln, then president of the United States.

Julius was the third of eight children. He had a public school education and, at the age of seventeen, went to New York where he lived with his mother's brothers and worked as stock boy in their wholesale clothing store at \$5 a week. This he supplemented by another \$2 which he earned by working on Saturday nights for Rogers, Peet & Co., or Carhart, Whitford & Co., both retail clothiers. After three years he went "on the road" in New York, with occasional trips to outlying towns.

"I was a bad salesman," is Rosenwald's own comment on those days, "and my orders were not very big." That quiet manner which proved a handicap when he went out in direct competition with high-pressure salesmen was still characteristic of him at the height of his business success. He had none of the traits commonly attributed to the super-business man. There was nothing in his manner to suggest the dominating qualities which he could summon in a crisis. His usual mood was one of affability. He was the most accessible of men. His office in Sears, Roebuck and Company was simple and intimate, with photographs of family and friends filling all the available wall space. If you were waiting in the ante-room he was likely as not to come upon you suddenly with the greeting, "How are you? Rosenwald's my name." Such an unassuming man would not be likely to succeed "on the road."

When he was twenty-two, his father helped him to buy out a small retail store where he went into business with his younger brother, Morris. They were located next door to Brokaw Bros., a business whose size and prosperity was a challenge which the two young men met in ingenious ways. Presently one of the first sandwich boards to be used in America was being paraded on the Bowery advertising the new firm of J. Rosenwald and Brother. Scarf pins and neckties were given away to purchasers of suits, another practice which was new to New York clothiers at that time. Still the business did not prosper.

One afternoon, Julius went to see a specialty tailor whose line was summer clothing for men, such as white vests, duck pants, alpaca coats, linen dusters and crinkled seer-suckers. The tailor tossed him a bunch of telegrams received that day.

"Look at those," he said. "More than sixty telegrams for goods we cannot supply. That's business if you like."

"I did not think much about that situation at the time," said Mr. Rosenwald in telling the story, "but that night I awakened suddenly and the thought ran through my mind: 'If those people had sixty telegrams for orders they could not fill, that must be a wonderful business.' There was no more sleep for me that night."

Consultation with his uncles, the Hammerslough brothers.

followed. One of them had just returned from a trip out west where he reported that there was a great scarcity of men's summer clothing and that retailers in Kansas City and St. Louis were sending all the way to New York for their supplies. Accordingly the young Rosenwalds, together with a cousin, Julius Weil, took the train for Chicago, where, in 1885, they established under the name of Rosenwald & Weil, a small factory for the production of light-weight clothing for men. The business filled a definite need in the Middle West, and after two years they moved to larger quarters.

As a young man in New York, Julius had been homesick for the warmth and simplicity of the family circle back home in Springfield. Now that he was in Chicago, he made it a point to spend nearly every week-end with them, never forgetting to bring with him a bright sash, a hair ribbon, or a box of candy for his younger sisters. About this time he met Augusta Nusbaum, sister of a business friend. After a short acquaintance, they were married and the domestic happiness which Rosenwald had known in his boyhood was recreated in the felicity of his own married life.

The business of Rosenwald & Weil, though successful in a modest way, was far too small for three partners. Accordingly, when Moses Newborg, senior partner of a New York firm of clothing manufacturers, proposed to Julius Rosenwald that they form a joint partnership to serve as a Chicago outlet for the New York firm, Mr. Rosenwald consented and the firm of Rosenwald and Company was incorporated.

Their biggest customer proved to be a young man of twenty-five or thereabouts, Richard W. Sears by name, who would come in and order 500 suits at a time, when the New York and Chicago warehouses were carrying only fifty, this being considered an ample reserve for the ordinary course of their trade. Apparently Sears had markets somewhere that were inexhaustible, and Rosenwald began a detailed study of his methods. Theretofore, mail order selling, an idea which Montgomery Ward had originated in 1872, had not attracted Rosenwald, but this practical demonstration made him alive to its possibilities. He would allow nobody else to deal with Sears, and the two men became close business friends.

Richard W. Sears was a sensational success as a salesman. Before he was twenty-one he had made \$105,000, and was probably the first man in America to achieve such a fortune single-handed without any capital to speak of. Back in Redwood, Minnesota, where he had worked as station agent and telegraph operator at the age of seventeen, Sears, as a side line, had sold watches by a method which was typical of those with which he later startled the business world, showing brilliant originality but none of the soundness necessary for establishing a repeat business. He would send out by express—for this was before the days of parcels post—watches addressed to fictitious customers. Pretty soon the local station agent would report back that he could not locate the persons to whom the watches were addressed and, therefore, could not deliver them. Sears would reply, "Don't worry. If you can sell them yourself, I will allow you, say, \$2 per watch." Thus he enlisted hundreds of unknowing salesmen and made about \$5,000 in six months. Then, however, he had to discontinue this method of sale which had become too dangerous.

He collected lists of taxpayers and on the basis of tax returns sent letters advertising his merchandise to those who he thought could best afford to buy. He soon discovered that, by some means or other, he would have to overcome the difficulty of getting people to part with their money before they had seen the goods. They had been fooled once too often by current send-a-dollar advertisements. Sears' method of meeting the difficulty was to advertise a line of watches, which he knew to be a good buy, under the caption, "Send No Money." This gave the stolid and suspicious farmer a chance to examine the watch without obligation to buy. The daring of the scheme startled competitors. But it worked. The public responded magnificently, and the following year Sears had increased his watch business by 170% and made a profit of \$19,000.

In other lines, however, the send-no-money policy was a flat failure. People would order goods out of curiosity and then return them or keep them without payment. The business became cluttered with outstanding debts which could not be collected. But in spite of the instability of his market, Sears was doing a business of \$50,000 a week when,

at the age of 28, he persuaded Julius Rosenwald, then 33, Moses Newborg, and Rosenwald's brother-in-law, Aaron Nusbaum, to come into the firm. Albert Loeb came into the firm two years later and remained with it. A. C. Roebuck, singularly enough, was never a member of the firm, but an employee who had originally worked for Sears as timer and adjustor of watches.

Though a brilliant salesman and promoter, Sears had no capacity for organization. As he said, he needed an organizer and financier. He found one in Julius Rosenwald.

From the first, Rosenwald realized the importance of crystallizing the goodwill of each customer so that he would become a regular buyer. Sears' philosophy, to get what he could out of the business while the getting was good, did not appeal at all to Rosenwald. He wanted a steady and a predictable market. He promptly replaced the send-no-money policy with the money-back guarantee, equally radical but infinitely sounder from a business point of view.

First the catalogue was revised. Since the catalogue was the only salesman, the making of this book was and is a very important part of the business. If you are going to stand by a wide open guarantee to return the customer's money for any cause or dissatisfaction whatsoever, then it is to your interest to see to it that every article offered for sale is faithfully described and illustrated so that the customer's expectation of what he is going to get will be as near as possible to what he actually does get.

"It may take courage," said Mr. Rosenwald, "to say plainly that the embroidery on the sleeve of a woman's coat is of artificial silk, but it is better than to have even one of a hundred women find it out for herself."

In those days when there were no state laws against fraudulent advertising, no national or international associations of advertising clubs, no committees or organizations to promote truth in advertising, to publish a large catalogue which, in every instance, called a spade a "spade" was something dramatically new.

Telling the truth in all description and labelling of items offered for sale, revealed the weakness of manufacturers' standards. "We seldom found a manufacturer," said Mr. Rosenwald, "whose sense of morality was at all disturbed

by selling us, under the description of all wool, garments that were only partly wool or perhaps even all cotton. We found the same condition in other lines, and so in our determination to be absolutely right with our customers we found it necessary to establish testing laboratories. . . . It was difficult at first to make the manufacturers believe that we were in earnest in our endeavor to tell our customers exactly what they were getting. Manufacturers would disregard our specifications and furnish us goods in the old slip-shod way. But, one by one, we convinced them. I recall returning two carloads of underwear to a certain manufacturer, and we sent them back freight collect. We had no more difficulty in making that manufacturer live up to specifications."

Competitors of Sears, Roebuck and Company, also adopted the money-back policy, but none of them were quite so ungrudging and whole-hearted in their way of handling it. Sears Roebuck didn't haggle. Even odd pennies were returned to customers by means of postcards which were redeemable in bulk whenever the customer wished.

In establishing this policy, Rosenwald had the hearty cooperation of Albert Loeb, later vice-president of the firm, and J. F. Skinner, head of the merchandising department. He himself would have been the first to disclaim credit for its successful launching. "Next to our belief in truth," he said, "I believe the second great secret of our success is cooperation. Sears, Roebuck and Company did not spring full-grown from the mind of any one genius."

The business did, indeed, bring together a remarkable combination of men. Richard Sears put unremitting energy into the carrying out of his original and fertile schemes. He greatly overtaxed his strength and died in 1910, two years after his retirement, at the age of fifty. He would work for thirty-six hours at a time, during those early days, and then sleep for forty-eight. He was always alive to sales opportunities. Once, on a hunting and fishing trip, he saw a farmer using a cream separator which had just been put on the market and which was selling for \$150. Two or three other men connected with the company were with Sears. They looked the separator over, were struck with its possibilities, abandoned their trip and returned to Chicago

where an investigation was made into manufacturing costs. Within a year, Sears, Roebuck and Company had produced just as good a separator, and, because of economy in manufacturing costs, were able to sell it for \$50 instead of \$150. Of course they sold an enormous number.

It was in this connection that J. F. Skinner proved of immense value to the firm. He was generally recognized during his lifetime as one of the ablest merchants in America, ranking with men like Marshall Field and John Wanamaker. In methods, he was a generation ahead of his time. Through his influence, Sears-Roebuck began cutting out middlemen and selling direct from factories to consumers before most other firms, and early went into the manufacturing as well as the selling end. Otto Doering and Charles M. Kittle were chiefly instrumental in effecting a consolidation of the business. Gen. Robert E. Wood, who became president in 1928, is said to be the most aggressive merchandiser the firm has had since the days of Richard Sears. He was the originator of the chain store idea in relation to mail order, and the successful development of Sears-Roebuck retail stores is almost entirely due to his efforts.

These facts are mentioned out of deference to Mr. Rosenwald's contention that no one man was responsible for the success of the firm, but that "a great army of keen-minded men, working in close cooperation, have developed this modern merchandising machine to its present proportions." Nevertheless, it is a generally accepted fact that in the very first days of his association with Richard Sears, Julius Rosenwald sowed the seed which brought forth a harvest far exceeding all expectation.

Convinced that they would get their money's worth, the farmers of the country and their wives began to go through the catalogue as their city cousins would go through a department store. As they turned the pages of this fascinating book, which grew bulkier and bulkier as the years went on, they got new ideas in household furniture and decoration, in labor-saving devices for both house and farm. Coats, dresses and hats in the latest style were spread before them. Fascinating gadgets they had never heard of before were pictured and described. There is no doubt that the mail order business has been a powerful factor in raising standards

of living in the rural districts. The farmers bought with increasing confidence and freedom. In 1928, Sears-Roebuck had over 11,000,000 customers on its books and filled during the year over 37,000,000 orders for an enormous variety of merchandise including practically everything needed in the home or on the farm, even to complete homes and complete farm buildings with their entire equipment.

"No one could possibly be more desirous for the welfare of the farmer than I am," said Mr. Rosenwald. "Practically all that I possess is to a considerable degree dependent upon his prosperity." It was, therefore, not only good citizenship but good business which prompted him in 1911 to back the county agent movement which had already been started in a small way in some of the southern states. Sears, Roebuck and Company offered \$1,000,000 on the basis of \$1,000 each to 1,000 counties which would raise in addition enough money to support a full-time trained agricultural leader on a salary, to go around the county and advise farmers as to the latest methods and practices in agriculture as worked out by various agricultural colleges and experiment stations. One hundred and ten counties in Illinois, Wisconsin, Iowa, Indiana, Ohio and Michigan took advantage of the offer, and the \$110,000 which was given them came out of Rosenwald's own pocket. Later, funds were given by the firm. The service proved of immense advantage to the farmer and the demonstration of its possibilities, on such a scale, stimulated the passage of the Smith-Lever Act which carries an appropriation for county agents of from five to six million dollars from the United States government. Any state desiring to secure funds from this source does so by matching the amount which it receives from the federal government, showing how closely the Sears-Roebuck plan was followed. This form of subsidy practically replaced the Sears-Roebuck funds and made it unnecessary for private enterprise to support the county agents.

The idea of the Agricultural Foundation maintained by Sears, Roebuck and Company was also evolved by Mr. Rosenwald from various schemes suggested to him by several people interested in improving the condition of the farmer. It was established in 1923 with two major departments, one for publicity and one for general farm service.

The publicity department furnishes information, of value to the farmer; to newspapers all over the country, and, in addition, broadcasts talks on farm and home-making problems from several radio stations. The farm service division serves the individual farm family in an individual way. Mail Order Farm Advisers are prepared to answer questions on all sorts of farm problems and receive a large volume of mail covering a wide range of subjects. There is also a Home Adviser who is prepared to answer satisfactorily all questions that farm women may ask about the problem of running a home.

In addition to this service, which is of course absolutely free, the Agricultural Foundation goes after farm problems in a big way and seeks to solve them effectively. For instance, during 1925, investigation led the department to believe that the seed corn of the nation was in poor condition. In order to bring this to the attention of the farmer and persuade him to test his seed corn before planting, Sears-Roebuck held a National Seed Corn Show, offering and awarding a prize of \$1,000, with appropriate minor prizes, for the best ears of seed corn submitted. The result was the largest corn show ever gathered under one roof, there being 27,411 entries as compared with some 6,000 entries in the National Corn Show. Every entry was tested for disease and vitality, and a report was made to the grower. It was found that many ears were completely sterile, and over 50% partly sterile. The vast amount of information was classified by states and counties and was made available to the public, thus giving the whole nation an opportunity to learn the true condition of its seed corn.

The value to the nation of this single act of service is beyond calculation. It illustrates what Paul Kellogg, editor of the *Survey-Graphic*, had in mind when he said, "Rosenwald represents the inter-play between business enterprise and citizenship on which the future of sound, healthy American life will more and more depend."

The corn show was followed by a cotton show in the south which was effective in demonstrating to southern farmers that the single stalk is the basis of all successful cotton production and that no cotton acreage will yield a better return than the average of its fruited stalks. A better

understanding of cotton, from the standpoint of both better production from less acreage and more money from a smaller investment, was the result.

The national fur show held in Chicago under the auspices of the Agricultural Foundation was organized with the purpose of educating trappers as to when to trap animals at their prime, how best to skin them to get full value of fur, how to sell to their own best advantage. A Fur Handling Department through which raw furs are purchased at the highest market prices is maintained by Sears-Roebuck for the benefit of trappers everywhere, who dispose of several million dollars worth of pelts, through this department, each season. While it was expected that the department would secure from 10% to 15% more money for trappers than they would ordinarily receive, many of them claim that they have secured upwards of 25% more money than they could have secured if they had endeavored to dispose of their pelts elsewhere.

These services are free. They are performed at a considerable yearly expense and not a cent of profit is made on them. The benefits that accrue to the firm are purely those that come from goodwill. They do not represent pure calculation on the part of Mr. Rosenwald. They are typical of the private enterprises which he sponsored and to which he has given millions of dollars. The whole is a natural out-pouring of a warm and generous nature which showed itself alike in his dealings with masses of people and in his individual contacts. He was known in his home town of Chicago as the man without an enemy.

The goodwill of employees as well as customers was sought by Mr. Rosenwald. Under his guidance, an Employees' Savings and Profit-sharing Pension Fund was established in 1916, to enable those who remain in the employ of the company for ten years or more to retire with an income, or, in case of death, to provide an estate for their families. This is a purely humanitarian enterprise on the usual capitalistic basis. It did not constitute a recognition on the part of Mr. Rosenwald that employees have a right to participate in the profits of the company.

In addition to inaugurating the money-back guarantee and fostering goodwill to an unprecedented extent, Julius

Rosenwald contributed a confidence in the future of the business which more than once became a tangible asset. After the large orders for clothing, which Richard Sears placed with Rosenwald & Co., had called Rosenwald's attention to the size of the mail order market, he spent two years looking into all the details of the business before investing his capital. The confidence he thus acquired was sufficiently contagious to influence his partner, Moses Newborg, and his brother-in-law, Aaron Nusbaum, to take equal shares with himself. Newborg, who had a far greater knowledge of clothing than the other mail order men, saw that the cheap and bad quality of clothing then being sold by mail would not build up a permanently successful business. He warned young Rosenwald that there was not much prospect of success, and, within a few months, willingly sold out his interest to him. "Julius had more vision than I had in those days," Mr. Newborg remarked in 1929. But Mr. Rosenwald, with characteristic simplicity, disclaimed any vision, attributing to luck the fact that he "stayed put" in Sears-Roebuck during the early unsettled years.

However that may be, when, a few years later, his brother-in-law also wished to withdraw, Mr. Rosenwald still elected to remain. The soundness of his belief in the business up to that date appeared justified from the fact that the firm was able to pay Mr. Nusbaum \$1,500,000 for the share which he had acquired such a short time before for \$35,000. The willingness of the firm to buy out Mr. Nusbaum for this amount is another testimony to Mr. Rosenwald's confidence in its future. Mr. Rosenwald was then vice-president and treasurer of the company.

When Sears-Roebuck became a public corporation in 1906, Mr. Rosenwald predicted that one day the company would be doing a business of \$150,000,000 a year. Everybody laughed. Just thirteen years later, the company reached this figure.

Hard on the heels of Mr. Rosenwald's picture of a rosy future for the firm, came the financial crash of 1907. The failure of the Knickerbocker Trust Company in New York precipitated a run on banks throughout the east, and eastern bankers warned the remainder of the country that they could not ship balances in gold or currency. This meant a

complete collapse of the financial machinery of the agricultural states. Bank balances had only begun to shift westward to take care of finances involved in moving a tremendous crop of wheat for which England was waiting, and willing to pay high prices. Now, money was not available, and the moving of millions upon millions of bushels of wheat awaited the outcome.

It was the height of the mail order buying season and the bulk of Sears-Roebuck's business lay in these agricultural states. But there was no money to pay for wheat, consequently the farmer had no money to pay for mail orders. Money had almost disappeared from circulation, and the firm faced a serious crisis. During that time, Mr. Rosenwald inquired at the end of each day whether the firm needed cash.

"We're about \$50,000 short again," would be the usual reply.

Rosenwald then would dig down into his own bank account and produce the amount needed. In a short time, he had placed nearly \$4,000,000 on loan to the company at nominal interest rates. Employees were paid, bills met, and the reputation of the firm for punctual meeting of all obligations was given added standing.

Rosenwald's associates did not display such confidence in the firm's ability to recover. While Rosenwald was turning his personal fortune back into the business, Sears himself was investing his in conservative securities elsewhere. He did, however, put through a brilliant scheme for expediting sales, and this, together with Rosenwald's demonstration of confidence, pulled the firm through.

Rosenwald again staked his personal fortune on the firm during the crisis of 1921. For three years he had been comparatively inactive in the business, but when the crisis came he returned to the helm and worked harder than ever before. It was at times like this that the dominating quality that lay behind his gentle exterior came to the fore. It was in times of stress, too, that the extent to which integrity penetrated to every fiber of his being was demonstrated. At this time, prices were falling from 20% to 60%, and business houses of high standing were so hard pressed that they were cancelling orders right and left. But Rosenwald gave orders that all bona fide contracts on which the seller had lived

up to his obligations should be fulfilled. Sears-Roebuck thus took in supplies which could have been bought for many millions less if they had followed the simple practice of others of refusing delivery and accepting the goods at revised prices. At the end of the year, they faced an inventory loss of \$20,000,000. At this point, Rosenwald turned into the company's treasury 50,000 shares of Sears, Roebuck and Company common stock as a gift outright, on condition that within a limited period of time he could buy it back at par. He also purchased from the firm real estate to the extent of \$16,000,000. In this way the loss was averted and the business was successfully reestablished on the lower price level. His action not only saved his own concern, thus protecting thousands of stockholders, including many employees who had invested under his leadership; it also aided the recovery of trade generally and was hailed as one of the most remarkable financial moves of the decade.

So far as business methods and organization were concerned, Rosenwald regarded the 1921 crisis as a blessing in disguise. The necessary retrenchment and reorganization brought careless departments up to scratch. Rosenwald tackled the job with great vigor and expected everybody to do likewise. He set high standards of efficiency which he saw to it that his executives maintained. After three years of incessant labor, he was worn out and was glad to retire.

II.

"It is easier for a man to make \$1,000,000 honestly," Mr. Rosenwald used to say, "than to dispose of it wisely."

Philanthropy with its implication of helping the underdog, he considered "a sickening word." "That," he said, "is not my chief concern, but rather the operation of cause and effect. I try to do the thing that will aid groups and masses rather than individuals." Again, "The technique of philanthropy has changed no less than its ideals. Benevolence has today become so huge an undertaking that it is impossible to run it efficiently otherwise than on purely business lines. Impulsive giving has ceased for the most part; men are no longer inclined to be generous in a hit-or-miss fashion."

These, however, are the words of a man who had been schooled for nineteen years in the business of giving by such experts in social service as Jane Addams, Judge Julian W. Mack, Graham Taylor, Julia Lathrop, Minnie Low, Mary McDowell and Rabbi Emil G. Hirsch, all of whom were active in the life of Chicago during those early days of the century when a vigorous civic spirit was awake in the city.

Mr. Rosenwald's early gifts were more spontaneous and less carefully considered than those he made in later years, though from the first his donations were arresting in that they indicated tenacity of purpose where his emotions were enlisted and an unconventional and open-minded approach to social problems.

In 1906, when his fortune was not considerable, he startled philanthropic circles in Chicago by rising at a meeting of the United Charities and promising to subscribe \$2,500 a year regularly. This was the first time in the history of the organization that a pledge of this size had been made. Other prominent and wealthy men, present at the meeting, spurred by this example, greatly increased their contributions.

It is also interesting that the first gift of any size made by Mr. Rosenwald was to a Christian institution, the Y. M. C. A., and for the benefit of Negroes. The profession of Christianity neither commended the work of the Association to him, nor deterred him from helping it. It was in 1910, that the Chicago Y. M. C. A. asked Mr. Rosenwald to subscribe to a \$1,000,000 fund. He inquired whether the objects of the fund included a building for colored men. On learning that no such building was contemplated, he stated that as soon as the Association was ready to undertake such a project, he would contribute \$25,000. The Association promptly took advantage of his offer and Chicago soon had a modern, well-equipped Y. M. C. A. for colored men.

Learning that Y. M. C. A. work among Negroes was of small volume, owing largely to inadequate equipment, Mr. Rosenwald announced that, during a period of ten years, he would contribute \$25,000 to any city that raised \$75,000 toward an Association building for colored men or women. Eighteen cities have taken advantage of this offer, and twenty "Y" buildings have been erected, which serve the

interests of more than a million Negroes. The total expenditure involved was \$3,850,000 of which Negroes contributed about 14%. The value of Mr. Rosenwald's dynamic method of giving was particularly apparent in this case. It was stipulated that part of the funds be raised by Negroes, and it was the first time in history that the Negro race had had an opportunity to handle, and to contribute to so large an enterprise. They seized it. In Philadelphia they started out to raise \$25,000 and in six days had collected \$23,000. In Nashville, Tennessee, they raised over \$33,000 in nine days. This was typical of their response throughout the country.

How Rosenwald became interested in the Negro was indicated in an address he made in 1911 when introducing Booker T. Washington to a company of Chicago business men.

"Whether it is because I belong to a people who have known centuries of persecution," he said, "or whether it is because naturally I am inclined to sympathize with the oppressed, I have always felt keenly for the colored race.

"My sympathies, however, remained more or less dormant until I read the book, 'An American Citizen.' [The life of William Henry Baldwin, Jr., general manager of the Southern Pacific Railway, who was at one time president of the board of trustees of Tuskegee Normal and Industrial Institute for Negroes in Alabama.] Particularly was I impressed with Mr. Baldwin's contention that if the question of deportation—which I think all will agree is unworthy of discussion—is dismissed, it leaves the single issue that in some way the two races must occupy one country. They have to learn probably the highest and hardest of all arts, the art of living together with decency and forbearance. Nothing will so test the sincerity of our religion, our moral obligation, or even our common self respect, as will the exigencies of this, which is among the greatest of all our problems."

Five months later, Mr. Rosenwald took his first party to visit Tuskegee. He and his family spent the night in the home of Booker T. Washington, then president of Tuskegee, and a warm friendship developed between the two men which lasted until Dr. Washington's death in 1915. In February, 1912, Mr. Rosenwald took a second and larger party to Tuskegee, traveling by special train, and, each

year thereafter, he sought by this means to interest others in the work of the institution. In the same year he became a trustee, a position which he filled with unflagging zeal until the time of his death.

On the occasion of his fiftieth birthday, August 12, 1912, Mr. Rosenwald first indicated the extent to which he was willing to devote his fortune to social causes by giving away over half a million dollars. He included a gift of \$25,000 to Dr. Washington to be spent at his discretion "for the improvement and elevation of schools for Negroes." Most of this money went to offshoots of Tuskegee, but a balance of \$2,100 was applied to stimulate white citizens and Negroes to join in raising funds to provide rural schoolhouses for Negro children, a work already started through Tuskegee by H. H. Rogers of the Standard Oil Company, but interrupted by his death.

With Mr. Rosenwald's approval, an investigation was made of teaching conditions involving whites and Negroes. Wilcox County in Alabama was chosen as fairly representative of conditions in that state. In this county, it was found that there were 53 schools for 2,000 white children and only 49 schools for 10,800 Negro children. In the case of white children, there were 30 pupils to a teacher; in the case of Negro children there were 203 to a teacher. The annual expenditure per child of school age was \$14.49 for the white child, and 20 cents for the Negro. Other and equally startling evidences of race discrimination were disclosed.

Accordingly, six experimental schools were built, the State itself as well as the county and the district participating as contributors. The result was so beneficial to the children and so successful in improving race relations and general neighborhood conditions, that year after year, Mr. Rosenwald continued his contributions. When the Rosenwald Fund was established in 1917, the building of schoolhouses for Negroes became its most characteristic activity and that on which by far the largest sums were expended.

Since 1913, Mr. Rosenwald contributed \$4,250,000 for this cause; his gifts have stimulated more than six times that amount from public tax funds and voluntary contributions from both white and Negro citizens. Altogether 5,295

model schools have been built, distributed over 877 counties of 15 southern states, and directly affecting a school constituency of 650,000 pupils. There remain only about 100 counties with 10% of Negro population which have not one or more of these modern schools.

So much stimulus has been given to this aspect of Negro education that the Rosenwald Fund now regards its part in this activity as practically concluded. Mr. Rosenwald's hope and expectation have been realized. The need to which he called attention is now being assumed by the community. In 1931, public tax funds met 72% of the cost of school buildings for Negroes, as contrasted with the first five years when only 17% of the money came from public sources. Henceforth the Fund "will probably give increasing attention to the teachers who work in the schools and to attempts to improve various aspects of the educational activities which alone justify expenditures for the buildings."

With a view to improving the quality of the teachers, the Fund has made large contributions to institutions of higher education for Negroes. In 1931, it made payments totaling \$100,000 to State Negro colleges in Alabama, Georgia and Virginia, a half million dollars to private colleges and professional schools, \$90,000 to demonstrations of modern high schools, and \$136,000 for fellowships to make possible advanced study or creative work by 165 teachers and other Negroes of unusual promise. Finding that pupils and even teachers had scant access to books, supplementary reading and extension libraries were brought into the program of the Fund.

Again, in accordance with this forward-looking program, the Fund in 1928 contributed to the support of six Negro public health nurses, on the basis that it would contribute half of the county's share if the state would pay half the total expense. At the time there were but 14 such nurses in the entire south outside of Alabama and most of them were badly trained. Three years later, 35 Negro public health nurses, partly provided for by the Fund, were at work in 11 southern states. Administrators of the Fund are interested in providing better training facilities for Negro public health nurses.

Throughout the country, the death rate of the American

Negro exceeds the white rate by 30%. Investigation has established the fact that the most effective means for improving this situation is to provide training facilities of the highest standards for Negro medical students and nurses, and post-graduate training facilities for practicing Negro physicians. In view of the fact that it may be many years before general hospitals throw open their facilities to all who are qualified to make use of them, regardless of race, the Rosenwald Fund has made substantial contributions to 14 Negro hospitals which offer training opportunities.

The most outstanding achievement in this direction is the affiliation between the Provident Hospital and Training School for Negroes and the University of Chicago which will provide a first-rate medical training center for Negroes. John D. Rockefeller, Jr., through the General Education Board, pledged \$1,000,000 to the University as a fund to provide the facilities for teaching and research. The Julius Rosenwald Fund and the Conrad Hubert Estate, jointly subscribed \$750,000 toward a maintenance fund for the hospital, which, when completed, will rank as one of the really great hospitals of the country. This may prove to be Rosenwald's most constructive work as a trustee of the University of Chicago. Previously he had given approximately \$5,000,000 to the University for various purposes, but this is an instance in which he has definitely led the University into a new field.

The proper housing of Negroes in urban centers was for years a matter of concern to Mr. Rosenwald, but he made no move to erect a model apartment house until investigation convinced him that the proposition was sound from a business point of view. This was because he wanted to demonstrate that such apartments offered an investment opportunity for private capital, yielding a net return of at least six per cent. The Michigan Boulevard Garden Apartments were built in 1929 and represent an investment of \$2,700,000, made by Mr. Rosenwald personally. The enterprise has been supervised by officers of the Rosenwald Fund, however, who have also given a great deal of attention to the general problem of housing.

It is said that the best known white men in the south today are Abraham Lincoln, Booker T. Washington and

Julius Rosenwald, or "Cap'n. Jule" as he is affectionately called. Others have given enormous sums for the improvement of the condition of the Negro race, but none has given so generously of himself. Negroes do not know John D. Rockefeller, Jr., personally, but many of them have pressed the hand of Julius Rosenwald, have looked into his kindly eyes and laughed at his genial stories. He has personally congratulated thousands of Negroes on the generosity and good-will they have displayed in connection with both rural school and Y. M. C. A. development. He was untiring in the service he rendered to Tuskegee Institute, and his wife was an able partner in this work. Both were frequent visitors. Mrs. Rosenwald delighted the students by her facility in making speeches. She also gave demonstrations in cooking and setting the table. When Tuskegee needed money, Mr. Rosenwald did more than write a check. He got on the train and went to New York where he personally solicited funds from other wealthy men.

III.

The same willingness to plunge in and work personally for something in which he believed, was evident in his support of Jewish charities in Chicago. This was the cause which first enlisted Mr. Rosenwald's sympathy and he was for years the largest contributor to its support. In 1900, when he had comparatively little to give himself, he would go about from house to house collecting funds. Wherever he went, his simple and genial manner made him welcome, but in the case of a rich Jew who refused to give, he could show an implacable sternness.

A wealthy business man applied for admission to a very expensive Jewish country club. Mr. Rosenwald was on the board, and when the applicant's name came up he said, "I don't oppose his nomination, but I am sure he cannot afford it."

"Can't afford it!" came the chorus. "Why, he must be worth anywhere from twenty to forty millions of dollars."

"I'm not so sure," retorted Mr. Rosenwald. "You have noticed that he never gives anything to Jewish charities."

The man was admitted and, in course of time, the story

came to his ears. It afforded food for reflection. Now he is a regular subscriber to charity.

Mr. Rosenwald became a power in Jewish philanthropic work. It was said that his support or lack of it would make or damn a charitable enterprise. Rabbi Gerson Levi once remarked: "People ask, 'How much is Mr. Rosenwald giving?' If the answer is, 'Mr. Rosenwald is not interested,' that cause often is doomed to failure."

For many years Mr. Rosenwald gave regularly more than \$80,000 a year to Jewish charities in Chicago. But a service equally great was the successful effort he put forth to unite the charity organizations of Reform and Orthodox Jews which operated as independent groups until 1923. As honorary president of both organizations, Mr. Rosenwald was in a strategic position to further the movement for one all-embracing society. This was finally achieved in the Jewish Charities of Chicago, one of the most advanced charity organizations in the country.

In his early years as a philanthropist, Mr. Rosenwald was profoundly influenced by Rabbi Emil G. Hirsch of whom he was a devoted follower. At that time, Rabbi Hirsch was generally recognized as the leading Rabbi in America, an able man of liberal views with a deep interest in social and industrial problems. How he turned Rosenwald's interest from purely traditional forms of charity is well illustrated in the case of orphan children who, as Rabbi Hirsch contended, thrive better when placed in private homes than when housed in orphanages. It is significant that among the gifts made by Mr. Rosenwald on the occasion of his fiftieth birthday, there was \$25,000 for a Jewish orphanage. This is the last such gift recorded. Two years later, in 1914-15, he gave \$72,750 to the Jewish Home Finding Association, to which he had already made smaller donations, and for the rest of his life was a passionate advocate of family rather than institutional care of children. He was more consistently interested in the Home Finding Society than in any other branch of Jewish charitable work.

Rabbi Hirsch was not a Zionist and this also had a marked influence in forming Rosenwald's attitude. Though he took no active part in opposing it, he was never convinced that the movement was wise. When he visited Palestine in 1914,

he became thoroughly disillusioned as to the productiveness of the soil and was convinced that it would be "very difficult for any people ever to produce enough to feed a population." But he added, "I have no fault to find with people who think otherwise."

This attitude did not deter him from aiding various Palestine institutions. He was virtually the founder of the Jewish Agricultural Experiment Station, was the first president of its Board of Directors, contributed generously to its support and presented a library and a herbarium to it. He also gave \$75,000 to the Hebrew Training College for Men, the director of which is Dr. David Yellin. During the war and for a year thereafter, he gave \$1,000 a month to take care of the needy in Palestine. He reserved the right to apportion the money partly among institutions, whether or not supported by Zionists, and partly for purposes of general relief, but the funds were distributed through the Zionist Provisional Committee. In this way he gave \$60,500.

To the Jewish Colonization movement in Russia, on the other hand, Mr. Rosenwald gave \$5,000,000. There was here no question of subsidized immigration to the extent of moving people in masses from one country to another where land must be bought for them, a proceeding which Mr. Rosenwald believed highly impractical. It was a matter of making it possible for Jews in the over-crowded sections of western Russia to take up fertile farm land in eastern Russia which had been turned over by the government for their use. President Hoover, then Secretary of Commerce, considered this project "one of the greatest experiments in human engineering ever undertaken," and this expression of his opinion gave Mr. Rosenwald great satisfaction. He himself came to regard it as one of the most productive enterprises in which he had had a part.

Probably no single gift of Mr. Rosenwald's so roused the enthusiasm of the country as the million dollars he pledged for the relief of Jewish war sufferers, shortly before this country entered the war. Since 1914, he had been contributing generously to war relief funds. Indeed, contributions for the aid of Jews in the war-torn countries of Europe had poured in so freely from every source, that the American Jewish Relief Committee was dubious as to their ability to

raise the additional \$10,000,000 now so sorely needed. The usual appeals for war relief had begun to pall. Something was needed to raise American Jews to new heights of generosity. It was thought that if a single man could be found who would give a million dollars, an unprecedented sum for such a purpose, the Jews of the country would be startled into an awareness that the situation was even more acute than it had been in 1914.

Accordingly, Jacob Billikopf, then Executive Director of the American Jewish Relief Committee, was delegated to approach Mr. Rosenwald and Mr. Rosenwald consented to make the gift. The announcement of this fact had the desired effect. It stimulated the subscription of the full quota for Jewish relief. It did more than that. It encouraged the Red Cross to set its quota at ten times the figure which had been agreed upon forty-eight hours before the announcement of the Rosenwald gift. That same year, Mr. Rosenwald gave \$100,000 to the Y. M. C. A. fund for assistance to war prisoners in belligerent countries.

In the early days of the war, Mr. Rosenwald was appointed to serve on the Advisory Commission of the Council of National Defense. Accordingly he gave up his vast business interests and moved to Washington where he served as a Dollar-a-Year man. Later he was asked to accompany the Secretary of War, Mr. Newton D. Baker, on a mission to France. It was at a time when the submarines were running high but he did not hesitate. In France he talked with thousands of American soldiers and inspired them with his confidence and courage.

Julius Rosenwald regarded himself primarily as an American of the Jewish faith, rather than as a member of the Jewish race. Yet he did not believe in assimilation. His many gifts for the support of Jewish cultural activities such as Hebrew education, Hebrew scientific research, and so forth, bear witness to the fact that he was continuously zealous in the furtherance of Jewish culture and in the promotion of Jewish interests generally. His gift to the Yellin Hebrew Training College in Jerusalem has already been mentioned; he also gave \$50,000 to the Semitics Division of the Library of Congress. His gift of \$500,000 to the Hebrew Union College for the training of Rabbis "will

have a greater effect on the Jewish movement in America than anything of its kind," according to Rabbi Louis L. Mann, who succeeded Rabbi Hirsch at Sinai Temple.

Mr. Rosenwald expressed himself strongly on the attitude shown by certain organizations toward Jews. He would never, for example, attend meetings held at the University Club in Chicago. "My self-respect would not permit me to be a guest under the roof of this organization," he wrote on one occasion. "The fact that this Club denies election to Jews (merely because they are Jews), regardless of their qualifications or fitness in every other respect, places it beneath my dignity to accept its hospitality in any form."

He voiced the same sentiments in a letter to the Union League Club of Chicago. "In my humble opinion the Club has been disgraced by . . . its attitude toward representative citizens just because they are not of the Christian faith. The bigotry of the membership of this Club . . . is not one iota less culpable than are the bigots who would vote against Al Smith because he is a Catholic."

He denounced discrimination wherever possible. "A letter offering positions to young men in connection with your business," he wrote to the head of a Chicago firm, "contains the following statement: 'However, we really have an exceptional opportunity for clean-cut young hustlers—Gentiles,' etc. Now this casts reflection upon and tends to injure, to a greater or lesser extent, every Jew, regardless of his ability or character. It would, of course, be optional with you not to employ anyone who is not a Christian, if you deemed such a policy advisable, but to send broadcast a letter over your signature which places a stigma upon an entire race, must appear to fair-minded people as unjust and surely not in accordance with the Golden Rule.

"Would it be too much to ask that in the future your company discontinue this method of securing help, which I am sure unintentionally discredits thousands of reputable American citizens?"

His attitude though firm, was fair and without bitterness. When Henry Ford announced his intention of discontinuing the vituperative attacks on Jews which were being published in his *Dearborn Independent*, Mr. Rosenwald made the following statement through the Chicago *Herald-Examiner*:

"Mr. Ford's statement is very greatly belated. This letter would have been very much greater to his credit had it been written five years ago.

"It seems almost impossible to believe he has not been deluged with evidence on the very facts which he now seems to realize are true.

"But it is never too late to make amends and I congratulate Mr. Ford that he has at last seen the light. He will find that the spirit of forgiveness is not entirely a Christian virtue, but is equally a Jewish virtue."

IV.

When Israel Zangwill visited America, he found that "many Jews wonder why, being a Jew, Julius Rosenwald does not give at least fifty per cent of his philanthropy to his people. But," said Mr. Zangwill, "he becomes a greater Jew by looking at mankind irrespective of creed, language or color. This is Judaism at its best."

One of the most interesting gifts Mr. Rosenwald has made outside of the Rosenwald Fund is the industrial museum in Jackson Park, Chicago, for which he has given over \$3,000,000. The idea for such a museum came to him when he was visiting the Deutsches Museum of Munich with his son, William. There he saw the working people of the city studying with keen interest the operation of a modern coal mine which was going on under their very eyes. The development of the mining industry from its most primitive stages was similarly shown. Other branches of industry were set forth in the same graphic fashion. His son was so fascinated that he returned to the museum again and again. In fact, whenever he was missing, the family knew at once that he would be found there.

"Just think," said Rosenwald, "what a museum of this sort would have meant to Edison! Just think what such a museum would mean to the youth of America in the future!"

The aim of the industrial museum is to familiarize the public in a realistic and dramatic way with the engineering side of modern civilization. There is today among people in general no well-balanced view of what science and engi-

neering can do and have already done in relation to the rapid progress and evolution of civilization. The various sections of the museum will comprise a condensed and vivid course in developments in modern industry, as for example, the production of steel in all its phases. The arrangement of the exhibits will be progressive. A visitor will not be able to go through them in hit or miss fashion. Doors and aisles will be so arranged that he will have to start at the beginning of any exhibit he is going to follow and go right through to the end before he will be able to see something else. Wherever possible all exhibits will be actually in operation, making them much more inspiring and instructive than the mere display of the most priceless collections of specimens and facts.

Mr. Rosenwald fought for three years against the proposal to call the museum the Rosenwald Industrial Museum. He won his point. The official name is the Institute of Science and Industry.

This is another out-cropping of that modesty which wanted "no monuments, either outside of the cemetery or in it." The same trait prompted Mr. Rosenwald's refusal to accept honorary degrees from universities. He felt that the honorary degree should be reserved for academic or scientific accomplishment and should not be given for business success. "I do not feel entitled to a University degree," he said, "because I am not a college man. This mark of recognition is a fine distinction if it is not done on too broad a scale. College trustees must be discriminating. They are not very discriminating if they ask me to take a degree."

Throughout his life, Julius Rosenwald continued to grow in understanding. He never shut himself up in an air-tight compartment saying, "Thus far have I come I will go no further." With this capacity for growth went courage and an eagerness for results. As a consequence, the Rosenwald Fund has come to be recognized as the most aggressive as well as the most progressive of all the foundations.

Its present cooperation in pay clinics and other efforts to promote better medical service for the man of moderate means is a case in point. Hospitals and physicians are accustomed to the idea of serving the poor gratis. They

are not, however, accustomed to the idea of giving medical service at cost. As things are now, the very poor and the very rich have excellent health facilities. It is the self-supporting and self-respecting worker and his family who must suffer needlessly from disease and even die prematurely for lack of medical care. It is the man of moderate means, the average man, who has to choose between charity, bankruptcy, or death.

To meet the problem, the Fund has developed a program to cover the next seven to ten years. It includes cooperation with pay clinics in which patients pay fees approximating cost, including remuneration for the physicians; support of hospital projects for bed care at "middle rates," in which there is provision for dealing with the patient's bill as a whole so that he may know in advance what the per diem charge for both physician and hospital service will be; studies in the field of medical, dental or nursing services for small communities; experiments in the application of the principle of voluntary insurance or installment payment in meeting the sickness bill.

There has been opposition from the medical profession to certain aspects of this program, particularly to pay clinics and the question of lower medical costs for hospital patients, but this is slowly being replaced by frank and intelligent interest in the experiments which the Fund has undertaken.

A major experiment in "middle rate" hospital service toward which the Rosenwald Fund has appropriated \$150,000 is being made in the Baker Memorial Building of Massachusetts General Hospital. It completed its first year in March, 1931. During that year it cared for about 2,500 patients whose average family income was only \$2,500. One hundred and forty-seven thousand dollars was paid in physicians fees to the 183 members of the hospital staff who cared for these patients. The highest bill for professional service and hospitalization combined was \$150. The typical picture given by a median patient is a hospital illness of 13½ days, costing for hospital and professional fees \$120.

A similar experiment in a city of 15,000 failed at the end of a year because, while it proved satisfactory to the hospitals concerned, the physicians objected on the ground that this was "state medicine," unfair competition, embarrassing

to them, and unethical because newspapers gave it publicity and editorially approved. Typical newspaper comment was to the effect that the experiment demonstrated two things: that medical costs can be reduced and that the majority of doctors in this particular city do not want them reduced.

It is obvious that here the Rosenwald Fund has entered a controversial field. It is running counter to an established technique. With courage and directness it has attacked the root of our medical problem. In this respect, in the opinion of Paul Kellogg, editor of the *Survey-Graphic*, its program is in striking contrast to that of the Rockefeller Foundation. "The Rockefellers give millions to research and help perpetuate a conception of medicine which is obsolescent," writes Kellogg. "Rosenwald realizes that the feudal use of doctors is passing, that in a highly organized country there should be a nationally organized medical service, cheap enough for all men, as in England."

The Fund's medical program had Mr. Rosenwald's hearty support. From 1912 on he gave generously to clinics, hospitals and sanatoria. The idea that such services not only should be made generally available but should be removed from the sphere of charity and put on a self-supporting basis, harmonized perfectly with his philosophy of giving.

He was not in similar accord with certain other projects which the Fund has added to its program, but he agreed to a number of things which his Board approved, because he thought that all of his Trustees could not be wrong.

The allied problems of mental health and progressive education are the leading items in the Fund's future program.

The Fund is also engaged in aiding studies and attempts to regularize employment, to improve public administration, and to solve the city housing problem.

These new fields of philanthropic endeavor, to quote Dr. Edwin R. Embree, Director of the Fund, "received Mr. Rosenwald's reluctant consent." He felt that the Fund was going beyond its scope and was getting into deep water. But Dr. Embree emphasized the fact that during the last years of his life, Mr. Rosenwald had developed an increasing interest in social science, indicated by his pledge of \$1,000,000

to the Brookings Institute for Research in Social Science, the most academic institution of its type in the country. He was always willing to be convinced by men whom he regarded as experts.

V.

This capacity to cooperate with a group whose ideas did not always agree with his own was a trait which was fostered in Rosenwald's family life, both as boy and man.

A letter written by his mother to be opened by her children after her death, "a heart to heart talk with those who are dearest to me on earth," reveals in what a warm and friendly atmosphere the soul of each child had had a chance to grow. She urges her children to continue this same tender regard for each other, this mutual understanding and forbearance which she had encouraged by precept and example from their earliest years. "Try and foster and love and have affection for one another, as though I were among you; try and not let trifles or differences of opinion mar the good feeling; bear with each other's shortcomings. God has not created us alike even to the children born by one mother. If there are differences talk them over in good faith and they will not seem nearly so large or so harsh."

In another letter written after the death of her husband, she begs that her children "perpetuate his love for me and you by love and affection for one another . . . Let success in life be the means of bringing you nearer together instead, as is so often the case, of making a gap. Success is not entirely, as Dr. Hirsch says, of your own making. God has helped the work begun by your parents."

Here is the spirit which she passed on to her son. It speaks again and again in his own words. Those, for instance, in which he explained his feeling for the newly-arrived immigrant whose welfare he always had close at heart and to whose well-being he made large contributions. "I think sometimes," he said, "that we might have been in their shoes . . . Because of our advantages, it does not make us different from these other people. For us to be complacent about it means we forget that we are an accident here. Let us give all men equal opportunities."

Mr. Rosenwald was in daily communication with his

mother as long as she lived. Her birthday each year was the occasion of a large family gathering. After her death, through the initiative of Mrs. Julius Rosenwald who had been devoted to her mother-in-law, these family reunions continued to mark the day.

Almost inevitably a man who is walking the road to success will find his opinions becoming fixed in this direction and that. Under the pressure of his many activities and responsibilities, his thinking will become more positive, his attitude more rigid. Julius Rosenwald was fortunate in having a wife whose native tolerance and generosity of spirit counteracted any such tendency in her husband.

She was one of those rare persons who "inspired the human family by the even, unobstructive manner in which she touched the individual as well as the group." This penetrating characterization was made of her by Bishop John Hurst of Baltimore writing on behalf of the trustees of Howard University at the time of her death in 1929.

Those who worked closely with Julius Rosenwald knew his wife too, for she was an active partner in all his humanitarian undertakings. The day she was buried, her husband remarked: "It won't be much fun doing things any more, because there will be no one at home to tell them to any more."

They had had a rich life together, deeply rooted in emotion and crowded with human contacts. Their circle of friends was enormous. To one of his daughters, Mr. Rosenwald wrote that her mother must run a good hotel because it was always crowded with guests. Yet each relationship was highly personal. Anniversaries were remembered, illnesses were watched with thoughtful solicitude. Mr. Rosenwald himself carried on a voluminous correspondence not only with relatives in this country but with members of his father's and his mother's families in Germany. He was particularly solicitous for their comfort during the War, wrote reassuring letters as to their investments in this country and even attended to such details as sending an assortment of black and white thread, which was hard to obtain there.

The same loving and thoughtful attention was showered on his five children. Both Mr. and Mrs. Rosenwald made

every effort to keep their family life simple and to supply those opportunities for character-building which they felt they had had in their somewhat more rigorous childhood. The children are full of stories of their early years which they still recount with zest and appreciation. They tell how, on one occasion, a visitor commiserated with their mother because the library furniture showed several scratches.

"Well," said Mrs. Rosenwald, "when I go into a room where everything looks stiff and starchy, I feel sorry. It makes me feel that the people there are living in a house, not a home."

The children were early given allowances and were held to rigid standards of economy. One of the girls, spending a summer in the mountains, wrote home for two pedometers, one for herself and one for a friend. Her father replied that he was sending only one, since, as the girls always took their walks together, it certainly would not be necessary for both of them to measure the distance. "I am just a little afraid," he wrote, "that you are not appreciating the value of a dollar quite as much as you formerly did."

He was equally watchful of his own expenditures, and on boats and trains as well as in hotels, chose the simplest quarters. In 1906 when he came to New York to discuss the incorporation of Sears-Roebuck, he and Herbert H. Lehman worked out the details as they sat on the edge of the bed in Rosenwald's hotel room. It was a small room and there was no chair. He never gave a thought to his personal comfort. Leaving Felix Warburg's office where he had just promised to give \$5,000,000 for Jewish colonization in Russia, he refused a proffered car saying, "No, I think I'll take the subway. It's the rush hour and the subway will be faster."

He felt very deeply that he must shield his children from his wealth. "I fear," he said, "that the mere knowledge of its possession will be harmful enough." He never talked business at home. He did, however, keep the family circle closely in touch with his philanthropies. He loved to invite to his home men and women who were active in movements which had enlisted his sympathy. When he created the Rosenwald Fund, he arranged that his children should

serve as Trustees in rotation. They have, in consequence, not only an interest in the projects he has set on foot, but a proper background for continuing his work intelligently and effectively.

A year and a half before his death, in January 1932, Mr. Rosenwald was married to Mrs. Adelaide Rau Goodkind, the charming and cultivated widow of a St. Paul merchant, and mother-in-law of Lessing Rosenwald, the oldest son. He was survived also by all his five children, Mrs. David H. Levy of New York, Mr. Lessing Rosenwald of Philadelphia, Mrs. Edgar Stern of New Orleans, Mrs. Alfred K. Stern of Chicago, and Mr. William Rosenwald of Philadelphia.

Thousands of tributes to Mr. Rosenwald's worth have been written and spoken since his death, but perhaps the following excerpt from a resolution unanimously adopted by the Board of Directors of the Chicago Public Library epitomizes as well as any other tribute, his contribution to human welfare:

"A humanitarian with world-wide sympathies, a philanthropist in the broadest connotation, and a friend of education and progress in all forms, Julius Rosenwald not only merited and received the grateful recognition of his own generation, but made his name to endure forever as the symbol of the wise and generous benefactor in the promotion of the many causes in which he sought and found the fulfillment of his ideals."