

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."