

WBH	11/2/28	WBH	
GRA	11/1/28	GRA	

November 28, 1928.

Dear Dad:

I met with Mr. Walling in Mr. Brown's office yesterday. We discussed the procedure on the housing project, as well as how existing machinery could be set in motion to make possible the securing of additional selected first mortgages on good Negro properties. I am enclosing a memorandum regarding the latter question.

As regards housing, we should have the total cost within the next week, as well as a set of final plans. Of course, they will not know the actual cost until after the building has been completed but this will be as close as they can arrive at until that time. I am meeting with Ben Lindheimer this morning to discuss further the matter of determining the rental value of the apartments. This will be a sizeable and important job. I asked Mr. Harrell, while he is in New York, to study the procedure and method of pricing apartments there. We have, besides, the local experience of the Marshall Field project in addition to practical real estate advice from Ben Lindheimer and Paul Steinbrecher. I do not believe I told you that one of the interesting developments in the Field project is that in anticipation of a sales resistance in the first and fifth floor apartments, they priced them somewhat lower than the other floors. They find now that these apartments are in more demand than the other floors. In other words, it seems that people are willing to walk up to the fifth floor in view of the additional light, air and quiet, and save money by so doing. We can bear this experience in mind in pricing our apartments.

Mr. Harrell is expected back on Friday and Mr. Arthur on Monday. I am planning to leave Monday noon for Tuskegee where there is a meeting of the Rosenwald Building Agents. This is one of the first meetings which has been held of the entire group in several years. The meeting has been arranged in connection with the Farmers' Conference. I think it is important that somebody from this office be there as these Building Agents are doing a large share of the promotion of Rosenwald Schools. Mr. Embree wants me to look into the project known as the "Fairway Farms" which was recommended by the Social Science Research Council as an experiment in cooperative farming. The project, as planned, is to be undertaken by a combination of the Alabama Polytechnic Institute (the State College at Auburn, Alabama) and Tuskegee.

There is an all day meeting of a group on housing in New York on December 10, which I should like to attend. Mr. Ruml, Mr. Embree and I are interested in a suggested institute for housing, which I should like to investigate. The National Interracial Conference is being held in Washington, December 16-19. I should like to take this in while in the East.

In the meantime, my absence should cause no delay in the housing project. The larger contracts are pretty well lined up. They closed Monday on the plumbing and fixture contract. As far as determining the prices of the apartments, Mr. Harrell and Mr. Arthur, meeting with Ben Lindheimer and Paul Steinbrecher, can start work on this as soon as the plans and completed estimate of costs are in.

FSK  
UNIVERSITY

November 28, 1928.

We received some pictures of you and Mother, forwarded by the Atlantic Foto Service. There are separate ones of each of you which I think are excellent, especially the one of Mother with Mrs. Becker who happened to close her eyes at the time and looks rather peculiar. I am ordering one-half dozen of each of these (with Mrs. Becker left out of the picture) and will send them around to some of the family. Have you any suggestions to whom they might go? I am mentioning this so as to avoid duplication.

We had some of our nice Ravinia neighbors over last evening, including Mr. and Mrs. Carr, Mr. and Mrs. Ewell, Mr. and Mrs. Bode, and Wallie and Leonard Rieser. We had a delightful evening. They are an interesting and fine group of people and we are happy to have them as our friends, as they have a great deal to offer. They did not leave until after eleven and we all had a real good time.

Best love,

ALFRED K. STERN

AKS:M  
Enc.

Mr. Julius Rosenwald,  
c/o Hotel Shelburne,  
Atlantic City, N.J.

Copy to Mr. Embree at New York

Mr. Stern was obliged to leave his office before the above letter, dictated by him, was ready for his signature.





January 16, 1929.

F

Dad:

Maurice Benjamin of the Benjamin Furniture Company at 3851 S. State St. called asking to come over and talk with me about the sale of furniture to the tenants in the housing project. He wanted to get a list of them in order to send them a circular. He claims to be a second cousin of yours and knows the other members of your family.

I told him I would drop around at his store sometime when I was out at the project. Can you give me any information about him?

*would not  
meeting with him*

*M.K.S.*

FISK  
UNIVERSITY

P

Mr. Rosenwald:

I am glad that you are going on the Committee for the study of Corporation Relationship to Community Welfare Services. There are some interesting questions in connection with the whole field of welfare agencies that I think might be looked into with profit. You have already made comments concerning perpetuities that have stirred up a great deal of thinking throughout the country. Since enormous sums are represented in financial organizations, several people, including Mr. Jenkins of the Y. M. C. A. College, suggested that some one should look carefully into the question of the means by which funds are raised for these organizations, particularly in view of the present movement toward Community Chests and the resulting difficulties to many new enterprises which in many cases represent advanced thinking and planning. Your committee will probably consider only one aspect of this. I imagine the National Bureau of Economic Research, which, I understand, is calling together this Committee, might be the proper agency to make further studies in this general field.

EDWIN R. EMBREE

ERT:MWS

1/17/29

FISK  
UNIVERSITY

January 21, 1929.

Dad -

Attached is the salary card of Sudd Batts, a porter who has recently been advanced to stockman in the shoe department. Batts worked for me about five years ago when I was in Department 15. He is competent and loyal. I spoke to him a short time ago as he wanted to put in his application for an apartment.

You asked me to call his case to Lessing's attention as according to the record, he had not received a raise in five years until last June when he got a dollar a week increase. This, you will note, is less than he received as a laborer in 1920. I did not have an opportunity to show this to Lessing as he was tied up most of the time in meetings.





Mr. Rosenwald:

At your suggestion I have given further study to the problem of developing a system of records for your personal finances. There is outlined below a proposed plan for handling these accounts.

### 1. ACCOUNTING FOR INVESTMENTS

The proposed plan for accounting for investments would provide for a record of:

- a. Investment holdings classified by types of securities (stocks, bonds, mortgages, etc.) and further classified by companies.
- b. Income on securities analysed on the same basis as suggested in "a".
- c. Purchases and sales of securities.
- d. Stock dividends received, "rights" exercised or sold, payments in securities made on personal pledges.
- e. Investment transactions handled through Mr. Pick and such other investment agencies as you may from time to time use.

### 2. RECORD OF CASH RECEIPTS AND DISBURSEMENTS

- a. It is suggested that a record of cash receipts and disbursements be kept in this office.
- b. That all checks except those for purely personal items be issued in this office and sent to you for signature.
- c. That all cancelled checks and bank statements be sent to this office and each bank account reconciled monthly with our records of receipts and disbursements.
- d. Cash transactions between Sears, Roebuck and Company and yourself be handled on your instructions through this office, and that the proper representative of the Company be instructed that we are to check with him monthly.

### 3. RECORD OF PERSONAL DONATIONS

- a. This record is now being kept in our office. It is proposed to revise it somewhat by separating commitments for miscellaneous annual dues and subscriptions from the larger pledges. We propose further to submit for your information from time to time, a statement showing the commitments outstanding.

A transfer of responsibilities as indicated above should enable us to relieve the pressure now experienced by your secretary in keeping these records. A systematic set of records developed along the general lines indicated would make available up-to-date information concerning:

- a. Investment holdings
- b. Cash balances
- c. Obligations



d. Income

e. The necessary data for income tax purposes such as profits on stock transactions, deductible gifts , etc.

WHI:MM

1/30/29

WILLIAM B. HARRELL



Mr. Rosenwald: The only suggestions that occur to me  
as candidates for the Roosevelt Medal  
awards are:

For the promotion of outdoor life - Mr. Stephen Mather  
of Chicago, who has just retired as chief of the  
United States Park System. In addition to excellent  
administration of the parks, Mr. Mather built up  
facilities for nature study in connection with it.  
He brought as much imagination and administrative  
ability to a government task as any one I know of.

For leadership of youth and development of American  
character, - Alexander Meikeljohn, who is con-  
ducting the experimental college of the University  
of Wisconsin, and President Frank Aydelotte of  
Swarthmore College, who is the only man success-  
fully to have developed the honors system in this  
country. These two men seem to me notable in  
modern American education.

For eminent contribution to American literature -  
Stephen Vincent Benet, for his epic poem  
"John Brown's Body."

For administration of public office - Alfred E. Smith  
who, whatever one may think of him in other cap-  
acities, concluded in 1928 the most notable ad-  
ministration that New York State has ever had.

EDWIN R. EMBREE

ERE:MWS

2/1/29





Mr. Rosenwald:

There is presented herewith a proposed capital structure for the Michigan Boulevard Gardens, Inc.

It should be noted that in arriving at the total investment we used the guaranteed up-set price of the contractor and his savings, if any, will of course reduce this amount and also reduce the architect's fees since they are calculated on a percentage basis. It was felt however that for the purpose of determining the proper basis of capitalization we should take the guaranteed cost of construction.

Mr. E. E. Brown has expressed the opinion that we should be able to obtain a mortgage loan on this property equivalent to 50% of the investment in land, building, and equipment, on a business basis (that is without giving the project an additional measure of security through the use of your name). Such a loan he estimates could be made on a 5 $\frac{1}{2}$ % basis plus a commission of 2 $\frac{1}{2}$ %. A loan of this type would probably be for a five year period.

It appears desirable to make a distinction between money obtained through the sale of stock and that obtained through a mortgage loan even though you carry the entire investment, for the reason that there is a state capital stock tax in Illinois which makes a corporation liable to pay a property tax on the difference between the capitalization and the valuation placed on the property for property tax purposes. This distinction appears to be desirable for the further reason that it will be more nearly in line with commercial practise. It should be noted of course that this set-up will differ from commercial practise in that there will be no second mortgage.

It is proposed that we incorporate for \$1,500,000 with paid in capital stock at the date of incorporation equivalent to the approximate investment in the project as of that date and that additional stock be issued from time to time as additional funds are needed. Your present investment in the project is approximately \$650,000.

February 2, 1929.

Dad:

Miss Catherine Wolf, daughter of Maurice Wolf, went down to New York on the train with me. She sometime ago received her master's degree at the University of Chicago on the history of art and recently worked at the Art Institute.

She has been trying to get a job in some art work where her training would be of benefit to her. Not being able to locate what she wanted in Chicago, she has gone to New York to look around and possibly locate there.

I mentioned having met Mrs. Sachs at the Metropolitan Museum. Catherine said she was very anxious to talk with somebody there but had no introduction, although she had letters to a number of other art galleries. I told her I would ask you whether you would care to send her a letter of introduction to Mrs. Sachs. Catherine was temporarily located at the Vassar Club in New York City.

A.R.S.





2-15-24  
Mr. Rosenwald:

The following points should be noted concerning the report on "Results of Investing in Securities brought out by Lehman Brothers":

A. By assuming that preferred stock holders and bond holders sold their rights to buy common stock and that such rights were exercised by common stock holders --

1. Preferred stocks and bonds show a relatively larger rate of cash return, and
2. Common stocks show a relatively larger rate of appreciation.

B. At the date of determining market values (January 1, 1929) the market for fixed income bearing securities was relatively unfavorable while the market for common stocks was relatively favorable.

C. The report fails to show fluctuations in dividends.

D. An analysis of the common stock issues indicates that --

1. Of the thirteen issues brought out during the period April 1906 to August 1916 --

- a. Four, or 30%, show an average annual cash income since date of issue in excess of 10%.
- b. Four, or 30%, show an average annual cash income of less than 7%, and of these four, two show an average cash return of less than 3%.
- c. Only three companies show an average annual return when appreciation is included, of less than 20%, and two of these issues show a return of more than 16%.
- d. The annual average return including appreciation varies with individual issues from 7.89% to 234.28%.

2. Of the thirty-three issues of common stocks brought out between January 1, 1919 and January 1, 1928, (no common stock issues between August 1916 and April 1919) --

- a. Eight, or 24%, have paid no cash dividends.
- b. Ten, or 30%, show an actual loss after taking into account both dividends and appreciation.

3. The fifteen issues of common stocks brought out during the year 1928 were omitted from the above comparisons for the reason that these companies have not yet had time to establish themselves.

E. An analysis of preferred stocks indicates that --

1. Of the fifty-three issues brought out --

- a. Four, or 7.5% show losses when both dividends and appreciation are considered.
- b. Including both dividends and appreciation thirteen, or 24.5% show average annual returns of less than 6% (includes four issues showing a loss).

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UNIVERSITY



C. Nine, or 17%, show an average annual return including appreciation of more than 10%.

d. Average annual return (excluding those showing a loss) after taking into account appreciation, varies from .349% to 62.5%.

F. An analysis of the forty-seven bond issues shows that --

1. Sixteen, or 33%, have produced an annual return, after including appreciation, of less than 6%.
2. Eleven issues have matured or have been called and redeemed.
3. None are at the present time in default, and interest has been paid in full since date of issue.

#### RELATION TO INVESTMENT POLICY OF UNIVERSITY OF CHICAGO

The following points should be noted in considering the showing of Lehman Brothers' issues as related to the investment problem of an institution like the University of Chicago.

1. It is important that such an institution have a steady flow of income. The report therefore fails to show one important item of information, that is: What have been the fluctuations in income on the sixty-one common stocks? On the other hand, as institution having as large holdings as does the University of Chicago can overcome the difficulty of a fluctuating rate of income from common stocks by setting aside a portion of the earnings to take care of the current needs of the institution when some of the investments held are temporarily on a non-income producing basis. It would require a fairly large reserve however, to provide for a decline in income such as was experienced in 1920 and 1921. Another way of meeting this contingency would be, of course, to spend a portion of the principal during periods of depression. There are, however, two practical difficulties to be met. In the first place, the majority of the investment assets of endowed educational institutions are held in trust. The institution as trustee is precluded by law from using this method of meeting the contingency. In the second place, even though the institution holds investment assets without this restriction, at the time it would be necessary to sell securities in order to obtain funds for current operations the security market would be temporarily depressed. The securities would therefore probably have to be disposed of at a sacrifice.
2. Appreciation in values does not provide a source of income for operating such an institution until actually realized through the sale of the security. The bulk of the appreciation of the sixty-one common stock issues brought out by Lehman Brothers is found in the increase in value of the thirteen issues marketed between 1906 and 1917. These companies have had an opportunity to establish themselves. The report does not indicate, but it seems reasonable to assume, that the bulk of this appreciation has taken place since 1922. In other words, on the average, common stocks do not show an outstanding advantage due to appreciation in value over fixed income bearing securities during the first ten years of their existence. In fact the thirty-four issues brought out by Lehman Brothers during the ten year period prior to January 1, 1928, do not show as favorable a cash income as do the preferred stocks and bonds issued during the same period. The point is that in order to realize the advantage of holding common stocks over that of investing in preferred stocks and bonds, it is on the average, necessary to forego some income for a period of ten years or more.
3. Those responsible for investing endowment funds would probably not invest much money in new issues of common stocks. If the investor waits until a corporation is fairly well established before buying its common stocks, a large portion of the appreciation in value is lost for the reason that the market usually discounts the earnings on well established corporations before it is realized. This is certainly true of the current market.



Probably the wise investment policy for an endowed educational institution to follow is to depend upon fixed income bearing securities for a portion of its income and also, to invest a portion of its funds in common stocks with the hope of ultimately realizing larger returns both in the form of cash dividends and appreciation in value. Just what portion of the total investment should be in common stocks is, of course, a difficult question to answer.

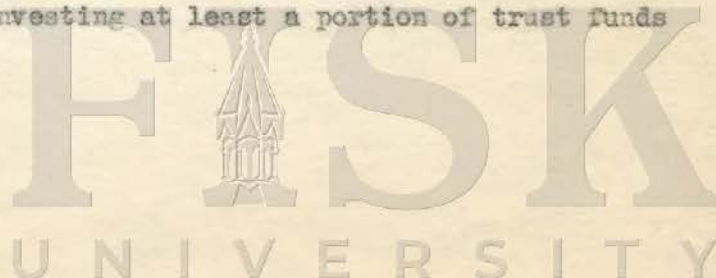
It so happens that the University of Chicago has followed just such an investment policy. On June 30, 1928, the percentage distribution of the University's holdings, based on book values as indicated in the annual report of the auditor, were as follows: bonds 33.06%, stocks 21.79%, first mortgage real estate loans 16.51%, real estate held for investment purposes and either operated or leased with a scale of rentals graduated upward 28.64%. No separation is shown between common stocks and preferred stocks, but the University has relatively small holdings of preferred stocks. During most of its history the University held a larger proportion of its endowment funds in the form of common stocks.

The reduction in the University's common stock holdings is relative rather than absolute and the percentage decline is due chiefly to a recent increase in holdings of real estate which has been leased on a long time basis with a graduated rental scale. It is interesting to note that this type of investment combines in a very satisfactory way a regular flow of income with reasonable expectation of considerable appreciation and definite assurance of increased cash income over a period of years.

The experience of Lehman Brothers' issues indicates that over a period of years, common stocks show a larger average cash return than do preferred stocks and bonds, and a very much larger return through appreciation in value. As has previously been pointed out, the extent to which common stocks should be held in trust funds is a debatable point. The experience which the University of Chicago has had with its holdings in the various Standard oil companies makes a strong case for investing at least a portion of trust funds in common stocks.

WBH:MM

2/15/29





February 28, 1929.

Dear Dad: Replying to your letter of February 26, Chester tells me that he sent you a clipping from the Herald and Examiner regarding an interview with you on the reorganization of the Police Department. I am enclosing herewith a clipping from the Chicago Evening American which is a copy of what the Herald and Examiner had, omitting your picture.

Mr. Fairweather called me before he asked Mr. White to send you the preliminary letter outlining the police study. I suggested that he do this directly. Informed Mr. Fairweather yesterday of your letter and suggested that he present Mr. White's preliminary plans to Mr. Keeler. I also called Mr. Keeler who will be in Springfield until Friday.

Mr. Lurie requested that I attend a meeting in Judge Sabath's office last Monday. Judge Sabath, Mr. Hunter and Mr. Lurie were present. Mr. Hunter's proposal of stressing the legal phase was discussed. I talked to Herb Lautmann, who is Secretary of the Bar Association, before the meeting and he stated that it would be illegal for a corporation, even one not-for-profit, to make a charge to cover legal fees. Herb suggested as a means of getting around this restriction, that a competent group of lawyers could be designated to whom a minimum fee would be paid for cases referred to them from the clinic.

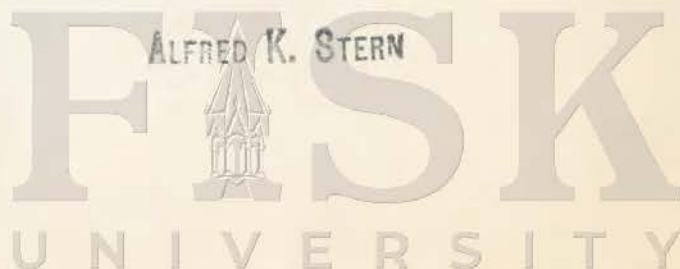
Mr. Lurie did not believe that we should especially stress the legal phase of the problem, Judge Sabath stated that there were a number of lawyers who were unscrupulously promoting their business and still he did not believe that the clinic should major this part. Mr. Hunter was satisfied to modify his proposal. After some further discussion, Mr. Lurie outlined a possible family service bureau. This proposal seemed to be the most feasible to make a start on an experimental basis. It was proposed that Mr. Lurie write a statement of what he has in mind and send a copy to the members of the Committee for criticism. Then a statement is to be submitted to you, giving the joint recommendations of the Committee.

Previous to meeting with the Committee, I spent some time sitting in Judge Sabath's court listening to several cases. It was interesting but very pathetic.

I just received the enclosed wire from Marion. Hope you are both well and enjoying the inauguration.

AKS:CM  
Enc.

Mr. Julius Rosenwald,  
Hay-Adams House,  
Washington, D.C.





*Residential*

	EKE	3/5/29	ERE	

March 5, 1929

FILE COPY

Dearest Mother and Dad: I was very much interested in the copy of your letter describing your first day's activities in Washington. It seems to me you did just about all the things that you could have wanted to do and had an extremely full day. I hope you do not find such continued activity too wearing on you, Mother dear.

I am enclosing a copy of a memorandum of a meeting on Sunday which developed informally out of a dinner at Puss and Sol Strouse's. Sid Schwartz and I went there after attending the services at Dr. Freehof's temple, where he spoke on Herbert Hoover. I am going to try to get a copy of his address for you.

I have been so busy on and full of the housing project the last couple of weeks that I have not taken time to recount all of the things that have been happening. We are making a special effort to open our renting office this Thursday or Friday. It is important that we do so in view of the pressure which is being exerted by landlords on our prospective applicants to renew their leases where they are now living. We have engaged a man by the name of Albert Chapman as renting agent and I think he is a very good fellow who will be able to handle the job. He was recommended to us by J. E. Greenebaum and several others whom we know well who have had contact with him. We are paying him five hundred dollars (\$500) a month for as many months as we will need him to properly rent our apartments. We estimate that he will be with us from four to not more than six months. I think we were very fortunate in finding him available at this time. But we will know this after he has proven to us what he can do.

We have settled our rent schedule, I believe, finally, after making some additional revisions since the last meeting which you attended. We have simplified the differences between floors and locations of apartments so that there will not be too many variations which would require a large amount of explaining to the tenants. At the same time, we believe we have taken into consideration important differences in the floors of apartments. We have worked up in final form our application blank, lease and other forms which we will need in renting apartments. Leonard Rieser has approved and worked with us on these forms. In addition we have had to make a special drive to furnish the model apartment. Mother Stern has been of great assistance here. We are using Sears, Roebuck furnishings almost entirely. It has very much handicapped us, though, in our choices. The organization for our renting office, which, outside of Mr. Chapman will be the same as the permanent organization, will also be ready to do business the end of this week.

At Mr. Favrot's advice, we had a man by the name of Foster, who is business manager of Virginia State College, Petersburg, Virginia, come on here to be interviewed for the position of resident manager.

UNIVERSITY



3/5/29

He is still here and saw Mr. Brown yesterday afternoon. He seems to be a good reliable man, but very slow and heavy. I was not very favorably impressed with him. I think our best bet is young Taylor, the son of the vice-president of Tuskegee, whom you met. It seems to be a question of salary with him. We last offered him thirty-six hundred dollars (\$3,600) and may need to increase that to four thousand dollars (\$4,000), which I think he will be satisfied with.

A large payment will be due the end of this week. I will wire you when I know the definite amount so that you can instruct Mr. Lewis. This money is now to be deposited in the corporation's and we will issue checks against it. You have to date received eleven hundred shares of stock in the corporation. Additional shares will be issued up to one million five hundred thousand dollars (\$1,500,000).

Could go on indefinitely telling you of numerous details that we have been working on in moving our project along. Construction has been going at a rapid pace the last week due to good weather conditions. We had a meeting Saturday morning with Joe Beuttas at the architect's office, when we decided on the dates to promise tenants their apartments. Most of the project will be ready for occupancy on June 1 and some of the apartments on 47th Street we can lease May 1 if tenants insist upon coming then. The north end of the project, which will be the last to be finished, they expect now to be completed by June 15.

Mrs. Esther Kohn, Frank Sulzberger and Richard Frank had a meeting the other day to work out a proposal for a change in the children's work of the Jewish Charities. Mrs. Kohn promised to send you a recommendation of their joint opinion.

Continue to get glowing reports from Marion. They love the place and both children are fine. Attached are excerpts from Marion's last ~~the~~ letters.

I am hoping to leave here in about ten days. By then our renting office should<sup>be</sup> functioning smoothly and Mr. Embree and Mr. Harrell will be on the job. We expect both of them back the first of next week.

Much love to you both.

AKS:MWS

ALFRED K. STERN





2 RE-ER 2

March 14, 1929.

Mr. Rosenwald:

I spoke to Mrs. Kohn today about the status of the child caring agencies of the Jewish Charities. As I mentioned to you before, Mrs. Kohn arranged a meeting with Frank Sulzberger and Richard Frank to present a plan which she believed would be workable. She had this meeting sometime ago and is to hear from these men after they have thought it over. Her plan is to propose a combination of the three child caring agencies - The Jewish Home Finding Society, The Chicago Orphans' Home and Marks Nathan Home - into one organization with one Board of Directors. If the Marks Nathan Home would not join this combination, to proceed with the first two who are now possibly willing to combine. Mrs. Kohn said that Richard Frank and Frank Sulzberger thought this was rather a radical move and that it had broader implications than the putting of child caring work on a better basis. I presume that this means the reopening of the differences between the reformed and orthodox group in the Jewish Charities.

This plan is in substance the one which Mr. Kepecs has talked to me about for sometime. He, I believe, also feels that it would be a workable solution. Both Mrs. Kohn and he feel that the present Child Caring Council is a farce and ineffectual. In fact, Mrs. Kohn told me today that she is going to resign from this Council. In addition, she feels that she has served her usefulness on the Jewish Social Service Bureau and since she has not been invited on the main board of the Research Committee so that she may share in the forming of more general policies, she feels that she is ready to resign from the Jewish Social Service Bureau Board. In view of her years on this Board and her training in social service, it would seem that her abilities, if she has them, should be used in more important fields.

From what Mr. Kepecs said the other evening after the meeting in Mr. Loeb's office, he, too, is very much dissatisfied not only with the work of the children's council but the limited scope of his own work. I do not believe that the Jewish Home Finding Society with its present set-up will be able to hold Mr. Kepecs very long unless a broader field of work is open to him.

It seems to me that as far as the latent clash that is involved in a combination of child caring institutions, this is merely an expression of weakness on the part of the Board of the Jewish Charities. If this is an obvious and recognized move to make in view of advanced child caring methods, some group is needed to put it across. I feel that unless you will use your influence to overcome the inherent weakness on the part of the officers and Board that no material progress will be made along these lines for years to come.

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UNIVERSITY

-2- Mr. Rosenwald

March 14, 1929.

I mentioned to Mrs. Kohn that before she takes any steps to withdraw from either the Council or the Board of the Jewish Social Service Bureau that she talk this whole situation over with you.

A.K.S.

AKS:CM





Mr. Rosenwald:

While the Julius Rosenwald Fund has a chief interest in Negro education, it has expressed a willingness to consider from time to time important proposals in any field. For the most part we need not assume any general responsibilities in white education. But because of the significance of schools and colleges in modern life, we should be ready to come forward with substantial sums when there are especially significant things to be done that might not receive adequate support without contributions and stimulus from us.

One situation that we have already discussed and concerning which a report is to be made to the Trustees in May has to do with two or three important universities in the mid-west and south. The universities which stand out in this connection are: The University of Chicago and Tulane in New Orleans. Gifts to these institutions may represent a special obligation and an opportunity to improve educational standards in the large and important sections of the country which they influence.

There is another kind of question in this field which I wish to discuss in this paper. It has to do with Colleges which are engaged in unusual programs likely to have significant bearings upon general education. A great number of colleges and universities in America are spending huge sums of money with large teaching staffs and enormous totals of students, and are engaged upon routine and generally accepted work in teaching and research. These are important in meeting the demands of mass education; they are also making contributions to the advancement of knowledge through the original work of individual professors. It is impossible for us to take an interest in these great numbers unless we are prepared to devote practically all of our resources and attention to this field. Furthermore I think we have no particular obligations to this group. State taxes and contributions of individual rich men are meeting these needs fairly well.

But there are very few colleges and universities that are devoting themselves to earnest and partially successful attempts to improve the quality of education - as contrasted with quantity. With so great a number of students and teachers giving the best years of their lives to colleges and universities and with the enormous sums of money involved in education in America, it is highly important that at least a few colleges be encouraged to continue their experiments and their efforts to find ways by which students may be more effectively influenced and educated during their college years. Two such colleges stand out clearly and two or three others are engaged in interesting work, the success of which is not at the moment so clear, but whose work should be kept in mind and studied further.

Swarthmore College in Pennsylvania and Antioch College in southern Ohio are engaged upon programs, different in character, but each under splendid leadership and with successful accomplishments already attained.

#### SWARTHMORE COLLEGE

Swarthmore, situated in an attractive suburb of Philadelphia and with an excellent Quaker tradition of nearly a century, has recently under President Aydelotte undertaken an experiment to see if it is not possible to find ways to enable students to take an enthusiastic interest in their work and to accomplish a great deal more during the college years than is usually the case. Swarthmore has adopted the so-called "honors" system by which a special group of students - about half of the total number - in their junior and senior year elect to study for special honors. This selected group is excused from a part of the required classes and lectures and instead devotes itself to intensive study of a few chosen subjects. These students are given special attention through seminars and discussion groups and by individual consultation with professors. The experience of



the past six years indicates not only that this "honors" group works much harder and gets much more from its efforts than is usually the case, but that the influence and atmosphere created by this system affects the total student body.

Of course this is not accomplished simply by system. The system is successful because of the leadership of President Aydelotte and the fine quality of teachers that he has gathered around him and by the careful attention which these men give to the details of the program and the inspiration which they convey to a highly selected group of students - about 500 in total.

#### ANTIOCH COLLEGE

Antioch College, under President Morgan, emphasizes a very different feature, namely the close relation between college and the outside world, expressed in this case by the plan of having students in college five weeks and at work five weeks alternating throughout the year. The regular procedure is for a student to take four half-terms of five weeks each in college and five half-terms of five weeks in some industry, business or professional pursuit, thus leaving only six weeks for summer vacation and one week at the Christmas holidays. While five weeks is the unit, it occasionally is necessary for two or more units to be taken in succession, that is, the boy may work ten weeks consecutively in business and ten weeks consecutively in college. By the normal alternation of work and college a student devotes a total of six years to the college course elsewhere completed in four years. In a number of instances the student takes four years alternating between business and college and then gives all of his last year in college thus completing the course in five years. In addition to the educational benefit of interspersing practical work with study, the students are enabled from their work sessions to obtain funds which pay their way entirely during their college course and which enable the college to charge high tuition (the highest of any college in the country except Princeton) thus giving the college an abnormally large per cent of its current expenses from student fees.

In addition to this alternating work and study feature, the college gives special attention to the selection of students at the beginning of the course and through faculty advisors helps direct and stimulate the students' study and reading. A large part of the success of the work is due to President Morgan and the excellent group of teachers who are devoting themselves enthusiastically to the program and who have created a stimulating atmosphere of intellectual effort throughout the college.

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Other interesting experiments are going forward at Pomona and affiliated colleges in southern California and in the special college under Dr. Meiklejohn at the University of Wisconsin. Special support is being given to the southern California colleges by the Schripps Estate and the University of Wisconsin, of course, is supported by tax funds. There is probably no great need for funds at these institutions and their programs have not yet justified themselves to anything like the extent of those at Swarthmore and Antioch.

While great sums of money are going into education generally in this country, it is surprising how difficult it is for presidents to obtain funds for these significant experiments. This is partly because the average giver likes to contribute to enterprises well established and generally accepted, and also because most givers will not take the trouble to try to understand unusual cases. Yet a relatively small amount of money placed upon the colleges that represent intellectual yeast and ferment may have incalculable influence upon education generally. We are in a position to give attention to such promising and exceptional cases. In fact foundations can justify themselves only if they give much more study to unusual opportunities that will be given by the average donor. We must lead the way and blaze the trail; others will follow readily enough.



Support of such places would fit happily into our plan of giving. These are just the institutions which least of all need or should have large permanent endowments. The thing they need is working capital for adequate current maintenance until they can have demonstrated the features on which they are working and until they have had time to influence other places. A half-million-dollars each to Swarthmore and Antioch would stabilize their budgets for a ten to twenty-year period. This would be long enough for them to accomplish their essential purposes.

The Swarthmore experiment was supported at the outset by a five year contribution made at the recommendation of Abraham Flexner by the General Education Board. That Board has now offered an additional sum of \$675,000. toward perpetuating this work through additional endowment of two-million-dollars. I am not at all interested in the endowment feature but an extra fund available for a ten or twenty or thirty year period would make all the difference in the world to President Apicotte in carrying out his interesting plans.

Antioch has practically no endowment and President Morgan very wisely is not concerning himself with that. He wants to have a large part of the costs met by tuition of students and for the rest he is seeking contributions to working capital and current support. He has not had sufficient funds to pay a faculty of the quality that he should have. Here again a capital contribution to be expended over a ten to twenty year period would ideally meet his needs.

I recommend that we consider this kind of thing. I should like to bring up the question of these experimental colleges (as well as the other question of possible larger support to such universities in the mid-west and south as Chicago and Tulane) at the May meeting of the Trustees.

ERE:CM

EDWIN R. EMBREE

March 19, 1929

FISK  
UNIVERSITY

3/29/29

Mr. Rosenwald: In the sheaf of suggestions that came to us from Dr. Stokes, attention was called by several writers including James Weldon Johnson and Charles Johnson to the recent brilliant work of Negroes in music, literature and the arts and to the effect that this was having in making people realize that the Negro was capable of creative work of as high a quality as any one else. The Johnsons seemed to feel that this expression in the arts is about the only thing that has made a favorable impression in the North to counteract in part the offence which so many Northerners have taken at the Southern migration of large numbers of Negroes into the Northern cities.

James Weldon Johnson thinks something should be done to make it possible for these writers and musicians more properly to prepare themselves for their work and to enable them to devote some time to this work without too great difficulty and distraction.

It has been suggested that we arrange for Johnson to get together eight or ten of the leaders in these movements and talk over with them what they think might be most helpful. This could be done without in any way involving the Fund. In fact, I think other agencies or individuals might be very much interested in helping finance any promising suggestions that came out of such a meeting. The people who would naturally be thought of for such an assembly would include: James Weldon Johnson, J. Rosamond Johnson, Countee Cullen, Paul Robeson, Rowland Hayes, Alfred Smith, Aaron Douglas, Langston Hughes, Archibald Motley, Charles Winter Wood, William DuBois, Walter White, Jessie Fausset, William Stanley Braithwaite.

Do you think it would be a good thing to encourage Johnson to call together such a group in New York in the near future? From such a group suggestions might come that we would want to consider during our trustees' meeting in May.

ERE:MS

3/29/29

EDWIN R. EMBREE

FISK  
UNIVERSITY



March 28, 1929

Mr. Rosenwald:

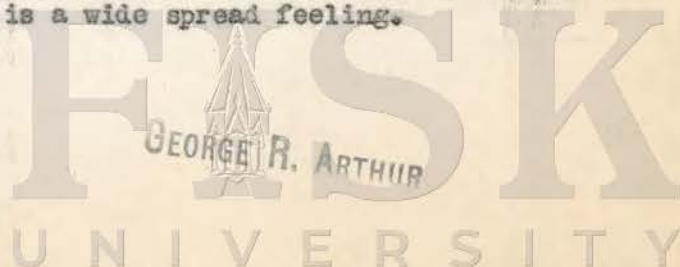
With reference to your memorandum concerning the slowness in securing lease signatures, we wish to advise that this is due primarily to the following reasons:

1. Each applicant is required after making a deposit of \$25.00 to give the names of his employers for the past five years, the names of at least two landlords from whom he has rented, bank references, credit references, and three character references. The home of each applicant is visited to check up on the condition under which he is now living. It takes from three to five days to get this information; the banks and real estate offices declining to give such information over the phone. When the information has been assembled and studied and the acceptance sent out, there is a lapse of another four or five days before the applicant comes in to sign the lease and pay the balance of his first month's rent.
2. The number of applications has gradually decreased, as you have no doubt noted from our daily report. This decline is attributed to the fact that a large number of people who desire our apartments have more furniture than can be accommodated, and they will not dispose of any of it, especially their dining room sets. In a considerable number of cases they state that their furniture is too large for this type of apartment.
3. There is a general dissatisfaction with the rent schedule, due primarily to a desire on the part of those seeking our apartments to get away from what many people feel to be the high rents charged during the past five years. Another fact increasing the dissatisfaction of our prospects is the slashing of rents of from \$5 to \$7.50 per apartment per month by white and colored real estate operators in the district. This has been due not only to the desire to under rent us, but also to the fact that there have been more vacant flats in the Negro district during the past two years than at any other time. Buildings formerly occupied by whites continue to go over to colored tenants and the owners are in some cases bringing the rents down to colored below what whites have paid in the same building up until now, reversing entirely the order under which they have operated during the last ten years.

I am attaching a copy of the minutes of the meeting of the executive committee, called in the office of Mr. E. E. Brown to discuss the question of leases which you raised as well as other vital questions relative to the project. The enclosed letter is a sample of what is a wide spread feeling.

GRA/w

Copy to AKS



P

Mr. Rosenwald: I ask members of the staff to present monthly reports of their activities so that I may keep in close touch with all of their current work. (Of course, also, I am discussing matters with each of the officers almost every day).

Knowing your interest in the medical projects, I am enclosing copy of Dr. Davis' report for March. As you will see, he spent a good deal of the month of March in visits and preliminary discussions. I was with him at a number of these conferences. Things are still not moving as rapidly as I want them to, but we are so dependent upon good medical staffs for any project which we support that it seems necessary to move slowly enough to be sure to carry with us at least the best of the medical profession.

Our chief hopes at present are (a) to find some hospital, such as St. Luke's, that will be willing to start a pay clinic, and (b) to work out an arrangement with the Amalgamated and Presbyterian Hospitals whereby Presbyterian will furnish the medical staff for an industrial pay clinic. I think the enlargement of the Public Health Institute will have to wait on our being certain of assembling a good medical staff for service there.

EDWIN R. EMBREE

ERE:meg  
4-8-29



JC 7

TO: Mr. Rosenwald  
FROM: M. M. Davis  
DATE: April 22, 1929  
SUBJECT: "Marital Clinic" or "Institute for Family Service."

1. I was not in Chicago during the earlier discussions of this matter but have studied the memorandum of the discussion at the dinner, statements since prepared by Messrs. H. A. Lurie and Joel Hunter, and have conferred with Mr. Lurie and others.

2. The purposes of the proposed clinic or institute are to adjust or prevent family break-ups and difficulties. Two conditions were indicated by Mr. Rosenwald as desirable: (a) A separate organization, (b) Service to be rendered on a fee basis, leading to ultimate self-support.

3. The work to be done has three main sides-- the mental (psychiatric), the legal, and the economic elements in a family situation. A service adequate in either quality or quantity would require a wise person who would be familiar with all of these three aspects, but not too much a specialist in any, and who would have available consultant service in any of the special aspects, as required by particular cases.

4. Because the family problems to be dealt with involve intense feeling and also great sensitiveness, the auspices under which the service is to be offered to the public are of the utmost importance. They must inspire confidence, must enable the service to be given publicity while at the same time furnishing assurance of privacy for the individual, and must encourage the use of the service in the earlier stages of family difficulty.

5. I do not believe that the plan is practicable at the present time under the conditions indicated in paragraph 2. People in family difficulties at present are accustomed to turn more or less to physicians (mostly psychiatrists) lawyers, or to intimate friends. The idea of a special organization for providing this service is new and there is great risk that if separately established it will be regarded as a freak rather than as an opportunity.

6. The work would also be expensive. Unless a considerable volume of service could be assured, the unit cost of service would be high and would seriously limit both the clientele to whom service would be available and also the possibility of self-support of the "clinic."

7. Several social agencies dealing with general family welfare have done much effective work with family problems but their clientele has been a dependent or near-dependent group. They would undoubtedly refer a number of problem cases to the proposed clinic but these clients would generally be unable to pay anything.

8. If the condition of an independent institution as laid down by Mr. Rosenwald may be regarded as flexible, there seems to



me some possibility that the proposed service might be gotten under way. Study is needed of; (1) suitable and available person to head the service, and (2) the question of auspices.

9. Time spent in consideration and study of this matter might be justified, a report to be rendered next autumn.

10. It should be pointed out that by the time many marital difficulties come to a sufficiently acute stage to be brought to the attention of any professional person, the problem consists largely in determining whether it is wise to attempt to compose the difficulties and keep the family together. Many family difficulties present a problem which can only be dealt with from the long range point of view by preventive measures. These are educational, chiefly during the high school and college days. Education must take numerous forms, but especially sex hygiene and home-making. Effective instruction in these and related matters appears in a very few high schools and colleges.

MMD:U:G



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Mr. Rosenwald reports to ERE on  
April 22 that he told Beardsley Ruml he would  
make a contribution of \$150,000 toward the  
fund required for the National Institute  
of Public Administration if the endowment  
were handled as temporary rather than per-  
manent, In accordance with terms agreeable  
to JR. The matter is to be confirmed by  
exchange of letters between Raymond Fosdick  
and this office.

ERE:MS

4/23/29

EBW  
FISK  
UNIVERSITY

P  
JCHW. S.  
Mr. Rosenwald:

One of the duties of a president of a university or of a foundation seems to be to make public addresses. I have done a fair amount of that in Chicago during the past year. I do not want to become involved in very much of it but occasionally this offers an opportunity to put matters with which we are concerned forcibly before an interested group. The physicians and administrators who get to these hospital meetings are naturally interested in organized medicine. They are more receptive to any ideas than the rank and file of the medical profession and we are almost dependent upon them for progress in such matters as pay clinics. The American Hospital Association is also beginning to take a good deal of interest in Negro hospitals.

On the whole, I think it might be a good thing for me to accept the attached invitation to speak before the Association at its meeting in June and to present to them our ideas and plans in pay clinics and in Negro health and hospitals.

What do you think about it?

ERE:MS

5/3/29

EDWIN R. ENDRUP

FISK  
UNIVERSITY



Rosenwald  
Fund

Mr. Rosenwald:

I should like your opinion concerning the attached suggestion from the secretary of the Winston-Salem Y. M. C. A. and from Mr. Parker, to the effect that toward a combined Y. M. C. A. and Y. W. C. A. for Negroes in Winston-Salem we give twice the usual amount on condition that twice the total sum customary in such cases be raised for this Negro building. That is, that our gift be \$50,000 toward a total of \$300,000 for a combined Y. M. C. A. and Y. W. C. A.

ERE:MS

5/2/29

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EDWIN R. EMBREE

encs.

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UNIVERSITY

*original filed*  
*Rosenwald*  
Mr. Rosenwald: An appeal has been made to you for a contribution to the Birth Control Clinical Research Bureau maintained by Mrs. Margaret Sanger in New York.

This clinic is conducted under the provision of the law allowing birth control information to be given under medical supervision when the health of the prospective mother is involved. In addition to the very valuable information given to thousands of women, this clinic has served as a bureau of investigation in methods of birth control and in the problems related to child bearing and health. An important group of physicians - the Committee on Maternal Health under the chairmanship of Dr. Robert L. Dickinson - is cooperating by stimulating the interest of the doctors and by directing the studies. The movement, although bitterly opposed by certain groups, is recognized as directly affecting one of the most important world problems.

The budget for the clinic is relatively small. It amounts to \$30,000 a year, of which \$10,000 comes from patients' fees. It is difficult to increase greatly the amount earned from patients, since it is important to give information to classes lowest in the economic scale. Nevertheless it is conducted as a pay clinic and as indicated, one-third of the cost comes from those attending. Mrs. Sanger has had great difficulty in raising the remainder of her budget, due partly to violent opposition and to the fact that this is not yet a respectable or fashionable charity. The largest contribution - \$10,000 - comes from Mr. Rockefeller through his Bureau of Social Hygiene. Other contributors are:

Mrs. Otto Kahn - - - - -	\$1,000.00
Mr. Thomas Cochran - - - - -	1,000.00
Mrs. Henry Phipps - - - - -	500.00
Mr. R. J. Caldwell - - - - -	500.00

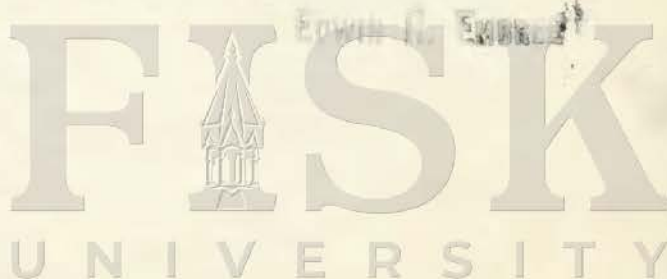
The remainder of the budget is raised by a large number of gifts ranging from \$10 to \$100.

A special clinic for the Negro group in Harlem is being projected. If substantial support is given to this from New York sources, I think the Fund, because of its special interest in Negroes, might properly make an appropriation for a demonstration period. Dr. Davis and I are going into this matter carefully and may have a recommendation to make to the Fund later.

I recommend, meanwhile, a gift from you to the budget of the general clinic of \$1,000 for the current year. Mr. Fosdick, in confirming the Rockefeller gift, writes "Mrs. Sanger is doing extraordinarily effective work and deserves support."

ERE:MSG

5/8/29





May 15, 1929

My dear Mr. Rosenwald: I have the honor to in-  
form you that at the  
meeting of the Board of Trustees of the Julius  
Rosenwald Fund held May 11th you were elected  
Chairman of the Nominating Committee of the Board  
of Trustees of the Fund to serve until the May  
1930 meeting of the trustees.

The other members of  
this Committee elected to serve with you are Dr.  
Franklin McLean and Dr. Beardsley Ruml.

Very truly yours,

WBH:F

Mr. Julius Rosenwald  
Chicago, Illinois

WILLIAM B. HARRELL

May 22, 1929

Mr. Rosenwald:

Mr. Stevens, in the President's office at the University, has checked with a number of the trustees to determine whether or not they had received copies of Mr. Clark's article on "The Economic Effects of Education." He reports that none of the trustees with whom he has talked recall having seen the statement.

I am attempting to get copies of the article direct from Mr. Clark. In case they are not available, we can, of course, have them mimeographed here. In the meantime, will you go over the list of proposed questions to accompany the article, which I left with you, in order that we may decide on the final form these questions shall take?

WBH:F

*When you hear  
this let me know*

*WB Hamell*

FISK  
UNIVERSITY



P JAL.  
UNITED STATES DAILY

Mr. Rosenwald: David Lawrence wants to extend the United States Daily to include information about state governments as well as about the federal government. This is unquestionably an important public service and David Lawrence and his organization are by experience and ability, the ones best qualified to give it.

The plan is eventually to make this new section self-supporting. to this end Lawrence wants not gifts but financing in the form of subscriptions to stock.

Improving the functioning of government organization has been taken up as the chief interest of the new Spelman Fund. When Lawrence first spoke to me about this proposal I referred him at once to Dr. Ruml, thinking that not only might his Fund help but that the investigation and action by that Fund would give us the best possible basis for considering any action that you might care to take.

Ruml was at once interested, and so were Fosdick and Arthur Woods. After conferences with Lawrence they sent an auditor to Washington to investigate thoroughly the present status of the U. S. Daily and to check the financial estimates. The auditor made a forable report and the Spelman Fund is voting \$750,000 toward the \$2,000,000 desired. Of this subscription \$500,000 may be released as soon as another \$500,000 is obtained to make the first million, and the remaining \$250,000 is applicable toward the second million. Subscription is to second preferred stock paying six per cent interest.

Mr. Lawrence hopes that you may be willing to subscribe \$500,000 of this stock. If you joined to this extent with the Spelman Fund the project would probably be assured of success. The attached statements from Lawrence and Ruml give detailed information.

Before making any recommendation, I should like to talk the matter over with you.

ERE:MS

5/24/29

EDWIN R. EMBREE

FISK  
  
UNIVERSITY

P. J. K.  
Lee

The attached article on "The Economic Effects of Education" raises a number of interesting questions. Mr. Rosenwald would like to have the benefit of your comments on Mr. Clark's arguments and upon the following questions suggested by it.

1. To what extent should the benefits of college training be measured in terms of increased earning power?

2. Has the entry of college-trained individuals to executive positions in business been too recent to draw conclusions concerning the relationship between college training and success in business?

3. Is the number of activities in which college graduates may enter as limited as is indicated in Mr. Clark's article?

Is there not a tendency on the part of such graduates to enter an increasing number of fields?

4. If it could be shown that by attending college an individual is likely to earn less than he would have earned otherwise, would you consider this an argument against higher education?

5. Is it correct to say that "in so far as college experience intensifies the tendency to think and ponder over a situation, it unfits one for business enterprises in which quick, decisive and daring action is essential to success."

6. Do you consider it a proper function of colleges and universities to offer educational guidance to its students?

5/29/29  
Mr. Rosenwald requests  
that we do not send  
this article because  
of "apology" contained  
in memo by H.F.C.

BOOK UNIVERSITY



9  
May 31, 1929

Dear Mr. Rosenwald:

"Rope and Faggot," by Walter White.

Any statement on lynching necessarily contains things from which the modern mind recoils; yet the author has succeeded in giving us a story which leaves out many of the details of mob cruelty. In my opinion, the subject matter could have been included in a smaller number of pages, however.

The chapter on "Sex and Religion" is likely to provoke a good deal of controversy, in that it brings out - whether the author is right or wrong in his conclusion - nearly all of the emotional determinants of lynching.

The chapter on the "Changing Scene" gives credit to the forward looking movements of today, including, of course, a lengthy description of the work of the National Association for the Advancement of Colored People. The value of the book will be in its use as a record of lynching.

Sincerely yours,

GRA:EMG

Mr. Julius Rosenwald  
Chicago, Illinois

FISK  
UNIVERSITY

Rosenwald  
X  
June 1, 1929

(Mr. Rosenwald:

The only items contained in the attached minutes of the Board of Trustees of the American Council Institute of Pacific Relations which appear to be worthy of note are:

1. The resignation of Dr. Ray Lyman Wilbur as Chairman of the American Council because of his appointment as Secretary of the Interior, and the appointment of Jerome D. Greene of Lee, Higginson & Company to succeed Dr. Wilbur as Chairman of the American Council.
2. The reference to the third biennial conferences of the Institute to be held in Kyoto in October of this year. The minutes do not indicate specifically the questions to be discussed at this conference. A quotation from Mr. Greene's letter of acceptance, appearing on pages 134 and 135 of these minutes indicates the general purpose of the conference:

"There will be questions affecting trade and the rights of various nations, which concern American interests directly. There will be other questions which primarily concern other nations and in which we are concerned simply because of the importance of their peaceful solution to the peace of the world, and as to which perhaps our disinterest position may have a value.

We cannot over-emphasize the fact that the participants in the Kyoto Conference do not act as official representatives, are free to speak their minds without committing anyone but themselves and arrive at no authoritative conclusions in the form of votes, resolutions or expressions of opinion. The sole benefit to be derived from the Conference is the disclosure of facts, opinions and points of view, and the creation of mutual understandings strengthened by the personal contacts and friendships which the intimacy of the Conference engenders."

WBH:F

WILLIAM B. HARRELL

FISK  
UNIVERSITY



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Mr. Rosenwald:

You wanted to be reminded to write to L.J.Bergman, 5436 Eastview Park, who is just recovering from an operation. Just before coming on the job last fall, he had has an operation and his present ailment was due to adhesions which resulted in a more serious operation than the first. I saw him last evening. He is getting along very nicely and is anxious to get back on the job. I feel confident that the project would not have moved as well as it has, had it not been for the way that he applied himself to every problem which arose. He had to bear the brunt of pressure from the architects and contractors, as well as the sales organization. As you know, there wasn't much of him to start with.

I feel sure that a letter of appreciation from you for the effort he has given to his work and hoping that he will be well enough to get back on the job soon, will be very encouraging to Mr. Bergman.

A.K.S.

June 12, 1929

June 18, 1929

Mr. Rosenwald:

The following extracts from "Socialism for Millionaires" appear to be worthy of consideration:

1. "A safe rule for the millionaires is never to do anything for the public, any more than for an individual, that the public will do (because it must) for itself without his intervention."

Mr. Shaw classes endowments for hospitals under this heading.

2. "Education comes next to hospitals in the popular imagination as a thoroughly respectable mark for endowments. But it is open to the same objections. .... Experiments in educational method, and new subjects of technical education, such, for instance, as political science considered as part of the technical education of the citizen (who is now such a disastrously bungling amateur in his all-important political capacity as voter by grace of modern democracy); or economics, statistics, and industrial history, treated as part of the technical commercial education of the wielder of modern capitals and his officials: these, abhorrent to university dons and outside the scope of public elementary education, are the departments in which the millionaire interested in education can make his gold fruitful. Help nothing that is already on its legs is not a bad rule in this and other matters. It is the struggles of society to adapt itself to the new conditions which every decade of modern industrial development springs on us that need help. The old institutions, with their obsolete routine, and their lazy denials and obstructions in the interests of that routine, are but too well supported already."

3. "The intelligent millionaire need not hesitate to subsidize any vigilance society or reform society that is ably conducted, and that recognizes the fact that it is not going to reform the world, but only, at best, to persuade the world to take its ideas into consideration in reforming itself. Subject to these conditions, it matters little whether the millionaire agrees with the society or not. No individual or society can possibly be absolutely and completely right; nor can any view or theory be so stated as to comprise the whole truth and nothing but the truth. A millionaire who will not subsidize forces that are capable of a mischievous application will subsidize nothing at all."

4. "There is always something fascinating to the imagination of a very poor man in the notion of leaving a million or so to accumulate at compound interest for a few centuries, and then descend in fabulous riches on some remote descendant and make a Monte Cristo of him. Now, even if there were likely to be any particular point in being Monte Cristo after a couple of hundred years further social and industrial development, a modern millionaire for the reasons already stated, should be the last person in the world to be much impressed by it."

5. "Create new needs; the old ones will take care of themselves."

6. "In bringing industrial education up to date, the millionaire



should be on his own ground. Experiment, propaganda, exploration, discovery, political and industrial information; take care of these, and the pictures and statues, the churches and hospitals, will take care of themselves."

7. "Money is worth nothing to the man who has more than enough; and the wisdom with which it is spent is the sole social justification for leaving him in possession of it."

WBH:F

WILLIAM B. HARRELL

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UNIVERSITY

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1995 2000

We have found that the following factors are associated with the use of the Internet for health information:

WILLIAM B. HARRELL

WILLIAM B. FISK  
UNIVERSITY



June 18, 1929

Mr. Rosenwald:

There is quoted below the action taken by the Trustees of the Fund with reference to contributions by the Fund toward the temporary endowment of Spelman and Morehouse Colleges and Lincoln University. The working of this resolution seems to me to be preferable to that used by the Laura Spelman Board in making their recent appropriation to Spelman College for the reason that the use of the principal is made mandatory rather than optional. It is, I think, fair to say that there is a tendency on the part of trustees to conserve funds even though they have authority to expend them. If this be true, the success of the idea of temporary endowment will often be realized only if the donor makes it a condition of his gift that a portion of the principal must, from year to year, be used for current purposes.

"That, in making each of these appropriations, it is understood that the contributions from the Julius Rosenwald Fund and as large an amount as may be of other funds contributed to endowment of these institutions shall be handled in the following manner:

The total income to be used for the current needs of the Institutions and of the principal not less than two per cent and not more than five per cent shall be made available each year and used either for the current expenses of that year, or held temporarily for the budget needs of future years."

WBH:F

WILLIAM B. HARRELL

FISK  
UNIVERSITY

J

Mr. Rosenwald: Bruce Johnstone (in attached letter which has been acknowledged) has written you in regard to a contribution to Gads Hill Center. This contribution is to be made in the memory of Allen Pond, who was very much interested in the organization. Mr. Johnstone has increased his own contribution and is asking various friends of Allen Pond to contribute in memory of Allen Pond.

You have not given to this center and I should think a proposed memorial was not a convincing reason for a contribution unless you feel you should make some favorable response to an appeal from Mr. Johnstone.

Below is a summary of the work of Gads Hill  
Center:

Established in 1898 to provide a neighborhood center cooperating with the community and outside agencies to secure better social, economic and moral conditions in the district, and where men and women of education may come in friendly contact with those less fortunate for their mutual benefit. Located in a factory district. Population chiefly Polish. Maintains playground, clubs and classes, concerts, employment bureau, etc. Address 1929-23 West 20th Street-Head Resident, Miss Ruth Austin.

The total budget for the current year is \$28,956. Attached is a list of the larger contributors to this organization together with the letter transmitting it.

On the whole I am reluctant to see you increase the number of small agencies to which you are contributing.

ERE:MS

EDWIN R. EMBREE

  
FISK  
UNIVERSITY



June 22, 1929

Mr. Rosenwald:

The recent "Survey of Negro Business" covered thirty-three Southern cities and included reports on 2,757 separate enterprises (not including 60 financial institutions reported on separately).

A summary of the various classes of data collected follows:

1. OWNERSHIP

Individually owned	- - - - -	2,191 or 79.4%
Partnerships	- - - - -	334 or 12.1%
Corporations	- - - - -	109 or 3.9%
Not reporting	- - - - -	123 or 4.6%

2. TYPES OF BUSINESS

The enterprises studied were grouped in twenty-eight classes. The predominance of types of business calling for a large degree of personal service is marked. Approximately sixty per cent of the enterprises fall in this group.

The four leading types of business are: Grocery stores, barber shops, cleaning, pressing and tailoring establishments, and restaurants. There is a wide variety of other types of enterprises represented, including clothing, furniture, publishing, amusements, drug stores, moving, real estate, undertaking, etc.

3. LOCATION AND CUSTOMERS

The location of only 1,807 of the enterprises studied was reported. Of this number 1,761 were located in strictly Negro neighborhoods, while 46 were in white neighborhoods.

Thirty-three enterprises reported that their white trade is between ninety and ninety-nine per cent of the total. Practically all the firms reported some white customers.

4. EMPLOYEES

Average number of employees per enterprise	- 4.5
Average for building contractors	- - - - - 20.5
Average " publishers and printers	- - - - - 8.6
Average " other types of business varies	
	from - 6.1 to 2.2

It is interesting to note that of the 12,607 employees working in the establishments studies, 148 were white

5. METHODS OF DOING BUSINESS

a. Finance - 41.4% of the enterprises reported that they pay cash for all of their merchandise.

16.2% reported they buy principally on credit.  
29.0% " " " sometimes for cash and other  
times on credit.  
13.4% did not report on this point.

b. Advertising -

61% reported that they advertise.  
30% " " " do not advertise.  
9% failed to report  
- - - - -  
39% advertise in Negro papers.  
9% " " white papers.  
15% use direct mail advertising.

c. Records -

15.2% reported they keep no records.  
7.9% did not give information on this point.  
Of the  
remaining - 59.0% keep a single entry system of books.  
13.5% " " double " " " "  
27.0% use cash registers.  
1.2% " manifold system.

6. VOLUME

45.2% of the enterprises have an annual volume of business less than \$5,000.  
13.6% " " " " " " " between \$5,000 and \$10,000.  
17.6% " " " " " " " 10,000 and 25,000.  
6.4% " " " " " " " 25,000 and 50,000.  
2.4% " " " " " " " of more than \$50,000.  
9.8% did not report.

7. LONGEVITY

34.2% have been in business less than five years.  
24.6% " " " " between five and ten years.  
35.9% " " " " more than ten years.  
5.3% did not report.

You may be interested in the paragraph on Negro financial institutions appearing on the last page of the report.

WBH:F

WILLIAM B. MARRELL

FISK  
UNIVERSITY



*Chicago Police Bureau*

*P*

Mr. Rosenwald: You will remember that you promised Mr.

Fairweather \$6,000 toward the \$30,000 that was being raised for the study of criminal justice. Mr. Leonard White asks that \$2,500 of this \$6,000 be paid this week in order to release an equal amount subscribed by the Spelman Fund. The fund has to be in before the end of the fiscal year (June 30) in order to obtain this other money. This seems an appropriate procedure.

I suggest, therefore, that your check for this amount be made to the University of Chicago and that this be credited against your \$6,000 subscription for this study.

EDWIN A. EMBREE

ERE:MS

6/24/29

C

Dear Mr. Rosenwald: I have read the Rochester  
interview with delight.

I have the clippings and editorial from the New York Times, but think you have already seen them.

The one regrettable limitation in Mr. Guggenheim's plan is the restriction of the use of his buildings to children. I believe the major dental program is with children, but that it is unfortunate to tie up valuable buildings and expensive equipment so that they can not be used even for much needed service to adults.

Doctor Goldwater and I have discussed this and he has made some effort, as yet without success, to alter Mr. Guggenheim's view on this.

*Michael M. Davis*

MMD:MU  
June 27, 1929



P

Mr. Rosenwald:

I believe Mr. Embree spoke to you about this book before he left. The original idea of the publishers was to include in the book some expression of your opinions, which they would obtain through your answers to their questionnaire (attached). You decided to do nothing about it. Mr. Crowder, the representative of the Horace Liveright Company, called on the telephone yesterday, saying that he had just received a wire from the publishers which stated that they wanted to print this questionnaire, together with your answers and signed by you, as a frontispiece to Lothrop Stoddard's book, which is called "Luck".

At Mr. William Rosenwald's suggestion, we asked Mr. Crowder to report to us on Mr. Stoddard's former book, "The Rising Tide of Color". It is distinctly prejudiced against the Negro. We told Mr. Crowder that we were sure you would not want your name to appear in "Luck" (on account of Mr. Stoddard's beliefs) and that unless he heard from you direct he was to consider that you did not care to fill out the questionnaire.

WILLIAM W. SARGENT