

## PROCEEDINGS

### Eighth Biennial Session National Conference of Jewish Charities

Memphis, May 6-8, 1914

THE CHAIRMAN (MR. BRESSLER): The next subject to be considered is that of Free Loans, on which the paper will be read by Mr. Dukas.

#### FREE LOANS

Julius J. Dukas  
New York

I have been asked to read a paper on Free Loans. I may claim some right to speak on the subject, as I have been connected as president for the last nine years with the oldest Free Loan Society in the United States, the Hebrew Free Loan Society of New York. This institution was founded in 1892, has a capital of \$184,000 and distributed last year in loans \$632,410.

The object of a Free Loan Society is to loan money to those in need instead of giving alms and thus assist respectable people, whose character and self-respect will not permit them to receive alms, but who will accept a loan which they can repay and thus overcome the difficulties in their struggle for means of a livelihood. Money is loaned on notes endorsed by responsible people, without charge of interest or expense of any kind, the borrower repaying the loans in small weekly installments.

This briefly stated should be its aim. Loans do not rob the poor man of his self-respect. He does not feel himself degraded in receiving this form of help. For the loan, after all, is not a gift. It is a temporary accommodation. What the banks do for the rich and middle classes, a Free Loan Society does for the small tradesman and mechanic. If it were not for them, these borrowers would either suffer great inconvenience or privation, or, what would be still worse, they would fall into the hands of sharks, who, instead of helping, ruin them. In applying for such loans there should be no elaborate formalities. There should be no unnecessary delays. The applicant should be treated with the courtesy extended to a customer at a bank, and the result will be that the clients will reciprocate the courtesy. They will become

most prompt and scrupulous in repayment, so that losses will be very small. It will be largely supported by members of the very class that uses it, and will become a monument of gratitude for benefits received, the helped becoming the helpers, and the beneficiaries the benefactors.

For twenty-two years the Hebrew Free Loan Society of New York has successfully shown the world that most people are honest, and repay their loans if a proper chance is given them. Their statistics continue to show that over 97 per cent of their loans are repaid by the borrowers themselves and only 2 per cent by the endorser, while there is only about 1/2 per cent losses.

To help self-respecting persons to help themselves by lending them money without interest or expense, to be repaid in small weekly installments, makes it an honor to be connected with such work and cannot fail to fill one with enthusiasm for the cause, and admiration for the vast amount of good there is in humanity; for even under the most trying circumstances, we always find mountains of honesty and seas of gratitude. To change a person in need to one who can help himself and his neighbor as well is not only of inestimable value to the State but to all humanity, and this transformation we have brought about hundreds of times, for many of the borrowers have become members of the Association themselves. Each dollar we received as donations during our twenty-two years of existence is still available today to loan in perpetuity, as our membership more than covers expenses and losses, and the surplus is also added to the loanable capital.

The early history of our Free Loan Society is as follows: In January, 1892, the idea was conceived of organizing a Free Loan Society and \$95 was raised. A charter was applied for and granted by the Secretary of the State of New York. There were but few who believed in the Society, few who had any faith in its future, or any conception of the rapid and steady progress it would make, and the importance it

would in time attain. The first three years passed away without encouragement. The initial difficulties after that were overcome, the Society grew stronger and stronger. The support of the public became larger, contributions flowed into the treasury more fully and liberally and the directors put forth new effort to augment its income. At the end of five years the capital of the Society had grown fiftyfold from \$95 to \$5,365.

The five years' work showed that 3,289 people had been helped with loans to the extent of \$27,792, as follows:

In 1892, 227 loans, amounting to \$1,205  
In 1893, 605 loans, amounting to 4,779  
In 1894, 857 loans, amounting to 6,754  
In 1895, 774 loans, amounting to 7,016  
In 1896, 826 loans, amounting to 8,047

The capital originally was so small that the largest loan that could be granted was \$25, but soon after that it was increased to \$50, and later, as it is now, \$200.

We require on loans up to \$25 any well-established business man as an endorser. On loans from \$30 to \$50 an endorser who is rated, and on loans above \$50 to \$200, we require two such rated business men as endorsers.

After the application is accepted, it is sent to one of our investigators, who obtains the endorser's signature. We have over 100 investigators in all parts of New York. They are all members and reliable men who execute this responsible work without any remuneration. Our register shows that at least 80 per cent of our loans are paid out within forty-eight hours after the application is made, and about 15 per cent within a week, while only 5 per cent are delayed for more than a week, and only because the endorsers either change their mind or could not be found at home.

Our rules require all loans up to \$50 to be paid in ten weekly installments, beginning two weeks after the loan is made, making the time three months in all. Borrowers of sums of \$50 to \$100 are allowed four months; those above \$100, five months, within which to repay their loans. But few, if any, are denied to make payment in smaller installments or at greater intervals than the rules require, if they find it necessary to spread their repayment over a longer interval. Although we give these terms of three, four and five months, the average loan is repaid in ten weeks.

As guardians of the funds entrusted to the Society, it is the duty of its officers to see first that the capital shall always be safe and intact, and, secondly, that the loans made be returned within a reasonable time, so that fresh loans may be made to others equally as worthy.

We claim to be a strictly business institution, and our first concern is with our collection department. The system in our collection department is, briefly, as follows: If the borrower fails to make a payment within two weeks after it falls due, a notice is sent to him. Failing to respond, a notice is sent to his endorser. This is followed by a third and fourth at intervals of ten days. If these bring no result, then the case is given over to a special committee, a member of which calls on the endorser personally. Only after the caller reports to the committee his inability to collect, the Society resorts to the courts.

Usually from three to four months elapse from the first notice to the borrower to the service of a summons on the endorser. However, few borrowers and endorsers permit it to go so far, as may be seen from the following:

Out of 21,302 loans made in 1913, we have issued only 191 summonses—less than one out of every 100. In only sixty-three cases we took judgment; 128 settled before trial.

With a loanable capital at the end of 1912 amounting to a little over \$132,000, we loaned during 1913 \$632,410, showing that every dollar in our treasury is loaned about five times in the course of each year. The 21,302 loans were divided as follows:

51 Loans at \$ 5.....	\$ 255
4,804 Loans at 10.....	48,040
1,156 Loans at 15.....	17,340
945 Loans at 20.....	18,900
9,479 Loans at 25.....	236,975
224 Loans at 30.....	6,720
151 Loans at 35.....	5,285
100 Loans at 40.....	4,000
3,777 Loans at 50.....	168,850
1 Loan at 70.....	70
145 Loans at 75.....	10,875
550 Loans at 100.....	55,000
76 Loans at 150.....	11,400
242 Loans at 200.....	48,400
1 Loan at 300.....	300

Total, 21,302 Loans, amounting to \$632,410  
An average of \$30 a loan.

From the immigrant who needs a footing in this new world to the troubled merchant who has to be tided over some difficulty in meeting obligations, all can be relieved from embarrassment and humiliation, not in a spirit of pauperism, nor as objects of charity, but as man to man, with courteous treatment and genuine desire to keep alive self-reliance, self-respect and independence. Should we not rejoice? Is there any greater work than this? As we grow we continue to increase in usefulness. The noblest charity is to prevent a man from accepting charity; and the best alms are to show and enable a man to dispense with alms. And the end is not yet, nor will it be until the earth is girdled with similar organizations. No better method can be evolved to solve so practically the great problem of pauperism.

Only those who have been in temporary need can know what Free Loan really stands for. That so many people who have been assisted by a Free Loan Society afterward become members, speaks volumes and shows that gratitude is not yet one of the lost characteristics of an age largely given over to cold commercialism. Because they have been aided, aided in mind, purse and body they show a willingness to extend a helping hand to others who may find themselves in the financial straits from which they themselves have been rescued.

They desire to further this great and glorious work, and by becoming members of the Society, they lend their support to the aid of others, irrespective of race or creed, for, as you know, the Jewish Law compels us to help the needy of all creeds. The happiness this gives, both to donor and recipient can never be measured by an ordinary standard, for we know by helping those who have been caught in the quicksands of financial stress, to become not only bread-winners, but useful members of society, we have been factors in the uplifting of great cities and of the country at large. And, as one of the ancient Jewish sages expressed it: "The great advantage of *Gemilath Chasodim* (Free Loan) consists in this, among others, that whilst charity only applies to the poor, *Gemilath Chasodim* applies both to the poor and to the rich. It helps the one in need of assistance, but develops in him who assists a certain

beauty of character and acuteness of intellect surpassing all other social graces."

The Hon. Michael J. Drummond, former Commissioner of the Department of Charities of New York, states: "This is charity of the highest order. It enables people to become self-reliant and independent. It minimizes the possibility of them becoming dependent upon public or private charity. With the work you are doing, you are performing a great duty to the city. In the Department of Charities with which I am officially connected, we are dealing with dependents while you are helping people to become independent. The small losses you sustain speak well for the honesty and integrity of your people and are a great credit to your race."

The growth of the Free Loan Society fills me with joy. I sincerely hope it will fill you with joy, in past fulfillment and in renewed hope for the future. Many think that we are doing the best kind of charitable work, and if "an ounce of prevention is worth a pound of cure." I think we may say in all sincerity that we know we are doing the best work. We are engaged in the labor of love and we realize what this means, whenever an immigrant or a mechanic or merchant in dire need passes out over our threshold with hope in his heart and a few dollars in his pocket. Can you not feel the uplift of it? I know you can, for you know of many who do not want charity, but who do want a chance to make good. And this leads me to our future and the necessity of broadening our scope, enlarging our field—to the desire we all have to infuse a note of cheer and hope where melancholy and despair now reign.

As already stated, our New York success has shown the world that most people are honest and repay their loans. A chain which we fondly hope will encircle the globe already runs through many cities as far as San Francisco and Montreal, Canada.

The New York Free Loan Society has influenced the establishment of these similar institutions for communal work and they are as proud of the influence they have exerted as they are of the splendid perseverance that has always characterized our race.

When we turn over our money at our disposal several times in the course of twelve

months, it does not mean that the money decreases. Rather, it is the same, as the membership fees pay the running expenses and losses. The bequests and donations are not handled for five, for ten, for twenty-five years, only to be eaten up at the end of that period. They remain in perpetuity—which, the dictionary defines as something lasting forever, duration for an indefinite period. Think of it, my friends! It makes one proud and inspiring to belong to an association with a mission lasting forever.

I think I have said enough to show that the Free Loan Society is doing excellent work in the true Jewish spirit of brotherly kindness and sympathetic benevolence. I claim that it is deserving of all help and encouragement and if the means placed at its disposal were adequate to its needs, the extension of its scope of activities would do much to stamp out the tragedy of poverty in its worst and most distressing forms.

Last and most important of all, I wish to say that what has been done in New York can be accomplished with equal success in every city of the United States. With a capital of \$300 and a membership of ten persons, a Free Loan Society can be started along the same lines as the institution in New York.

If loans are repaid in ten weekly installments, and due care is taken that the endorsers are trustworthy, the capital of \$300 would be ample for loans amounting to \$1,500 per year. The loss would not average more than  $\frac{1}{2}$  per cent, and would be no more than \$7.50. Fifty loans could, therefore, be made at an average of \$30. Our average is about the same, and our loans range from \$5 to \$200.

A membership of ten persons at \$5 per annum would pay for the loss and add \$42.50 to its capital. The Society would naturally grow if properly managed. There is no limit to its extension and to its possibilities for doing the highest form of charity work, helping others to help themselves.

The following table shows the loans, both in number and amount, from 1892 to the present day, made by the Hebrew Free Loan Society of New York:

YEAR	LOANS	AMOUNT
1892.....	227.....	\$ 1,205
1893.....	605.....	4,779
1894.....	857.....	6,745
1895.....	774.....	7,016
1896.....	828.....	8,047
1897.....	2,662.....	38,113
1898.....	3,917.....	68,110
1899.....	5,354.....	101,800
1900.....	7,789.....	153,450
1901.....	10,883.....	230,646
1902.....	11,759.....	268,240
1903.....	13,143.....	320,740
1904.....	14,574.....	339,820
1905.....	15,226.....	364,480
1906.....	14,400.....	372,035
1907.....	15,797.....	445,355
1908.....	17,895.....	436,855
1909.....	18,625.....	471,625
1910.....	19,300.....	524,176
1911.....	19,949.....	560,025
1912.....	20,561.....	605,042
1913.....	21,302.....	632,410
	236,423	\$5,692,714

## Discussion

Julius Goldman  
New Orleans

The paper on Free Loans so ably presented by Mr. Dukas deals with the early history of the Free Loan Societies in the City of New York, and its success, following persistent and intelligent effort on the part of the few workers who believed in Free Loans.

The large number of persons benefited during the year 1913 and the many volunteers who aided in the successful management of this Society demonstrate that the men who direct its affairs are not only helping those in need, but are also training workers in the field of social service who will become useful in the cause of constructive philanthropy. Business men, philanthropists and social workers all agree that some financial arrangement should be effected by which working men, professional men and small dealers who have no bank credit can secure funds for immediate needs without becoming the prey of crafty money lenders and loan sharks. How shall such an organization or activity be organ-

ized and directed? We have before us the history of a free loan society in a city of 5,000,000 people. This Society lends money free to all who apply, provided they comply with the rules, which deal mainly with the question of furnishing suitable and acceptable surety on the notes given to the Society. It is to be regretted that Mr. Dukas confined himself merely to a history of the Society of which he is president, and did not gather information dealing with the activities of Loan Societies throughout the United States. The number of Loan Societies, the extent of their activities, the method of their operation, and the results secured under various conditions would, no doubt, prove of much value to those interested in this subject.

While I agree with the idea that unnecessary questions to applicants should be eliminated, I believe the Society should know for what purposes the money is borrowed, even if it confined itself only to ascertaining how much of the money is borrowed for business purposes, how much for professional uses and the amount borrowed for family needs. It would also be interesting to know how many of the 21,302 who borrowed money in the year 1913 borrowed it for the first time, how many borrowed more than once during that period, and the number of loans refused, with the reasons for refusal.

If it is true that the purpose of loan organization is to do constructive and preventive work, and that the applicant is made to feel it is not charity he receives but rather a friendly loan on a business basis which he must return, or subject himself and the endorser to a court of law, then why grant the loan free? Why not impose a small interest charge in an amount sufficient to cover the administrative expense, and the small percentage of losses? The charge need not be sufficient even to cover these two items, since the records show that bequests, etc., are sufficient to do this and take care of the growth of the Society. I believe the charge might be made so small that the amount paid would have no effect upon the financial value of the loan. That the applicant would be benefited morally is beyond question.

Reasons may be presented why the small loans made presumably for family needs

should be granted free, but on the other hand, the short terms of the notes under \$50, the large weekly payments, the fact that loans under \$25 must have the endorsement of a well-established business man, and those of \$30 to \$50 the endorsement of those rated in a commercial agency, and that all must have the approval of the volunteer loan committee, proves conclusively that even the small loans are made on a strict business basis, and, therefore, I think some charge should be made.

This is particularly appropriate, owing to the fact that the Society is not interested to know how badly the applicant needs the money or what he means to do with it. It is enough that he applies for the loan and furnishes satisfactory endorsement. Why loans from \$50 to \$200 should be made without interest charge I do not understand. The fact that the borrower is placed in a position where he can get money easily and repay it in weekly payments is in itself a great help. Why place the self-respecting man in a position where he receives something for nothing. He would much rather pay a small interest charge, and not feel under obligations to anyone. Being connected with the Provident Aid and Loan Society of New Orleans as a volunteer worker, I am very much interested in loan activity, and I submit to the communities about to organize Loan Societies the suggestion that they consider the idea of a small interest charge as against that of Free Loans.

OSCAR LEONARD, St. Louis: I am glad the question of charging interest has been touched upon. May I say a word about the experience of the Jewish Loan Association of my city? Shortly after taking charge of the work in St. Louis, we began to realize the need of an institution of this kind. We felt that many persons would be enabled through such an organization to secure loans which would act as a sort of preventive philanthropy. The only organization making small loans to Jewish people in our city was at the time—in 1912—the *Gemiles Chesed*. This organization has an upper limit of \$15. A person cannot do much with so small a loan. We then decided to organize an association for the purpose of loaning larger sums.

One of the first questions discussed was that of interest charges. Some of the organizers wished to make a Free Loan Society. Others thought a small interest charge would be desirable. The speaker, acting as manager for the Association, argued in favor of charging interest. While the amount charged is small, it gives the transaction a business aspect. I argued at the time that the Association must be a philanthropic organization from the point of view of the members. It must be a business proposition to the borrower.

Shortly after we began to do business, some folks really said that the organization was making money. This we regarded as a compliment. We wanted folks to believe that it was a business proposition and not a charity. We like for our borrowers to believe that we are engaged in a banking business and that they are regarded as persons who come to borrow from a sort of Jewish bank.

We charge 6 per cent interest for the time the money is actually used. Thus a loan of \$100 to be paid back in twenty weeks brings \$1.22 interest. No commission or other charges of any kind are asked.

A DELEGATE: That is not 6 per cent.

MR. LEONARD: Yes, it is. Remember the borrower pays back in weekly installments, so that he really has the use of the money for ten weeks. This is why the interest charge is cut in half. We feel that it is worth \$1.22 of any borrower who has the use of \$100 to preserve his self-respect. I know the many arguments adduced by those who object to interest charges in this sort of organization. But we feel that the practical good accomplished through our method is more important than mere theories. We hope our borrowers will some day do real banking and we wish them to learn that the use of money must be paid for. Furthermore, the charging of interest is in line with modern methods of social work. Our settlements not many years ago refused to charge for any services rendered. Today some settlements hardly render service without asking some return so as to teach their clientele the idea of paying for things as they go along. In other words, we are beginning to realize that the best charity is the charity which covers up its tracks and makes believe that

it is not a charity at all. In this way self-respect is taught.

JOSEPH SCHONTHAL, Columbus, Ohio: Speaking of receiving interest, I believe it is a wrong idea of a free loan. We have in Columbus a little organization established about two years ago. Last year we made about 106 loans and loaned \$4,000. We did not lose one cent, and out of the 106 loans made there was only one endorser who had to pay part of the loan, and that was on account of the sickness of the borrower. Now, if you loan a man \$50, in 99 cases out of 100 he will be very grateful, and when he comes back to make his last payment he is very apt to say frankly that he is grateful. Time and time again borrowers will come back and give a donation of \$1, \$2 or \$5 because they want to help someone else as they have been helped. In our experience it has worked very well. We have had quite a few donations from earlier borrowers.

In regard to investigating the borrowers, I think it is a very essential proposition. A man may come in and want to borrow \$25 or \$50 to go on a pleasure trip. We do not need to investigate. The main object of this free loan is really to help people who have never been charity charges, such as wage earners, peddlers or small dealers, who, through some misfortune, have got down. A man like this might be cheered up by such a loan, but if any philanthropic organization came and offered him charity he would say he would rather die than accept it. If you say you are going to loan him \$50 which he can pay back when he gets work, he will brace up and feel we have done something for him to gain his standing in society, and that is the object in Free Loans. I agree with our friend from New York City in a Free Loan without interest. The interest can be got back in the way he said where a good many of the borrowers are contributors.

Speaking of getting contributions for membership, we are now organizing in Columbus for the city at large and are going to ask a membership fee of \$3 per year.

MISS LOW: We do not quite understand just how that capital of \$132,000 was got.

MR. DUKAS: During twenty-two years' saving and donations and interest and accumulations of membership. As I showed

you in the report, if you have only \$300 and ten members, you save \$42 on the money and can keep on increasing the capital.

Miss Low: Does the public contribute toward that capital?

MR. DUKAS: Yes, we have 6,000 members, and every dollar we have received as donations we have today.

Miss Low: So long as the public contributes that money it is only right that the organization know to whom the money goes and for what purpose. In Chicago everything is thoroughly investigated and we find that this is quite necessary. We find property-owners will send tenants for loans when they want some ready cash, will send their poor tenants to make application, and it requires a good deal of looking into to get at the bottom of these things. We find large weddings planned for and pleasure trips wanted, outings and amusements, and people making application for loans for what might be known as luxuries, and it does not seem fair toward the contributors to allow their money to be used for these purposes, and so we feel it is necessary to investigate the borrower and often the guarantor. Otherwise, we feel that more than 50 per cent of our money would go for unnecessary purposes. We have not charged any interest so far. Most of the loans are from \$25 to \$50. I believe the question of interest is one that is very open for discussion. In my heart, I believe a small interest should be charged, and I think the time will come when we shall do it in Chicago.

GARFIELD A. BERLINSKY, Denver: Now that co-operation between societies in various communities has come to a point where all organizations doing social work are endeavoring to federate, the question arises as to the position of the Free Loan Societies toward the other philanthropies in the community. In our community the orthodox people had, prior to federation, a Free Loan Society, and had been quietly and unostentatiously conducting a very fine work. But it was found after federation that a number of persons who had at times been recipients of loans were at other times recipients of charity, and on the refusal of a relief society to grant application for assistance recourse was had to the Loan So-

ciety, and a study of this question showed that these were the cases that produced hardship for the endorers. Later on, when the Federation of Charities was formed, the Free Loan Society came into it, operating a Free Loan department. The Federation is not called Federation of Charities, but the Jewish Social Service Federation. Now, then, it was found in our applications in the loan department that where the applications were not considered to be strictly business propositions the cases were, through the co-operative arrangement, referred to the relief society, and in this way we were able to get hold of cases to be dealt with by the relief agency long prior to the time when applications would be made by the people themselves, and so the relief department can do better preventive work than it could otherwise do. Similarly we have found, through this co-operative arrangement, that a number of people who for many years had been recipients of relief in sums ranging from, say, \$7 to \$15 or \$18 a month, on receiving loans of \$20 to \$50 in one lump sum are able to get off the charity list. Our cases are carefully studied by the Relief Department and Loan Committee to ascertain what the possibilities or prospects are for taking persons generally, or for long periods, receiving relief, and placing them in a position of self-support. It is an example of the possibilities that open up through co-operative work between various agencies in a community.

DR. POOL: I wish to throw out one general suggestion on this subject. I can see no real contradiction between Mr. Goldman's contention that interest should be charged and Mr. Dukas' that there should be none. Mr. Goldman is thinking of provident, and Mr. Dukas of free loan, societies. Mr. Dukas is correct: where there is no element of philanthropic relief in the granting of the loan, I believe it should be possible to leave the question of demanding interest entirely to the committee which is granting the loan.

Jewish teaching allows one to take interest from a fellow-Jew if the capital is loaned for a business venture, but on no account if it is a loan in the nature of relief or general help. So if a man comes before you and needs a loan in the nature of capital for business, you may charge a

small interest, but if he needs a loan for domestic purposes you may on no account charge interest. So speaks Jewish Law, and so I believe will you find an easy way out of the difficulty, allowing interest when doing a banking business and prohibiting it if the loan has the slightest tinge of philanthropic aid.

MR. DUKAS: Dr. Pool has just said what I wanted to say, that we cannot afford to charge interest to our brethren on the loans we make, even though the rate would be very low, as that would detract from our name, the Free Loan Society, the best and noblest name an organization can have, which lends money, irrespective of creed, to be paid back in small installments. If we were to charge interest, the public would not support us as liberally as it now does; we should be told that since we charge interest and require endorers on loans, the same as a bank, we do not need subscribers; since we do not charge interest, we have a membership of 6,000, with an income of more than \$30,000, where 6 per cent interest would only yield us \$6,000, and the public would probably not care to support such an organization. Our Society is thus strengthened day by day by its policy, and the longer we are in operation the more people can we help. Should we charge interest, such as is done by the Morris plan, and had no subscribers, we should have to make a charge of 20 per cent in order to keep up office expenses. As it is, we charge nothing, the organization is well thought of, and many previous borrowers are now contributors, helping others as they have been helped.

I have also with me a paper which shows that an institution such as ours can be started anywhere, with a capital the one-thousandth part of ours, and can make forty-one loans from \$5 to \$200, amounting to \$6,320.

The former speaker said that we get well-rated people for endorers, but the real fact is that 90 per cent of our endorers have no rating at all. Our loans are almost all in amounts of \$25 and less, and in making investigations we never ask the borrower for what purpose the loan is made; this we leave to the endorser, for, after all, he is the most interested party.

LOUIS H. LEVIN, Baltimore: Are your loans made altogether to Jewish people?

MR. DUKAS: About 15 per cent are not Jewish.

SOLOMON BAROWAY, Baltimore: I wish to ask Mr. Dukas whether they ever have applicants for loans without endorers? The question has been discussed here about Free Loans, but these loans are all endorsed, and it is no wonder that the Free Loan Association does not lose money when your endorers are all right. What are you doing with applicants who are unable to secure endorers? Do you refer them to the charities? People who go to the Free Loan Associations generally do not wish to accept charity.

MR. DUKAS: When a person cannot give security we cannot lend the money. You cannot do everything. Our money is only given to us to be loaned out "in perpetuity." Money has been given for loans without security, but little of that comes back. Our money always comes back.

LOUIS VOLMER, New Orleans: Do you accept the endorser's word as sufficient guarantee and take it there is no further need for investigation? Is the endorsing of the paper sufficient?

MR. DUKAS: We investigate the endorser.

DR. C. D. SPIVAK, Denver: Before the meeting closes, may I have the privilege of the floor to say a few words on the first topic discussed this morning?

If I had been in a prayerful mood I would have offered up a prayer this morning, because it is the first time in my life I have heard that there is a remnant of Israel that has no *schnorrers* in its midst. I think it was worth while coming here, a thousand miles, to know that the Levantine immigration is an entirely different one from the Russian immigration. I say it in all seriousness, in all humility, being myself a Russian, that I would prefer to have come to this country without lawyers and without teachers and without professors and not to have had this stigma of *schnorrers* cling to us. After having heard Dr. Pool's splendid paper, my only conclusion is to sound the warning: Keep your hands off; do not make any plans for these Levan-

tine Jews; they are making the plans for themselves. Much of the *schmorrerism* among Russian Jews is due to interference. Here come Jews to the United States that do not want any money, that do not want you to interfere with their religious services. They do not want anything except your sympathy. Do not make the mistake of planning for them anything at all.

Mr. Hexter, and the man who will go into history as the one who has made the first survey of the Levantine Jews, proves that a man may make a good survey, may see the question, but absolutely fail to give a solution to it. His remedy is worse than the disease. It is bad for the American Jews to take up supervision where supervision is not wanted, and it would be worse to bring in a foreign body, the Alliance Israélite, to do something which is not necessary.

I am happy to know that there are Jews who do not want to be pauperized.

#### FORMAL OPENING SESSION

WEDNESDAY EVENING, MAY 6, 8 O'CLOCK

The meeting was called to order by the Chairman, Mr. D. Sternberg, of Memphis.

THE CHAIRMAN: It has devolved upon me as Chairman of the Local Executive Committee to act as temporary chairman of this meeting. It is of frequent occurrence that temporary chairmen imagine that they have been gifted by a Divine Providence to deliver very lengthy addresses. I wish to assure you right away that I have not been so inspired. I will, on the contrary, be exceedingly brief.

Memphis is proud to be the host of such a distinguished gathering. The distribution and dissemination of funds for charity so as to acquire the best possible results is one of the most potential problems of today. The interchange of ideas among intelligent men and women, experienced in this line of endeavor, is bound to be productive of splendid results.

The communities in the South have not been laggards in their efforts to solve charitable and sociological problems, and I feel sure that the results of this meeting will prove a further incentive to progress in that line of endeavor.

We extend to you the glad and welcome hand, and before your deliberations have been completed, we hope to prove to you that the reputation of our Sunny Southland for hospitality is not a myth. We bid you a most cordial welcome.

The proceedings of this evening's meeting will be opened by prayer by Rev. Dr. Max Samfield.

#### OPENING PRAYER.

REV. DR. MAX SAMFIELD, Memphis: O Lord, Thou who art the source of life and of love, Thou hast touched the very chords of our hearts by Thy divine grace, and hast aroused the emotions of men and women gathered here in order to fulfil the promises that are given by God that we should help our brothers, and more especially the suffering humanity around us, fulfilling the behest "Thou shalt love thy neighbor as thyself."

We pray to Thee in this hour to endow us also with wisdom that we may study and fathom the relations of cause and effect, that in our association that has set such a difficult task before it we may find out what the root of the evil is, and thereby may be ever helpful to those who are dependent and defective. May we, O God, ever strive to be helpful in our methods of charity, and do Thou in each hour of our life strengthen us in that sacred work.

Mayest Thou, O God, in the deliberations of our Conference, bless all the noble men and women who have banded together in a bond of mercy to lift up the fallen and to bring relief to those that are destitute, so that Thy name may thereby be honored and Israel be ever ready to serve the cause of humanity.

Thus, O God, we will ever be true and faithful in the performance of our duties, and we invoke Thy blessing. May the beauty of the Lord be upon us, and may the work of our hands be established for ever and aye. Amen.

#### ADDRESS OF WELCOME OF BEHALF OF THE FEDERATION OF JEWISH CHARITIES

PRESIDENT LEON STERNBERGER: Our Jewish community has had the privilege of entertaining various conventions in the past, from which we derived much pleasure, but I do not recall any of these gatherings that had the same benefits and information to

offer us as we expect to receive from the National Conference of Jewish Charities, which formally opens its sessions with us this evening. Moreover, we should feel extremely grateful for having our city selected for this Conference, as it will be the means of giving our community a splendid opportunity for hearing learned discussions bearing directly upon problems with which we are daily confronted. There is a passage from the Bible, which no doubt you have frequently heard quoted. The passage I refer to is: "For the poor shall never cease out of the land." This prophecy, if it may be so termed, has made a most profound impression upon me, from the fact that the verification of it is that the whole world has always had its poor, its indigent and afflicted souls to provide for, there has not been a community, no matter how small or insignificant, immune from problems affecting the welfare of its unfortunate ones, and it is natural to infer that our community has not been exempt; hence, this Conference should mean a great deal to us from a philanthropic point of view, inasmuch as the work we are doing here under the auspices of our Federation of Jewish Charities, is in its infancy, and while conditions do not obtain here that prevail in other centers, where the wage-earner must depend largely upon manufacturing industries for a livelihood, and where strikes, fluctuating wages and other vicissitudes which industrial enterprises are subject to results in much distress amongst the masses, we are, therefore, particularly fortunate in having but little abject poverty to contend with among our co-religionists, and until conditions change our work must necessarily be along educational and ethical lines, for this reason, primarily, we welcome this Conference on behalf of our Federation of Jewish Charities, anticipating that we may learn much from its proceedings that will aid us greatly in the conduct of the work we have inaugurated. We further extend the delegates to this Conference hearty and most gracious welcome, for it is the very nature of people residing in the South to extend the hand of good-fellowship to the stranger who comes within their gates, and while you come to us as strangers, let us sincerely hope, when your work

is completed and your visit is over, that we will part as loyal friends.

And lastly, we welcome this Conference with much felicity, hoping there will emanate from its deliberations some grand scheme for the untold good and betterment of the whole human race, which will not only redound to the everlasting glory of the delegates to this convention, but will at the same time reflect great credit on our beloved people in every land.

#### ADDRESS OF WELCOME OF BEHALF OF THE CITY OF MEMPHIS

MR. BOLTON SMITH: I feel greatly honored in being called upon by the Local Committees to deliver the address of welcome to such a body as this, for of all the organizations which a city may be called upon to welcome, none should be received with greater honor than this one which represents many of our most effective charitable agencies and includes in its membership the men and women to whose capacity and devotion the success of those agencies is due. I do so welcome you and express the hope that your visit to Memphis will be pleasant and your deliberations helpful—and having done this, I ask your permission to go a little further and deal with some of the aspects of your work as viewed by one not engaged in it.

The learning of the schools is good and the practice of the professions makes the mind more acute, but wisdom comes rather to the men and women whose acquaintance with life is intimate and at first-hand. We are in the presence of a phenomenon unparalleled in history—of men and women of wide learning and genuine culture, who, instead of withdrawing themselves from the hurly-burly of life, as culture and learning have done in the past, penetrate the very heart of the roughest conflict and there set up the tabernacle of an ordered life and influence. The qualities of conviction and devotion to humanity, which out of a frail girl, had she remained in Russia, might have made a Nihilist and if need be a martyr—may, under the more genial influences of American life and freedom, yield us a settlement worker or publicist whose sane and constructive enthusiasm will prove a powerful factor in mold-

ing the millions from Europe into the very pillars of our State.

This Government is rapidly becoming a pure democracy—from top to bottom—and many of our most enlightened citizens see great danger ahead and so should I if the demagogue, the place-hunter and the fanatic are to continue to lead the men we call the laboring class: but I look for a change and believe this democracy will be led, in ever-increasing degree, by the type of men and women to whom I am now speaking—to whom the raising of the masses is a passion, it is true—but a passion chastened by knowledge and harnessed to the service of man, and not, torrent-like, sweeping him back to the darkness and oppression from which he is only now beginning to escape. I feel that the anti-Tammany vote on the East Side in the last New York municipal election shows the effect of this new influence. I pray God it may grow. And why should it not grow? Does not influence take its rise in confidence and in whom shall the masses place their confidence if not in those who, before the eyes of all, have ever lived the helpful and the devoted life—men and women, the singleness of whose motives cannot be questioned and about whom cluster no suspicions which must be lived down? I am convinced these men and women when conscious of their power and of the vital need for its wider exercise will rip the very heart out of all such anti-social movements as the Industrial Workers of the World, because their brotherhood will be recognized more genuine, their devotion more absolute and their methods more helpful.

Everywhere political power tends to become lodged in the class which in the public mind is most closely associated with that function of the State deemed most vital to the public good. In the middle ages it was lodged with the nobles, who by organizing and leading the toiler, protected him from the roving bands which over-ran the land. The noble served the people and made agriculture and industry possible. Coming to our own time, we find in Switzerland, where education is believed to be the most important function of the State, teachers are recognized as having the widest political influence of any class. In Germany the professor forms a sort of fourth estate,

the influence of which is growing with the growth of democracy.

In the United States our political life has revolved around questions of Federal and State rights and the political issues resulting from conflicting theories of government and we have, therefore, looked to our lawyers for political leadership. But we are coming to realize that while we have been discussing questions dealing with the forms of government, we have neglected matters vital to civilization itself and we now find problems pressing upon us, the right treatment of which is simply impossible without that spirit of moral and intellectual integrity and that wide knowledge of conditions possessed by none of our people in such ample degree as by the educated social worker. Our legislators are already turning to you and other experts for advice and I believe that within a generation much of our legislative and executive power will actually be in the hands of social workers, teachers and other sociological experts.

And, indeed, it is high time that this new influence should assert itself, for the anti-social forces appear dominant among our present leaders of labor. Our corporations are being forced to bow to the majesty of the law and there are not a few evidences that the heads of big business are doing this more and more willingly and from a growing recognition of civic obligation. But except for a few men like Mitchell, we look in vain for this spirit among our leaders of labor. The wrecking of the *Times* Building in Los Angeles and other dynamite outrages made plain the profoundly anti-social attitude of these people—who, in the case I have in mind, represented a trade in which wages were high—an aristocracy of labor, as it were—and who engineered these outrages simply to make their labor trust more powerful.

A less important, though most significant instance of this attitude is shown by the treatment which the younger Mr. Rockefeller is receiving in New York City at the present time. Here is a man who has not only given his money, but himself, to the social uplift. That he is a man of sincere consecration of spirit, his every act for years has shown. Even his attitude with reference to the Colorado miners shows this. You may not agree with him, but

no fair-minded person can deny that this attitude shows courage and conviction. The money involved cannot be an important matter to him. Here we have a man who, instead of living the gilded and useless life of many of his class, prefers to work for the public good, and yet he is hounded in the commercial metropolis of the nation as if he were a public enemy.

It is fundamental to the soundness of a democracy that an injury to one must be the concern of all—not for the sake of the one, but rather because acts form character—national character as well as individual character, and a high national character is, in the last analysis, the only really effective protection any of us have from oppression and intolerance in their myriad forms.

I presume that during your sessions reference will be made to the restriction of immigration and its more uniform distribution throughout the United States. In considering restriction I think it right we should bear in mind the motives which bring the immigrant to this country. With many races we know that motive to be almost wholly economic. The Italian, the Austrian and the Greek, for example, are not badly treated at home. Coming to America is purely a business venture with them. That this is true is proven by the fact that after making money here many return to spend their declining years in their native land. I find no fault with this, but it does prove the truth of what I have said. Now I feel very strongly that if immigration is to be further restricted—which I hope will not be done—these are the people who should be kept out, rather than that class which fly to us as to a city of refuge—and to whom the economic motive is distinctly secondary. We cannot close our doors to people driven to us by religious and racial persecution and by the fear of murder, without sinning against the very ark of our covenant and risking the loss of that spirit of "mission" which has been as a light unto our feet. Thus would I declare to the world that the Jew is welcome here. Would not this constitute a more impressive reply to Russian intolerance and brutality than the cancellation of many treaties? The one arouses antagonism—this will arouse thought and promote

understanding. In this interest let me urge upon you the vital importance of an extraordinary effort being made at once to place your people on the soil as the best means of meeting the criticism which will arise should we ask that they be excepted from any future exclusion bill.

I know that you have not entirely neglected this work and I am told that there are now many thousand Jewish farmers in America, but since those experiments were started there has been great progress in scientific agriculture and in our understanding of the conditions which must surround country life if it is to attract and to hold the modern man. So important is this question regarded by enlightened educators that the General Education Board has given \$300,000 to endow the Seaman A. Knapp School of Country Life now about to be established as part of the George Peabody College for Teachers at Nashville. This school is to study this question and train a body of workers qualified to handle it.

Under conditions which lead so many Americans to leave the farm on which they were born and reared, you cannot hope to make of the immigrant a successful farmer by the simple process of offering him land or even of putting him on land. You must bring all of the forces of modern science to your aid. You must choose rich land and work out beforehand a system of agriculture suitable to that land and find or establish means of profitably marketing what is raised on it. You must have the advice of the most enlightened architects in the proper planning of the dwellings which must be screened and provided with sleeping porches. There must be a social center, a lecture hall, an experiment farm, a library, a school and a synagogue, each in charge of a person specially adapted to the work, speaking the language of the immigrant, as well as English, and thoroughly familiar with American ideas and methods. Without these influences, I do not believe any large success to be possible no matter how careful your selection is made. With them I believe you will hold your farmers, make a distinct contribution to practical sociology and point so plain a road back to the land that others will follow in your footsteps. President Eliot



has declared the future of our race to be involved in this question of the return to the soil. It is not merely a matter of increased production of food, but rather one of health, of the habit of manual labor in contact with God's world of soil and growth, and of perpetuation of sane ideals of life and toil.

I hope that those of you who have authority in such matters will not return home without making a personal investigation of the southern portion of Louisiana, which I believe to be the most suitable region for such an experiment. Lands as rich as those of the Nile Valley can now be purchased there for less than half what they sold for a year ago—less than one-fourth the price asked for similar lands in Illinois. As good land as there is on the globe can be bought in Louisiana at \$30 and \$40 an acre. But better than the low price of land is the fact that the general depression in the State can be counted on to cause the people to welcome immigration with a sincerity not always found in our American communities.

The depression in Louisiana results from the law providing for the immediate reduction and ultimate repeal of the duty on sugar, and is of such a character that it cannot entirely pass away for years, *i. e.*, until the agriculture of the State has undergone a complete revolution. Therefore, if the experiment succeeds, it could be greatly extended under as favorable local conditions as those now presented. That the region is a healthy one for the white agricultural laborer is proven by the Acadians, the people whose tragic story is told by Longfellow in his poem "Evangeline." Banished from Canada, a handful, after incredible hardships, found their way to Louisiana and now they probably form a majority of the rural white population of that State.

The climate is one of abundant rainfall, where almost every crop and type of farming known to the temperate and semi-tropical zones thrive. Corn, oats, hay, garden truck, oranges, grapefruit, figs, beef and dairy cattle do well. Last, though not least, there are no factories at hand to tempt the immigrant and his children from the farm.

New Orleans is connected with Bremen by a regular line of emigrant steamers, having fixed sailings, and every arrangement

is being made for the care of immigrants. There are difficulties, of course, but none which could not be met by intelligent organization, provided it was animated by a desire to help the immigrant and not to make money.

An absolutely unselfish attitude is vital to the success of any plan for putting the immigrant on the land. No concern organized for profit can do the work. Americans have in the last ten years lost many millions of dollars in the effort to find homes on the land because of lack of proper advice, and you cannot expect the foreigner to get to the land or remain there unless you plan for him, think for him and guard him until he takes root. You must take a leaf out of the book of "big business" and plan this enterprise in as statesmanlike a manner as the Steel Trust planned the town of Gary, Indiana. I believe you have here a unique opportunity to make a distinct and invaluable contribution to American sociological experience and methods and I pray you to give the matter careful consideration.

And now, one more word, and I am done. The difficulties this republic faces are, indeed, tremendous and there is no easy way out, but let us ever cherish the conviction that to us has been committed a sacred trust and that if we are true to that trust we will be led aright by the Power which laid the foundation of the earth and guides the stars in their courses—and in Whose image we—even we—are made. No wise person has ever declared that freedom always brought peace and the quiet life. Over the portal of one of the buildings at the Chicago Exhibition were these words of Lowell's:

"But braver they who first off cast  
The trammels of the habitable past  
And chartless, ventured on the sea  
Of storm-engendering liberty."

And the storms have come, but we have ridden them and in safety made port after port, and all about us we may still see the Guiding Hand, if we do but open our eyes.  
"Earth's crammed with Heaven

And every common bush aflame with  
God,

But only he who sees takes off his shoes."  
Let us take heart of hope and remember that "With God all things are possible."

And we shall not be without our reward—for our sons and our daughters shall grow fair and tall and shall walk in the ways of the righteous, for they will know that their fathers have dwelt in the tabernacle of the Lord and have kept his holy ordinances.

### Jacob Riis and David Blaustein

Among the many fine tributes paid to Jacob Riis that of Graham Taylor's in the *Chicago Daily News* is of especial interest to us, because in that editorial Graham Taylor compares Riis to another eminent philanthropist who has during the past year been taken from this world—David Blaustein.

These two have many points in common. Both immigrated to America at an early age in search of liberty and a larger life. Both brought with them much energy and enthusiasm, but little material wealth. Both had to contend with poverty, but both rose above the struggle for mere existence and made it their object to relieve the burdens of others.

Jacob Riis, beginning in the sufficiently commonplace position of police reporter, broadened his outlook, probed deep into the causes of crime and poverty, and strove conscientiously to overcome them, until by means of his stirring and inspiring books and speeches he became one of the most important forces for housing reform, for the instituting of playgrounds and for the wiping out of invidious tenements and Mulberry Bends.

In equally heroic manner did David Blaustein help his people. After great efforts he attained an education at Harvard, became a rabbi, and came to New York to be at the port of entry. There he developed the splendid work of the Jewish Educational Alliance.

But the most striking thing about both of these men is that they were immigrants who, in the full sense of the term, became Americans. They were a connecting link between their countries and ours, representing what was best in both, interpreting each of the other, and binding them together with closer bonds of sympathy. Both men of keen intellect, impressive personality, and lofty ideals, they not only were

representatives of the highest type of immigrants, but were citizens of inestimable value.

For Jacob Riis and David Blaustein, two of our greatest immigrant patriots, we have felt the deepest love and respect; over our loss of them we feel inexpressible grief.

Corrine Burgunder

### Federation of Roumanian Jews

On Saturday evening, June 27th, the above-named Federation opened its seventh annual convention in the auditorium of the Hebrew Technical School for Girls, on the corner of Fifteenth Street and Second Avenue, in the city of New York, which continued through the following day, Sunday, June 28th, when adjournment was taken.

Two hundred and fifty delegates, representing fifty organizations, affiliated with the Federation, took an active interest in the procedure, while hundreds of men and women visitors interested in the progress of the Federation were also present.

The following resolutions are the most important of the set adopted:

1. Full power to be vested in the Board of Directors to select as quick as possible suitable property for the purpose of establishing a needy home for convalescents.
2. That a committee of fifteen to be known as the "Committee of Fifteen," be appointed as a permanent relief committee, whose duties shall be to raise funds and to employ all necessary means to alleviate pecuniary conditions of the needy Roumanian Jews in emergency cases; and
3. That the Federation give its support to the Zionist movement both morally and financially.

The Board of Directors is already hard at work in trying to select a property for the convalescent home and it is hoped that one will be found and a home established within a very short time.

The following are the new elected officers: President, Dr. Julius Weiss; first vice-president, Hon. Solomon Suffrin; second vice-president, Morris D. Reiss; third vice-president, Mrs. Betty Weiss; corresponding secretary, Solomon Diamant; financial secretary, Harry Berkowitz; treasurer, Dr. Philip L. Bereano.

Solomon Diamant