

Chapter XXII

TRAINING MEN FOR BUSINESS

IN THE fall of 1908, I was building a garage in the rear of my home at 31 Abbott Road, Wellesley Hills, Massachusetts. The contract had been let to Mr. Charles A. Norwood, of Gloucester, Massachusetts. Among the carpenters whom he brought from Gloucester was a bright young man named Sidney A. Linnekin. This chap made an impression on me because, when I wanted to have some carpentering done on the house on a certain Saturday afternoon when I was at leisure, he was the only carpenter who would remain at work. His doing so not only won for him a warm spot in my heart, but gave us a chance to talk and get acquainted.

LINNEKIN AND LONDON

Gus Linnekin after graduating from the Gloucester High School wanted an opportunity to study economics and especially train to be a bond salesman. His ancestors had all been seafaring men. His father was then captain of the steamer *City of Gloucester*, which plied between Boston and Gloucester through fair weather and foul. I was so impressed with Gus Linnekin's desire to study that I finally decided to start a Correspondence Course on bond-selling. Therefore, while he was at work on the garage I spent my time preparing lessons for such a course. Finally, when the garage was completed, Gus retired from carpentry. He studied my courses in the evening and sold them by mail in the daytime. As a result, we developed the first courses on bond salesmanship ever offered in this country. We later took over the poster and pay-envelope work which I had developed at Washington and which Senator Smoot threw out the window at the close of the war. Correspondence courses on economics, finance, and distribution were added. Mr. Linnekin finally became sales manager of this department of business education which was to grow to very large proportions.

When I went to college—that is, the Massachusetts Institute of Technology—no endowed school of business administration existed anywhere in the United States. Later, the Tuck School at Hanover, New Hampshire, and the Harvard Graduate School of Business Administration at Cambridge, Massachusetts, and the Wharton School in Philadelphia, Pennsylvania, were organized. Gradually,

state universities, led by Northwestern University, at Chicago, opened such schools. These latter were four-year courses. The only undergraduate endowed business school in the world that existed when the Babson Institute was founded was the London School of Economics, at London, England. I attended lectures at this institution when I was in England studying the writings of Sir Isaac Newton in connection with the Law of Action and Reaction, and the laws of gravity. My Gloucester carpenter and this London institution planted a seed in my mind which lay dormant until an event happened which I must now relate.

"KICKED UPSTAIRS" IN 1919

For some years after my severe illness in 1901-02, when I was stricken with tuberculosis, I took excellent care of my health. With a sensible diet, lots of fresh air, and plenty of rest I became stronger every year, until I went to Washington at the time of the World War I. The pressure of work in Washington, combined with too great ambition to make a success, made me careless about my daily routine. I again overdrew on the reserves which I had stored up during those preceding fifteen years. In the fall of 1918 I came back to Wellesley to take charge of our Annual Clients' Conference. These conferences had already become quite a feature, and were attended by clients and friends from all over the country. They then lasted for one strenuous week. At the end of the closing session of this 1918 Conference, I went to bed sick. I soon became worse instead of better, and the physician diagnosed the case as acute appendicitis.

I was immediately taken by ambulance to the Massachusetts General Hospital and was operated on by Dr. Hugh Williams. When I came out of the ether, a nurse for whom my brother-in-law, a distinguished surgeon, had asked, was sitting by my side. She was my nurse for the three weeks that I was in the hospital, during which time we discussed nearly every question. When I was ready for discharge from the hospital, which was on October 1, 1918, the "flu" was raging throughout the country. People were dying right and left. Mrs. Babson thereupon urged this young woman to come to Wellesley and take care of me in a camp house on our estate to prevent my getting infected with the "flu." I, however, did not long have her services exclusively, because over thirty of my own employes soon fell sick and could get neither doctors nor nurses to take care of them. Within three weeks she became the beloved nurse of all. As a result, she remained with us and organized a First-Aid Department in our compiling plant at Wellesley Hills. In connection with this work she inaugurated all our welfare activities. She later became employment manager and finally became purchasing agent and treasurer. Her name is Nona M. Dougherty.

FOUNDING THE INSTITUTE

Up to this second illness I had thought only of business. I had gone more or less on the principle which most business men assume—that I was going to live forever. It never occurred to me that I would die some day and leave all my earthly possessions to others. As this new thought took root in my mind, it was watered and cultivated, with the aid of Mrs. Babson, by this young lady. They both saw that for once in my life I was in a humble mood and would listen to reason. When I asked what I could do to nail down my life-work, the founding of a school for training young men for business was suggested. If Mrs. Babson and I had had a large family of children, we probably would not have founded an educational institution; but with only one child, we decided to do something for young people in general.

As soon as my health came back, it was necessary for me to return to Washington; but when my work at Washington was completed in 1919, I immediately concentrated on founding the Babson Institute. The Institute opened on September 3, 1919, in our old home at 31 Abbott Road, Wellesley Hills, Massachusetts. This happened to be vacant, as we had just completed our new home at 67 Wellesley Avenue. I take pleasure in quoting from the first page of the first catalogue ever issued by this institution. Any mistakes that the institution has made have been due to forgetting the objects for which it was founded and as originally outlined. One thing more: Whatever may become of the institution during future years, it must always be recognized that it was the first school of its kind in this country, and perhaps the first in the world.

OBJECT OF THE INSTITUTE

The object of the Babson Institute is to provide a two-year intensive course of training in the fundamentals of business for young men who by inheritance or other circumstances are to occupy positions of authority and responsibility.

The above was the opening sentence of the first catalogue, which then went on to read, in my words, as follows:

The majority of the schools of business administration give courses primarily for men who regard their business education as the prospective lawyer regards the law school or the doctor the medical school. That is to say, they consider their business training a stepping-stone to entrance into professional business in which they expect to begin at the bottom and eventually climb to positions of authority and responsibility.

What of the men, however, who by inheritance or other circumstances are to step immediately into responsible places, without preliminary experience? The Babson Institute provides a two-year course of intensive training for such men, with the idea of giving a comprehensive survey of the fundamentals of business. The work

especially treats of the law of equal and opposite reaction, with particular emphasis upon the following:

1. Business cycles and their effect on industry, commerce and prices.
2. Finance, banking and investments.
3. Psychology, handling of men, salesmanship, and advertising.
4. Personal efficiency, physical and moral well-being.

The Institute is founded upon four clearly defined ideals:

1. To develop a man physically, mentally, and morally.
2. To instruct him how to finance his business and take care of his property wisely.
3. To help him become a leader of men.
4. To impress him with the fact that it is the fittest who survive.

These principles permeate all the instruction given at the Institute. Physical and moral development is just as essential for a well-rounded life as mental achievement. The Institute does not attempt to impose any particular creed or religion, but insists on high moral standards. The teaching staff includes an instructor in hygiene. There is no specific gymnastic work assigned, but students are taught proper methods of caring for their physical well-being.

ERECTING LARGE BUILDINGS

The Babson Institute was founded, of course, as a day school, as at first it had no dormitories. It took over the correspondence courses which had previously been started. Unfortunately, this day school at first did not grow so rapidly as did the correspondence courses. The day-school tuition was too high and we were entering a field about which we knew little. We may have been well informed on finance, but we knew nothing about education. We soon found that education was a very old art, bound by the strongest traditions and controlled by the most self-satisfied men in the country. The Babson Institute operated with a deficit from the first. This deficit Mrs. Babson and I were obliged to make up. Having started the work, we could not retreat. Instead of curtailing, we moved the following year to the brick building on Washington Street, Wellesley Hills, now known as the Stuart apartment house. The Institute continued to operate at a deficit, and we came near to giving it up.

At this point I wish to acknowledge my indebtedness to three persons—Ernest T. Gundlach of Chicago, who encouraged us when most of the established colleges were ridiculing our work; Dr. George W. Coleman for his willingness to become president of the Babson Institute; and Mr. Henry P. Smith, who urged us to purchase a large tract of land and build a real campus in 1921 and 1922. This campus consists of about two hundred and twenty-five acres, beautifully located. The grounds were laid out by Mr. John Nolen, a famous landscape engineer of Cambridge, Massachusetts. The buildings were designed by Mr. George F. Marlowe of Boston. A Georgian style of archi-

ture, which should be just as attractive a hundred years hence, was selected. In the course of a few years the following structures were built: Two school buildings, Lyon Hall and Bryant Hall; a beautiful auditorium, presented by Mrs. Babson and named after her father, Richard Knight; a gymnasium, which was named after Mr. Leroy D. Peavey; and a complete dormitory. Later, this dormitory was followed by another much larger dormitory. Miss Nona M. Dougherty was the first secretary.

THE GREAT MAP

A large map and exhibit building was erected in the center of the campus and named in honor of Dr. George W. Coleman. This building contains the Great Map of the United States; this map is some sixty feet long, and is built on a curvature. This curvature corresponds identically with the curvature of the earth's surface. This great map is not only the first map of its size to be built on a curved surface, but it is the first to show all elevations *correctly*. Its horizontal scale is four miles to the inch, while its vertical scale is four miles to the foot. The map is now used for direct teaching purposes and for photographs for use in geographies, road books, and in numerous other ways. This map performed great service during World War II, supplying *vertical* data to aviators and weather stations. This saved thousands of lives.

The campus roads were built and the buildings were located to provide a perfect institution accommodating ultimately four hundred students. There are two quadrangles, one for the seniors and one for the juniors. As the work of each year consists of four courses, the plan provides ultimately for four school buildings about each of these quadrangles. One building would be devoted to production, one to distribution, one to finance, and one to personal efficiency. At the start, only one school building was erected on each quadrangle. As the total enrollment increases it will someday be necessary to decide whether to build new buildings or to enlarge existing ones.

PROVIDING ENDOWMENTS

Up to the summer of 1925, Mrs. Babson and I had been pouring money into the institution when and as it was needed, without any definite endowment program. Since that year we have consolidated these advances and added to them, so as to make a total of about three million dollars. We have presented our gifts to the institution, on certain definite conditions, which were duly accepted by the trustees. Although I knew nothing about the teaching side of education, I had learned something about its financial side. I had learned, among other things: (1) That most educational institutions are land and buildings poor. Friends have presented them with buildings as memorials for themselves or families, but have left them without endowment funds for their proper

maintenance. (2) That the best test of whether or not an educational institution is making good is whether or not it is self-supporting, especially during its early stages.

With the above two thoughts in mind, we provided by our Endowment Fund Agreement: first, that for every dollar put into land and buildings, a corresponding dollar should be put into the endowment fund. Second, that, to insure that the Institute is fulfilling a demand, the income from the endowment fund should not be used for operating expenses as long as both Mrs. Babson and I lived. When one of us should pass away, the trustees would have the use of one-half of the income; and when we both should pass away, the trustees would have the use of the entire income. I feel that this Endowment Fund Agreement blazed the trail for proper college financing. Therefore, whether or not we succeed in discovering and training the desired young men, we have provided an endowment program for the trustees and executives of every higher educational institution in the land.

FORLORN HOPES

The Institute may go down in history as our most important work, and yet, up to the time of this writing, it has been somewhat disappointing. We have a campus and fine buildings, a conscientious board of trustees and an able group of instructors. The Institute, however, has not as yet operated along the lines which were originally intended. Instead of having the patience and courage to give mainly practical and dynamic training, the tendency of the trustees and instructors has been to copy the work and customs of other institutions. They forget that business men are "born," like surgeons, artists, and musicians, with the result that many students have been accepted who are not "by inheritance or other circumstances" designed to become business men. My theory then was, and still is, that it is not *knowledge* which young men need for success, so much as those basic qualities of integrity, industry, imagination, common sense, self-control, with a willingness to struggle and sacrifice. Most men already have far more knowledge than they use. They need the inheritance and development of a *character* which will cause them properly to apply this knowledge. Our desire was to found an institution which would concentrate on discovering and developing such character. Real business success comes through the qualities above mentioned, not through money, degrees, or social standing.

The sad fact that very few college professors who are teaching business administration can themselves make a success of business administration is proof that present business educators have much to learn. It is not what a man knows in the way of book learning that determines his future; it is whether or not he has character, judgment, and the guts to sacrifice. His success depends

upon whether he is continually growing stronger physically, mentally, and spiritually, or whether, in these respects, he is growing softer. Yet too many educational institutions give practically no attention to these fundamental character subjects. They will graduate a man with honors, even though he has deteriorated physically and spiritually, yes, and even as to common sense, during his years at college. My fondest wish is to see the management and teaching force of the Babson Institute have the moral courage to select and train men for business in the fundamental principles which I originally had in mind. The trustees have done one thing which pleases me; namely, they are giving, after a student successfully completes an intensive three-year course, a standard degree of "B.S." Most colleges hold students four years before giving this degree and give the students no more than we do.

KNOWLEDGE VS. TRAINING

I am interested in permanent results. To do something which would be permanent, we founded the Babson Institute. In order, however, for any institution to become permanent, it must render a fundamental service. Labor put into making a stick of candy lasts only a few minutes; labor put into building an automobile lasts only a few years; labor put into erecting a building may last fifty or a hundred years; labor spent on developing a water power may last for centuries; but labor spent on spiritual attainment lasts through eternity. It was with this thought in mind that we established the Babson Institute.

It is necessary to be practical. I tried to be "realistic" long before the word was applied to furniture or buildings. The realistic and the spiritual must always be kept in balance, or, better still, should be one and the same thing. Since my days at M.I.T., when I was taught to learn by doing—that is, by laboratory work—I have always believed that all forms of teaching, to be successful, must be through laboratory work. It also gives one tremendous satisfaction to be able to *do* things. Executives should be able to do things themselves before they turn them over to others to do.

I have always refused to go into an activity which somebody else is already carrying on satisfactorily. It may be true that pioneering is an expensive luxury, but there is a lot of fun in it. Besides, the world does not benefit when you are merely trying to copy someone else in a way which results only in depriving him of business. The world as a whole benefits most when you do something new or when you do it better or differently. I am interested most of all in developing a new race of business men. Whether industry is ultimately operated privately, cooperatively, or by the state, its future will depend upon the personal character of its managers. The power of character starts with an individual as a very small circle; but the ripples gradually become larger as we accomplish results by working through others. Finally, the larger ripples extend

indefinitely through the spoken and written word to the lives of others. With this thought in mind, we founded the Babson Institute to *discover* and *train* men for business, not merely to fill them with knowledge. For fifty dollars one can purchase a set of encyclopedias which contain more knowledge than do the heads of all the college professors in America. *Knowledge* can be purchased by anyone at any time; but *character* can be secured only through inheritance and discipline, or being "born again."

Just one more idea—I believe that allergies apply to *thought* reactions as well as to *physical* reactions. The time will come when the Institute will have a resident allergist who will help students develop better brains with pills, inoculations, and certain diets.

Chapter XXIII

TRAINING WOMEN FOR BUSINESS

I WAS brought up as a boy with the idea that a woman had no place in business. I told my father that his own practice was inconsistent with this principle, as he had in his own store a woman bookkeeper named Miss Sarah Rowe, and a woman sales clerk named Miss Ada Tarr. There were no typists, because there were no such things as typewriting machines. As a general rule, only school-teaching positions and housework were open to women. In those days the idea of a woman working while she was married was looked upon as disgraceful. Certainly the men of this world were successful for many thousands of years in hoodwinking the women. Although the pendulum may now be swinging too far in the other direction, we certainly cannot blame the women for at last asserting their economic independence.

The fact that so many women entered industry, during and following the World Wars, was largely responsible for the unemployment among men during the depression of 1929-35. On the other hand, these women secured their foothold in industry by being more efficient for a given rate of pay than were the men. Unemployment resulted because these men were willing to loaf about the streets instead of having the guts to go home and do the housework, cook the meals, and take care of the children. Only as industrial positions and domestic responsibilities are allotted impartially, without relation to sex, to those best fitted to do such work, will the employment situation be stabilized. There is enough work for all of both sexes only as each person will do the work for which he or she is best fitted.

STARTING WEBBER

The second important phase of our work for training young people was the inauguration in 1927, with the encouragement of our daughter and some friends, of Webber College. The idea of a school of business, of financial, executive, and secretarial training for girls, had been in Mrs. Babson's mind ever since 1922, when our daughter informed us of her educational desires. She was at that time a student at Boston University. While we recognized the excellent work the women's colleges were doing along cultural lines, yet a fact was forcefully brought home to us: *Our daughter was receiving little training*

which would prepare her to be a good wife and mother or which would fit her for financial responsibilities. Furthermore, we wanted her to be in a position of independence to the extent of being able to care for herself should her husband die prematurely or should anything happen to Mrs. Babson and me.

We therefore asked our daughter to study a year at Babson Institute in order that she might learn the difference between working and loafing, and between deeds and mortgages. She at least would then be capable of talking intelligently in years to come with the executors of our estate or with her own attorney. If the man she might marry was to enter general business, she would likewise secure an appreciation of his problems. She would be more of a helpmate to him through their common understanding of business and financial principles than if she continued for two or more years at Boston University. My daughter fell in with this suggestion and consented to spend a year at the Institute. The results of her instruction there completely justified our faith in this particular type of practical training for young women. Consequently, Mrs. Babson decided to start a new type of college for women. We named it after our first granddaughter, Camilla Grace Webber, who was born on the day when the college was organized—April 6, 1927.

NEVER GIVE UP

The first announcement relative to the opening of this college for girls was sent out in July, 1927. The interest aroused was sufficient to enable us to state definitely, on August 23, 1927, that the school would be started during the winter of that year. While over one hundred inquiries were received from those who signified a desire that their daughters have this proposed training along business lines, yet on the opening day only five students enrolled! Mrs. Babson and our daughter were in general charge of the activities of the college, and the first term opened on Monday, January 9, 1928, at Babson Park, Florida.

We shall never forget the despondent report from my daughter stating that only five girls had registered. This, however, did not disturb us nearly so much as it did her. We had been checking the initial enrollments at other colleges and found that Smith College started with fourteen, and Harvard College with only nine! These figures we gave our daughter, and it was decided to proceed with the original plans. Moral: *Never give up.* The first student enrolled at Webber College was Miss Irene O'Connor, of Minneapolis, now Mrs. Chester J. Neumeier. She was the daughter of Mrs. Thomas O'Connor, who passed away in 1928, but who was at the time president of the Purity Baking Company, with general offices in Chicago. Even though our work that first year was far from complete, yet Mrs. Neumeier has frequently testified as to the practical value of the training she received. Its worth was fully proved as problems arose in connection with the settlement of her father's affairs.

FLAGLER'S ORCHESTRA

At this point I must tell a story. Mrs. Babson and I were then spending the winter at the Mountain Lake Club, in Florida. Among our friends at the Club was Mr. George D. Webber, of New York City, a tall, thin, droll, but exceedingly interesting man. He had been private secretary to the millionaire Flagler, who built the Florida East Coast Railroad and its string of wonderful hotels. One of the first of these large Florida hotels was the Ponce de Leon, at St. Augustine. As this friend bore the same name as our infant Webber College, he was likewise must disappointed that we had only five students our opening year.

This friend greatly cheered us up, however, by telling of Mr. Flagler's experience when he went to Florida some thirty years before to open the Ponce de Leon at St. Augustine. Each day Mr. Flagler wired from New York to St. Augustine, asking how many guests were at the hotel. As only two or three had arrived, they did not have the courage to break the sad news to Mr. Flagler. Finally, Mr. Flagler insisted on a report, and the hotel replied that the occupants consisted of only the orchestra and five guests. Thereupon Mr. Flagler immediately wired back, "Hire another orchestra." Mrs. Babson and I did not "hire another orchestra," but we did hire some more instructors. From that day Webber College has gone ahead each year. Moreover, the credit for its success is due to Mrs. Babson, who took general oversight of its work from then on.

ORIGINAL PROGRAM

Webber College was organized under the laws of Florida in order that a charter might be secured enabling the school to be a real college rather than just one more private school. It has full right to grant the degrees of A.B., M.A., and S.B., but is specializing on an Intensive Two-Year Course which entitles the student to a standard degree of A.B.S. The first work offered by Webber was a three months' course in the principles of finance, with classes held during the winter months at Babson Park, Florida. The second year, there was added a three months' fall term at Boston, Massachusetts, comprising work in business principles and administration. This meant that students spent three months in Boston and then went to Florida for the three months' winter term.

It was thought wise to proceed slowly during the formative years. While we had some experience in educational matters in connection with the Babson Institute, yet the training of young women presented an entirely different problem to all of us in active charge of the work. Beginning with the fall term in 1932, the work was reorganized. Dr. George W. Coleman served as president

and Dean Edith Samson was the executive head. Mrs. Babson was in charge of the business management and advised as to instructors and instruction.

FRESH AIR AND SUNSHINE

The permanent location for the College was a matter of vital importance. We had long been visitors to Florida each winter. Because Mrs. Babson realized the physical value to students of being able to spend a large part of each day outdoors in the healthful sunshine, she decided that Florida should be the home of the College. Webber College now owns about two hundred acres on the shores of Lake Caloosa, a nine-mile-long lake, where its campus is located. The land and various buildings are owned free and clear by Webber College. We hope this campus will some day be one of the most complete and beautiful in the United States. Having the Webber girls in Florida for the winter not only permits them to spend much time in the fresh air and sunshine, but enables Mrs. Babson to give them considerable personal attention. Furthermore, we are trying to prove that, under these fresh air and sunshine conditions, a girl can there get as much in twenty weeks as she would get in thirty weeks at the conventional college.

Beginning with the fall of 1940 the fall term in Boston was given up as the trustees felt the work should be concentrated in Florida on account of the uncertain conditions caused by the European War. It was expensive to operate in two places. This meant, in a sense, starting over as we had recruited our students on the basis of Boston and Florida. The next year came the war and Webber went through the same difficulties other colleges had. We are now, however, on a firm basis in Florida, giving intensive twenty weeks training plus certain home reading and an A.B.S. degree at the end of two years.

Webber College has a real problem to provide the training needed by a young girl for a position of responsibility in the business world or for management of her own business. Both Mrs. Babson and the college recognize that serious attention should be given to the spiritual and physical development of students. A woman cannot give too much attention to her character and health. I have told Mrs. Babson, even, that she needs only four courses at Webber: "How to Keep Your Character"; "How to Keep Your Health"; "How to Keep Your Husband"; and "How to Keep Your Money"—that is, after one secures all these blessings!

A QUESTIONNAIRE

Some years prior to starting Webber College, we felt that the "good old days" were over when the daughters of well-to-do families would be content to stay at home and wait for a man to marry them. Much as some business men may regret it, women of all groups are destined more and more to manage

economic enterprises. Men and women are constantly reaching a more equal plane. This has been true particularly during depression years, when men have taken a greater interest in children and the home and when women have taken a greater interest in business and politics. I am frank to acknowledge that over a period of thirty years much that I have done in the conduct of my personal and business affairs has been done as a result of suggestions from women.

To check our own ideas of the problem, a questionnaire was prepared outlining some twenty-one subjects that we were considering to include in Webber's curriculum. They were divided into three groups—(1) those pertaining to secretarial subjects, (2) those pertaining to executive subjects, and (3) those pertaining to cultural subjects. Business men were asked to indicate and check the subjects which they believed are of greatest value either to their own daughter or to a well-bred girl whom they might wish to employ. Of the thousands of questionnaires sent out, a large percentage were returned and carefully checked. In establishing this curriculum, the advice of these business men throughout the country was followed quite literally. This has resulted in having graduates so well prepared that little difficulty has been experienced in obtaining for these girls positions of a substantial nature.

SECURING ONE'S FIRST JOB

Every successful institution is more or less in a constant state of flux. If it is to progress with the times, it cannot stand still. It must adopt all worth-while improvements. At least for the time being, however, I believe Webber College is soundly established. It is capable of preparing young women for their great moral, social, and economic responsibilities, and also of training them for positions of trust. A young girl may not immediately after graduation secure an executive position. Hence, any college of business administration, such as Webber, should include secretarial subjects in its curriculum. A knowledge of such work enables a girl in many instances to secure her first job. As a further preparation, girls must have also a working knowledge of the fundamentals of business, including financial and merchandising management. Such girls are bound to advance at a more rapid rate when they enter the business world than they would if they were classed simply as clerks or stenographers. Webber, therefore, goes considerably farther with its training than the old-fashioned type of secretarial or business school.

HINT TO PARENTS

Mrs. Babson and I live at Wellesley, Massachusetts, which is the home of Wellesley College, one of the largest and best educational institutions for women in the country. Each year our employment manager interviews several Wellesley College girls who have been writing for their various college publica-

tions. They thus feel that there may be an opening for them in some one of our editorial departments. Unfortunately, we can do nothing for these girls in the way of employment. They have no comprehension of business as a whole, and they lack even a knowledge of customary business terms and phraseology. Even the ordinary typists and stenographers, whom we secure largely from local secretarial schools, must spend approximately a year in our office before they are capable of taking practical financial and business dictation.

Parents of girls now in the academic colleges and universities, as well as of those who are about to graduate from high or preparatory schools, should realize the importance of their daughters securing tangible instruction along business lines. It would be far easier for them to secure a worth-while position and to reach a degree of independence if, instead of spending four years in the pursuit of purely academic and cultural studies, they would attend a school like Webber or follow their cultural training with some courses at Webber. It has long been Mrs. Babson's premise that a Webber business education represents the best possible form of insurance a girl can have. Those of us who have reached mature years have seen how stocks and bonds, real estate, bank deposits, and other forms of investments—acquired gradually during a lifetime—can quickly depreciate and become valueless. A girl trained to take care of herself and to get a true conception of the social, political, business, and financial problems of her day has an asset that can never be lost.

AN IMPORTANT QUESTION

Now for some biological thoughts! As I explained in an early chapter, we all inherit from one or more strains of ancestry. As a simple illustration, let us assume that a child has only four grandparents, although, in reality, every child has thousands of grandparents. Let us assume also that one of these grandparents comes from an agricultural strain, the second grandparent comes from a mechanical strain, the third grandparent comes from a business strain, and the fourth grandparent comes from a domestic strain. Let us assume that the family is an ideal family of, say, two boys and two girls. This is my important question:

Is there any biological reason why the two girls should inherit from the domestic strain and the two boys from the agricultural or mechanical or business strain? The answer definitely is, "No." Biologically, the girls are just as likely to come from the mechanical or business strain as from the domestic or any other strain. This is something that my parents and the rest of the good people of Gloucester completely failed to realize when I was growing up. Statistics show that one of the principal causes of both ruined businesses and ruined homes is the custom of fathers to leave their business to sons to operate, irrespective

of whether these sons inherit business ability; or to expect their daughters to be housewives, irrespective of whether these daughters inherit domesticity.

FINALLY

No Congress, soviet, or dictator can suspend the basic law assuring the survival of the fittest. Competition has always ruled since this earth was a mass of heated gases. From the very beginning of life in its lowest form progress has come only through struggle. Only the best of the lowest species have survived. They have produced a still better species. This has been going on for millions of years. Only two or three hundred years ago brute force held sway. During recent generations wealth has been a greater power. Today good health and political influence seem to be most potent—that is, those who are in public service with iron constitutions, able to stand the racket, have taken the place of many who heretofore held their power through the inheritance or accumulation of force, property, or special privilege. This means that intelligence and character, when combined with good health, will be the determining factors.

Another final thought: Looking into the future I visualize that many semi-endowed private colleges must either eliminate religious instruction and look to the State and Federal Government for support, or else emphasize religious instruction and look to some Church Denomination for support. This will be the natural result of the U.S. Supreme Court Decision of March, 1948.

Chapter XXIV

OUR INSURANCE COMPANY

I USED to love to talk to Thomas A. Edison. He was a great philosopher as well as inventor. One day I talked with him about my plans for the Babson Institute. During the conversation he asked what we had done to *insure* our properties. I explained to him that we carried simple fire insurance, purchased on a scientific basis, for all our buildings; at which he replied: "That's not what I mean, Babson. Fire is only one of many things which you should insure against. You should form a company to own and operate other enterprises which are factors in the character, health, and happiness of people. Besides, you should protect all your interests by buying additional property, which could be used either for expansion of your own enterprises or for the building of homes by your people. Most business men make the mistake of thinking that fire is the only thing to insure against. There are many things to insure against. This can be done only by buying property and taking a financial interest in various enterprises." One thing more Mr. Edison suggested was that this new "insurance company" should be owned, so far as possible, by Mrs. Babson and me.

MORE ABOUT B.S.O.

Babson's Statistical Organization, Inc., founded in 1904, has been used for such a purpose, although its name was later changed to Business Statistics Organization, Inc. This is a Massachusetts corporation. We also organized in 1933 another Massachusetts corporation known as Babson's Reports Incorporated to take over the Reports. This latter step was taken to comply with the regulations of the Securities and Exchange Commission. I first outlined our enlarged plans at a meeting held one evening at the Alice Phillips School, in Wellesley Hills. To my great surprise, a distinct opposition on the part of the older residents of the town immediately developed. This opposition was led by John W. Decrow, one of the ablest attorneys in the community. Further opposition developed among most of the other substantial people of Wellesley. Why they were so much against me I was never able to fathom; but they attempted to block me at every turn.

Our greatest fight was over a dinky little bus company which owned only

one bus and which was to operate from the Wellesley Hills railroad station to the community which became known as Babson Park. If you had attended the hearings at the Town Hall on this bus permit, you would have thought that the greatest international questions were being decided. This conflict between the Babson interests and the aristocratic old families of Wellesley was finally compromised by the adoption of a Zoning Act. This Zoning Act gave me more or less freedom in a certain section of Wellesley. About this section they erected a barbed wire fence, beyond which their "bad boy" could not go. On the principle employed in connection with the control of commercialized vice, the Babson interests were "segregated and regulated."

BROUGHT FIRST "MOVIE" TO TOWN

After this local row had subsided, we went to work purchasing land and securities and other property. Most of this land was in the vicinity of the Babson Institute campus. This property served both as an insurance against undesirable neighbors and provided also that our employes would always have land available for good homes and small gardens. The main difference between the local interests and me was that I was willing to pay real money for my protection while they were not. They tried to protect themselves first through persecution and later through legislation. Remembering Mr. Edison's advice, the Business Statistics Organization immediately began to extend its operations to insure the community against undesirable movies.

The first moving pictures ever shown in Wellesley were shown in the auditorium of our office building, where we had "movies" two nights a week. The Babson interests then built a modern theater and arranged with the Wellesley Woman's Club to select a censor for the films. This is still the only motion-picture theater in Wellesley. It is known throughout New England for the exceedingly high standard of its films and its good influence. Near our office building was a modern public garage, which the Babson interests purchased and developed into the most efficient garage in the town. These same interests also purchased houses in the vicinity, which were remodeled into rooming-houses for our employes.

Gradually the community of Babson Park developed until it had its own post-office, telegraph-office, and branch bank. For the housing of these and other facilities, the company built several buildings. The same style of architecture—that of the Georgian period—was used throughout. To insure against failure to have sufficient building material in the future, the Babson families purchased two gravel pits and some standing timber. In the early days there was never any thought that this company should become very active or even a management company. For several years, it was operated purely as an "insurance" company along the line of Mr. Edison's plan.

ERECTED FIRST RADIO STATION

The first radio ever to be exhibited in Wellesley was built and operated by our electrician, Mr. Leroy Nichols, in 1924. I well remember how the prominent residents of the town came into the office building one evening and heard faintly a little music from a battleship in Boston harbor which had a small sending station. We immediately foresaw the great possibilities of radio broadcasting and the influence it would have on this country. Hence, in 1926, we laid the plans for building a radio broadcasting station at Babson Park. The station was first housed in our large office building, and was in shape to do some feeble broadcasting on December 18, 1926, when formal application for a license was made. The permit came through from Washington on January 29, 1927, when the station was formally operated under the call WBSO.

Although we started only as a daytime station, we were given an exceedingly good location on the dial, operating on 920 kilocycles, with a wave length of 326 meters. This station thoroughly covers New England and adjoining territory, serving directly over eight million people. At times it has been heard in every state in the union. Its services were first offered to the Massachusetts Federation of Churches, and every day for the first nine years a religious service was held at four o'clock in the afternoon. This service was known as the "Good Cheer Service." Those who have been ill, as I have been, know that the hardest hours of the day are around four o'clock in the afternoon. The patient is tired, the sun is going down, and life seems gloomy. My mother in her latter years was much interested in this Good Cheer Service. After her death I built at Babson Park an addition to one of the buildings, the exact size of the room in which she and my father spent so much of their lives. I brought to Wellesley all the woodwork, the fireplace, the windows and doors of this room, and furnished it with the identical furniture that my mother and father used, including the bed in which my sisters and I were born.

Another broadcasting feature of Station WBSO—unique in the history of radio up to that time—was the "Midnight Ministry." These broadcasts began on March 26, 1927, and continued without interruption every night from twelve to one until the middle of 1929. They were designed for the many watchers and workers of the night who find its burdens seemingly endless. Dr. Henry Hallam Saunderson, an author and lecturer of note and editor of the *Wayside Pulpit*, was in charge of the programs. That he did a good job is attested by the fact that his broadcasts became immediately popular with late listeners.

During my management, Station WBSO (changed at the end of 1935 to WORL) never put out over the air any liquor, cigarette, patent medicine, or other objectionable advertising. Most of the programs were of an educational and uplifting nature. To my mind, one of the greatest indictments against both

capitalism and democracy, as now set up, is the unprincipled commercial use of this great invention. Instead of its being used for instruction and wholesome entertainment, it seems to be used primarily to encourage young people to smoke cigarettes, and to encourage their parents to waste money on useless patent medicines, cosmetics and drinks.

BUILT FIRST AIRPLANE FIELD

When the use of the airplane became practical, we took a definite interest in it. A landing-field was built at Babson Park, and the Federal Government erected a beacon tower. This serves both as Tower No. 21 on the main line from New York to Boston, and as a guide to our small landing-field in case an emergency landing is needed. Although the early days of commercial aviation were a disappointment, both to manufacturers and to investors, I am still a great believer in the ultimate development of the industry. Some day a safe plane will be built at a moderate cost, to operate at two hundred miles an hour. This may require an entirely different construction or the use of some different fuel from that now employed. Mr. Thomas A. Edison always insisted that airplanes should be built on the principle of a flying bird or side-wheel steamer rather than on that of a propellered ship.

There is no question that the next great war will be fought to a finish in the air. In view of the possibilities of bombing, the Babson Organization has never advised investing much of one's fortune in office buildings in large cities. The high modern buildings of New York, Philadelphia, Boston, San Francisco, Los Angeles, and even of interior cities are wonderful targets for the bombs of an enemy. The great future of the airplane, as well as of the automobile, may come when the various rays are harnessed. Some day no fuel may be needed for certain forms of transportation. The tremendous voltage which is now passing through us, from some terrestrial bodies, to the earth may be used for the operation of airplanes, automobiles, and stationary motors. Probably even before this time comes, new sources of power from gravity, the tides, the sun, the earth's interior heat, and perhaps the atom will have been developed.

A STATISTICAL COMMUNITY

In later years the Business Statistics Organization provided "insurance" in other ways. It invited certain competing organizations to operate at Babson Park. These included such well-known concerns as the Poor's Publishing Company, the Oil Statistics Company, and others. The original idea was to develop a cooperative statistical community, consisting of independent units, but all working for a common purpose—a safer, healthier, and happier country. From a similar motive, the Babson family purchased a very large interest in the Boston, Worcester & New York Street Railway Company, which provides pub-

lic transportation between Boston, Wellesley, Worcester, and other points west and south. This same Babson company created the Publishers Financial Bureau, which controls the newspaper releases described in a previous chapter. At one time it owned the only local newspaper, the *Wellesley Townsman*. It continually purchased large or small interests in different enterprises *as an insurance for the well-being of clients, students, employes, and the community in general*. Both as a means of diversification and as an insurance to the stockholders, it has also purchased miscellaneous stocks and bonds. Once the Business Statistics Organization attempted to serve clients as a laboratory to test out markets and as a cushion to prevent too rapid price changes when *Babson's Reports* made recommendations to buy or sell. We found, however, that in this work we were getting over our heads, and we therefore soon gave it up.

There is one story in connection with our buildings that I must tell. When I was selecting a brick to be used for my house, Mr. Benjamin Proctor, an able architect, called my attention to a "cul" brick which, in view of its supposed inferiority, was being sold at a reduced price by the brickyards. These were mostly bricks that adjoined the fire in the kilns, hence they were very hard, sometimes black or dark colored, and often twisted or warped. Yet they were less absorbent than ordinary bricks and they laid up to make a very attractive structure. When the Institute buildings were erected, we used the same "cul" bricks. So attractive were our buildings that in the course of a few years the demand for this type of brick increased to such an extent that its price exceeded that of the A-1 bricks, so called!

Another feature which we developed was the use of master keys. Each building has its individual key. Then there is a master key for the B. S. O. buildings, a separate master key for the Institute buildings, and a separate master key for my home buildings. Finally, there is a grand master key, which I myself carry in my pocket, and which opens all buildings owned by any of these companies. The maze of different keys in most houses is a foolish economic waste of time and energy. But I will not ramble on longer—especially as we are fast approaching the time when the "Statistics" Company is to further increase its usefulness by purchasing large holdings in more corporations. This feature will be discussed in a later chapter.

A LATER VENTURE

I now want to tell about the School for Positions. This school was once one of the most interesting features of Babson Park. I have always had a great interest in vocational guidance. This work at Babson Park consisted first in analyzing a person to find out for what kind of work he is best fitted. Having ascertained this, we then guided him for that line of work and furnished him with the proper contacts to enable him to secure employment therein after

his training. Certainly the public schools and colleges have been very lax in these matters. Existing schools specialize in teaching men many subjects, but most schools are woefully remiss in training men for the practical application of these subjects. When it comes to schools for helping men and women to discover for what they are best fitted, none existed up to 1932, when I published a book entitled *How to Find a Job*.¹ I have written numerous magazine articles and made many talks on the subject. One of these popular talks is entitled "The Six I's of Success."

I became so discouraged, however, in attempting to interest others in this work, that I suggested to Samuel Parker Allison that we try a definite experiment along these lines at Babson Park. I first became acquainted with Mr. Allison in connection with an unfortunate venture in Guatemala, Central America, where I started to found a school to fit young Americans to engage in Latin-American trade. Mr. Allison was a trained Presbyterian minister and had had two or three successful churches in the West. To my great surprise, he next turned up as a student at the Babson Institute. He gradually became imbued with the desire to secure some practical knowledge to balance his theoretical theology. He liked business life so well that, after graduating from the Babson Institute, he became a valued executive of *Babson's Reports*. He therefore had an excellent background for starting this important experiment in vocational guidance and training men to secure positions.

THE WORK DESCRIBED

The tuition for this course on seeking positions was sixty-five dollars. The classes were limited to about twenty. They were mostly made up of men between twenty and thirty years of age, although each class usually had two or three girls. Under the original plan, definite instruction was to be completed in two months, after which there were two months of probation work, with the graduation coming at the end of four months. The first month's work consisted of lectures and studies at Babson Park to analyze the student. A definite analysis was made of his ancestry, environment, traits, and desires. We found so many students bewildered and without any faith or philosophy of life, that the school developed a religious environment. For pioneering in this work, I wish especially to acknowledge our indebtedness to the Rev. Edward Reighard, who was the religious director and students' counselor of the Babson Institute. The sessions were opened with prayer; and in this connection let me say that education will never come into its own until religious work is again made an important part thereof. It may have been wise to separate church and state, but let us never forget that education was born within the church and operated by the church for many generations. The proposition of throwing religion out

¹ Published by Fleming H. Revell Co., New York City.

of the public schools and colleges is simply kicking down the ladder by which education climbed.

The second month's work of the school was devoted to discovering corporations, firms, and individuals which are able to give employment to a young person with certain training and desires. For instance, a young person who has selling ability was put in touch with definite firms which we believed were in need of a young salesman. During this second month the students spent half of their time in Greater Boston contacting firms with which they would like employment; and they spent the other half of their time at Babson Park, telling of their experiences and getting primed for the next day's conflict. The present system of education which gives students years of exclusive school work and then throws them out into the world without any guidance, is much like feeding a man for years on all potatoes and no meat, and then changing his diet to all meat and no potatoes. At the end of the second month, over half of the students were located in good positions.

FIRST SCHOOL OF ITS KIND

During the second and third months, an original and interesting plan was used to aid the remainder in securing positions. A mimeographed catalogue was made up of the unemployed students. This catalogue contained two or three inches of mimeographed material describing the inheritance, training, and desires of each individual who was still looking for a position. The catalogue was subdivided and indexed in a way that would appeal to a busy man. It was a success from the first. It both interested employers and encouraged the students. By this method, when a student sought employment, he spoke not just for himself, but rather for the entire group.

This novel plan of cataloguing students gives to them a dignity and a sense of service which would be lacking were each of them seeking employment only for himself. To get a job for someone else is always easier than to get a job for oneself. The students have much more courage in fighting for the group than in fighting for themselves individually. This catalogue became a very practical means of curing students of the inferiority complex so common among the unemployed. It was also of real interest to employers. Instead of their interview being confined merely to one person, it was automatically enlarged to cover a group of twenty, more or less. Therefore, at the end of the third month, about two-thirds of the class would, of themselves, have found satisfactory positions. The fourth month was used primarily as a clean-up month, and then would come the final graduation.

ANOTHER CONTRIBUTION TO EDUCATION

It is of this graduation that we are most proud. Herein we have added to education an original and revolutionary feature which some day should uni-

versally be adopted. The real test of an education is not whether a person is able to cram his memory so as to "pass" certain written examinations. That is largely bunk, and all honest educators must admit it. Unless a person has secured from a school or college course such training as will enable him to get or to make a position for himself, that education, in my humble opinion, is a failure. Not until the end of the entire period, therefore, did the School for Positions know whether a student was or was not to be graduated. We had no written examinations; the test consisted in whether or not the student had secured a position. If he had secured a position, he was given his diploma; if he had not secured a position, he was definitely refused a diploma. But this is not all. *In order to keep the instructing force on its toes, we insisted that the full tuition be returned, in the form of a certified check, to those whom the instructors had been unable to train sufficiently to secure a position.* On the crucial graduation day, every student received *either* a diploma or a certified check for sixty-five dollars.

In connection with this school, we attempted some broad use of interesting stories, illustrations, and examples. Although these stories, etc., do not in themselves prove anything, it is a fact that, after a thing is proved, a story will help to preserve it. People forget proofs, but they remember stories. We try to develop our students into human dynamos, instead of into human phonograph records. We try to get them to go into things "all over," with every ounce of energy and with a furious enthusiasm. The young person with irrepressible activity, properly directed, will *make* a job for himself if no one gives him a job. We always insist that every man or woman can be a success in some line of work. We recognize, of course, that many persons are not fitted for what they would like to do most, but even in such cases we are willing to help them try to do the impossible. We never dodge an issue or give alibis. We are neither carried away by our successes nor daunted by our failures.

BABSON PARK IDEALS

My ancestors were largely traders. They sailed ships, loaded with merchandise, from New England to foreign ports, where they sold their cargo in exchange for merchandise to be brought back.

Hence it is only natural that the psychology of daring salesmanship has permeated all my work. This inheritance is perhaps responsible for my buying in periods of depression and selling in periods of prosperity! We, however, have revolutionized the former narrow concept of trading, which was beating the other fellow. The kind of trading which we recommend performs an economic service, for which the trader is entitled to a legitimate reward. We especially enjoy working with ornery young people, who are hard to get on with. We have even discovered some geniuses who were unkempt fellows struggling in an attic.

Sanity, balance, common sense, and conscience are the characteristics which make up a New England genius. It is for such geniuses that Babson Park stands. Although the Park contains considerable agricultural land, we lease the use of it to neighbors at a dollar a year. Where so many others are willing to raise vegetables, we are content to raise ideas. My boyhood training taught me that there are too many farmers. Although farmers are the foundation of the nation, yet their principal service is the production of honest, healthy, industrious, and self-reliant children, rather than cereals and cattle. Farming I commend as a mode of living, but not as a method of making money.

The one person whom we do not want at Babson Park is the one who lacks initiative. Toiling and sweating are not enough for us; they must be combined with a willingness to try new experiments and to withstand the ridicule of others. Our only difficulty with Babson Park has been the attempt of certain persons to capitalize on its name in a way which we do not approve. As I shall abruptly turn to another subject in the following chapter, let me mention one more form of educational work which I have enjoyed. I refer to the "Special Letters" which I periodically write to clients. In these letters I speak frankly on religious, educational, and other subjects. I get a big kick out of writing these letters and hope that the clients also enjoy them. Surely, as I compare the opportunities for education and training existing today with those existing in my boyhood, all is in favor of today's young generation. May these young people appreciate their opportunities is my earnest prayer.