To the Alumnae of the Woman’s Medical College of Pennsylvania

Believing that you are deeply concerned as to the significance and justice of the issue which your Alma Mater now faces, and that you are entitled to full and accurate information, we present for your consideration the following statement.

Until the requisite authority was obtained from the Corporation at its meeting on May 9th, no such statement could be issued on behalf of the Corporation concerning the refusal of reappointment to Dr. Alice W. Tallant as a member of the Faculty.

Apart from the publicity that has been given the matter by those who have opposed this action, its importance to the institution requires that you should be fully acquainted with the whole underlying situation.

Financial Embarrassment
Not Relieved by Campaign of 1920

For many years both the College and the Hospital departments had been running yearly deficits in operating expenses, which accumulating, had by the time of the financial campaign in 1920 reached staggering proportions. After the smoke of the campaign cleared away, it was found that a large proportion of the contributions had been limited to specified trusts and after the application of all free moneys to the liquidation of these old operating deficits, there still remained an accrued deficit of about $42,000 in addition to some $25,000 of outstanding unpaid bills.

Rockefeller Foundation Points Out Faults in Management

An earnest effort to interest the Rockefeller Foundation finally resulted in a visit of inspection by Dr. Abram Flexner in the spring of 1921. As soon as he found that no provision had ever been made for meeting as they arose the deficits in operation which continually occurred, he stated that no application of any kind would be entertained from an institution so managed, either by the Rockefeller or any other Foundation. A thorough reorganization thus became a condition precedent to the securing of outside aid of this sort.
The Members of the Old Management Resign

By June 1921, the institution faced an immediate financial collapse. The Treasurer had already resigned. The old management, through the President, recommended the merger of the institution with the University of Pennsylvania as the only alternative to a complete shut down. This was opposed by Mrs. James Starr, Jr., and several others, some of whom, like her, had become Corporators immediately before or following the campaign. Thereupon the President, the Chairman of the Executive Committee, and most of the other members of the old management resigned. The attorney for the Corporation died. The number of active Corporators was reduced to six. There was no money available to make the semi-annual salary payment to professors and teachers which was then due and creditors of the Hospital were entering suits on running accounts, in arrears for sixteen and eighteen months, and declining to extend further credit.

Mrs. Starr Asked to Organize New Management

In this crisis members of the Faculty interested Alumnae and members of the Hospital Board of Managers came to Mrs. Starr and begged her to organize a new management to save and rehabilitate the institution. She consented to do so on condition that all would agree to support a new policy of strong, centralized, executive control. To this the above groups freely pledged themselves.

Centralized Executive Control Established

The old policy of divided control had resulted in no control at all. The affairs of the Hospital had been administered by an Associate Board of Managers upon whom was imposed responsibility without adequate power. Through this Associate Board the Corporators exercised most imperfectly the authority which they alone possessed.

As might have been expected, a deeply rooted individualism permeated the institution, enabling the strongest and most aggressive personalities in the Faculty and Staff to dominate. Members of the business personnel of the Hospital never knew to whom they could look for guidance when confronted with conflicting demands upon their time or services. Expenditures, the use of hospital facilities, and the reception and discharge of patients, were uncontrolled. The bookkeeping methods which handicapped the earnest efforts of the Hospital Treasurer were primitive and inadequate.
The establishment of executive control involved the creation of a single, small directorate, with one executive officer, vested with full power to see that the expressed will of the directorate was carried out. This likewise involved the delegation of similar authority to all subordinate appointees within the spheres of their respective lines of duty. It required that where conflict arose the decision lay solely with the Chief Executive, whose rules and orders would have to be loyally observed, however unwise or unnecessary they might appear to the particular member of the organization affected. To effect this program the By-laws of the Corporation were redrafted by a committee of three, two of whom were members of the old Associate Board. These new By-laws did away with the divided control, abolished the old Associate Hospital Board and vested the authority in the Executive Committee of the Corporation. At the same time, the entire Associate Board of Managers was nominated to membership in the Corporation.

**Financial Assistance**

A new Executive Committee was then elected which obtained from the banks the necessary loans to pay immediately all outstanding obligations. The members of the Committee secured this credit only by pledging themselves not to withdraw from the Corporation so long as any loans so obtained remained unpaid or unsecured, and to carry out in good faith the agreed program of centralized, executive control. At this time a comprehensive accounting system was introduced with the aid of expert accountants.

**Chief Executive**

An earnest effort was made to find a competent person as a salaried Chief Executive. This was finally deferred for two reasons: first, because the right person could not be found; and second, because until the new management had established executive control over the institution, it was folly to expect a stranger to accomplish it. It was interesting as well as significant, however, that every person interviewed was careful to stipulate, as a condition of acceptance, that in the event of any irreconcilable conflict between the Executive and any Professor or Staff Officer, the latter should be required to yield or resign and the Chief Executive be sustained. In this emergency, after much urging, Mrs. Starr finally consented to undertake the active duties of Chief Executive, and in consequence became entitled to the same support that both Corporation and Faculty would necessarily have given to a salaried Executive.
Hospital Administration

The introduction of business methods of organization and management into the administration of the Hospital was extremely difficult. The rules and orders of the Executive Committee (many of them required by the State Department of Public Welfare) were often ignored. The most frequent offences occurred in the Department of Obstetrics, and repeated interviews between Dr. Tallant, the Chief of that Department, and Mrs. Starr, the President of the Corporation, produced no appreciable results. She conducted her department as if it were a separate unit, altogether independent of the control of the Corporation Executive.

Notice to Dr. Tallant

This lack of co-operation on the part of Dr. Tallant became a source of grave embarrassment to the Executive Committee, which finally directed the President and Secretary to interview her, and advise her frankly how serious had become her persistent failure to comply with the rulings of the Executive, and to make it clear to her that a continuation of that attitude must cease. This interview with Dr. Tallant took place, as directed, in the early part of last summer. Although she promised to render whole-hearted co-operation, there was no change in her attitude thereafter.

A Severance Inevitable

By midwinter it became very plain that the Executive Committee would never be able to secure control over the Department of Obstetrics so long as Dr. Tallant was continued in charge, and that unless such control were obtained, efficient management of the Hospital could not be accomplished. To the establishment of such control the Corporation was pledged. Upon it depended the successful continuance of the institution. A severance of any one opposed to it was inevitable.

Faculty Representatives Consulted

The members of the Executive Committee finding themselves in unanimous accord, invited Dr. Stevens, the Chairman, and Dr. Tracy, the Dean of the Faculty, into conference. They stated to them that for administrative reasons reflecting in no way upon her personal or professional integrity, they were resolved, as Corporators, not to vote for Dr. Tallant's reappointment when the matter of next year's nominations should come before the Corporation. According to the By-laws the major Faculty are appointed annually and such appointments are renewable only by the affirmative vote of the Corporation. They further explained their