

THE TRUST'S HISTORY

As told via excerpts from The Dorothy Rider Pool Health Care Trust 25th Anniversary Special Report ...

ORIGINS OF THE TRUST

DOROTHY RIDER: THE EARLY YEARS


Dorothy Rider, born in Detroit, was an only child. Her father, Charles Rider, ran the Paris Laundry Chain and was an investor in Detroit real estate. He also had holdings in Fisher Body. One story says the Paris Laundry washed and pressed work uniforms for Fisher Body and was paid in company stock. Fisher Body subsequently became part of General Motors. Dorothy Rider owned General Motors stock all her adult life, later proving vital to her future husband's career. She graduated from Detroit Teacher College and the University of Michigan and for a time taught French in Detroit public schools. Dorothy Rider and Leonard Pool met in 1929 in Detroit.

LEONARD POOL: THE EARLY YEARS

Leonard Pool, born in 1906 in Minneapolis, was the fourth among seven children. His father, his grandfather, and his uncles were in the railroad business. His father, a boilermaker, an "inventor of sorts," and a bit of an itinerant, moved from Minneapolis to Montana, then to Pennsylvania in railroad jobs. Leonard Pool was a good student in the early grades, but precarious family finances prevented him from pursuing advanced education. Instead, when his father's health deteriorated, Leonard Pool began to support the family. His job: locomotive repair, where he —prophetically — learned "the new metalworking skills of oxyacetylene cutting and welding, a technology brought into prominence during World War I and the expansion of the oxygen industry."¹

THE FATHER DIES

Upon his father's death in 1926, mother Emma Pool, a native of London, England who was described as an "emotional, tenacious, and intelligent" woman, moved herself and her children back to Minneapolis to be among relatives and friendly surroundings. She relied heavily on Leonard's income and instincts. Leonard first worked for a filling station, then landed a job as a traveling salesman for Pillsbury. He whizzed through Pillsbury's sales training class, finishing as top student. His prize: a sales territory of his choice. After studying demographic data in the public library, he selected Detroit, based on the premise that workers in the booming auto industry would "eat lots of pancakes." Leonard became an immediate success, but he quickly tired of peddling pancake flour. The welding industry was buoyant in Detroit and Leonard took a job with C. H. Dockson Company, which assembled and sold welding equipment. It was a small, family-run business in which Leonard combined "his knack for salesmanship with the technical knowledge of welding he had gained when working for the railroad."



THE DOROTHY RIDER POOL HEALTH CARE TRUST

THE MARRIAGE

When, where, and how Leonard Pool and Dorothy Rider first met goes unrecorded. But it occurred for sure in Detroit, and it took place in 1929. Two years later, as frankly recorded in *Out of Thin Air*, “Dorothy and Leonard married on December 31, 1931. The match was intriguing: the...wealthier woman and the aggressive but impecunious young suitor. While Dorothy became a stabilizing force in Leonard’s life, she never tried to dampen his desire to run his own business...he was determined not to be just a hired hand.”

EARLY BUSINESSES

In the 1930’s — during the depression — Leonard Pool was part owner of an automobile junkyard; sold welding equipment and gases on a route; raised capital for and incorporated his own business named Acetylene Gas and Supply Company; and was subsequently bought out by Compressed Industrial Gases, Inc., an event from which Leonard received \$140,000 and an offer to become manager of railroad sales for CIG, first in Chicago and then Detroit. Meanwhile, Dorothy Rider’s father died in 1938, leaving her with an estate in excess of \$100,000. Leonard continued to help support his mother and siblings, and he encouraged and helped pay for his brother, Walter, to attend medical school at the University of Michigan, perhaps foreshadowing his own future intense interest in health care. Leonard later would acknowledge that his first career dream was to become a doctor.

AIR PRODUCTS IS BORN

While maintaining his job at Compressed Industrial Gases, Leonard Pool’s entrepreneurial drive reached its zenith in 1939 and 1940. First, he came up with a good idea — fervently held. In the oxygen generation business in those days, it was common practice for companies to generate oxygen in gaseous form at centrally located industrial plants and ship the product in heavy cylinders to sites where it would be used. Leonard’s idea: turn the system on its head. He reasoned that it would make more sense to build small-scale oxygen generation equipment, locate it on a customer’s site, and generate the gas where it was needed. His business model took the concept one step further: he decided not to sell the equipment but lease it, thus ensuring a continuing revenue stream for himself. Only problem was Leonard Pool was not an engineer, didn’t know how to build the generating equipment, and would be hard pressed to find enough capital to finance such an enterprise. Not to worry. By dint of his unassailable conviction and his sales ability, he recruited two engineers, had built a demonstration generator, sought prospective customers, raised \$50,000 in capital, and incorporated on September 30, 1940 what he called the Industrial Gas Equipment Company to “manufacture, produce, rent, lease, sell, and service equipment for the production of gases ...” He was President and Treasurer. Dorothy was Secretary. Within weeks, the couple learned that the name selected was already in use in Michigan and they had to choose another. One suggestion: Pool Air Products. Leonard demurred. But he liked Air Products.

AIR PRODUCTS MATURES

For Air Products — and for Leonard and Dorothy — the years of World War II and those immediately following encompassed a whirlwind of activity, balancing increasing demand for products with the physical and financial resources to keep the company solvent. “Government contracts played a critical role in the company’s first years. World War II orders to build mobile oxygen generators literally kept the company alive.” To raise additional capital, Dorothy and Leonard offered stock in their company to key employees, especially valued engineers Frank Pavlis and Carl Anderson. Through a special wartime government program, the company obtained a factory site in an abandoned railroad facility in Chattanooga, TN. Dorothy herself loaned the company money, along with other corporate officers. Meanwhile, the new mobile generators worked and by war’s end they were in use in military installations the world over.

MOVE TO EMMAUS

With the end of World War II, 1946 became a pivotal year. The company needed to vacate its Chattanooga location. And its finances remained fragile at best. First instinct was to return to Detroit. Instead, the company sent out search parties to seek other affordable sites, particularly in the industrialized northeast. They came across a vacant machine shop of the Donaldson Iron Works located in Emmaus, in Pennsylvania’s Lehigh Valley. The price was right (\$75,000). Air Products bought it, moved there, and the Lehigh Valley was forever changed.

GOING PUBLIC

Despite an innovative product, a wartime track record, and an entrepreneurial leader, the company’s finances were still precarious. The decision was made to turn to the equity markets and “go public.” It happened in May 1946. The offering was well received, netting what was described as a “very satisfactory return for Air Products.” This event also meant that for the first time Dorothy and Leonard Pool were no longer solely in control of the company they began. Together, they owned 43.6 percent of the Class A stock, but only 5.5 percent of the common. The author of *Out of Thin Air* described the situation this way: “The first steps had been taken along the traditional path by which a family firm dominated by one outstanding entrepreneur becomes a large, public corporation run by professional managers. It was years before the journey would be complete, and in 1946 it was far from clear that it would ever take place.”

LEONARD POOL: THE PERSON

What kind of a personality drove Leonard Parker Pool? Based on the observations of many who knew him, who worked for him, and who worked with him, this portrait emerges. Some of the words and phrases used to describe him recur over and over: decisive, mercurial, farsighted, articulate, bombastic, hard taskmaster, builder, born salesman, strong-willed, impulsive, visionary, dynamic, thoughtful, demanding.

Among his characteristics:

- * He read voraciously, particularly economics, history, and biographies. “People love to make a lot of the fact he wasn’t formally educated, but that’s irrelevant.”
- * He was an insomniac. “He frequently read and dozed all night on the couch in the living room attended by two pet dogs. He would come to the office the next day bubbling with ideas.”
- * He was motivational. “He agonized over public speaking, but he was great one-on-one. He could convince you that you were his closest friend, that you shared a lot together, and that you should join him in his mission.”
- * He was a builder. “There are people who can run things and there are people who can build things. Clearly Leonard was a builder. If he wanted to build something, he would go out and get the best people to do it.”
- * He was demanding. “He was incredibly demanding, but when you lived up to his expectations, he couldn’t do enough for you. Literally, he could not do enough.”
- * He was instinctive. “He had a vision of what was possible. Maybe it wasn’t at first a very clear vision, but he knew what direction to take.”
- * He was inspiring. “When Leonard Pool walked into a room, everyone knew there was a bundle of energy present.”
- * He loved young people. “He was fascinated to talk with them, to talk about education. It was impossible to keep him on a schedule. If he was talking to someone he liked, he would talk for an hour and a half and leave long lines of other people waiting.”
- * He was a tough businessman. “He could look at the financial numbers for the week or month ... and fire 200 people on Friday afternoon.”
- * He was a kind and caring man. “He would take food or give money to employees having bad times. He would send limousines or arrange airplanes to take sick people to hospitals. He had a terrible temper, but he was a wonderful, kind man; somebody should write about all the good things he did.”

DOROTHY RIDER POOL: THE PERSON

Dorothy Rider Pool was an accomplished pianist, a painter, politically savvy and sensitive, and highly intelligent (“the brightest person I ever met”). She handled the family’s finances and managed her own personal investments. She also was a chain-smoker. Unquestionably, one of her greatest accomplishments was knowing and understanding the complicated Leonard Pool better than anyone else. “Dorothy Pool was a first-class act. She was a perfect match for Leonard Pool. She was his mainsail.” This sentiment, echoed repeatedly by close associates using different metaphors, attests to Dorothy’s strong and constant influence over Leonard Pool. “Leonard had a high-voltage emotional system. He would get ideas and press those ideas very hard. Dorothy was like a flywheel, always very stable, always very sensible, damping his erratic ups and downs. She would say: ‘Hey, Leonard. Wait a minute.’ The only place Leonard wasn’t the boss was in his marriage with Dorothy. They were a team.” Leonard told colleagues years later how he and Dorothy sat on the floor in their living room talking out future plans.

Their marriage was childless.

CANCER

Dorothy Rider Pool was diagnosed with lung cancer in August 1966. Her Allentown physician recommended she be seen at Memorial Sloan-Kettering Cancer Center in New York City. The diagnosis was further refined to include paraneoplastic complications, resulting in “low sodium levels which created weakness.” Radiation treatments were prescribed. A first-year resident at Memorial Sloan-Kettering named Lawrence P. Levitt was among those on the case. He was intrigued because the patient’s husband slept night after night in her hospital room. Dr. Levitt remembers wondering whether the man could not afford hotel accommodations. The two struck up an acquaintance and, in typical Leonard Pool fashion, a friendship for life was forged. “I noted,” Dr. Levitt recalled later, “that the husband and the wife were very devoted to each other.” Dorothy became temporarily better and returned to Allentown. About six months later, Dorothy relapsed. Leonard sent his private plane to New York to fly Dr. Levitt — with his wife — to Allentown. The original diagnosis was reconfirmed. Dorothy Rider Pool returned to Memorial Sloan-Kettering where she died on March 23, 1967. A part of Leonard Parker Pool died that day, too.

A HOSPITAL FOR THE LEHIGH VALLEY

With the death of Dorothy, Leonard Pool began to change. His interest in Air Products waned (though he was still Chairman); he tinkered more with his 13 antique automobiles (including a Pierce-Arrow, Rolls Royce, and Marlene Dietrich’s Packard); he remarried; he traveled abroad more frequently; and he set out on a personal mission to create in the Lehigh Valley a superior regional hospital. No doubt his long-standing interest in health care coupled with his recent experiences with Dorothy’s illness and death stimulated this pursuit. To achieve this last goal, Leonard Pool pursued two pathways: one very public which began almost immediately; another very private that was not fully revealed until his own death eight years later. The public activity was an attempt to combine Allentown Hospital and Sacred Heart Hospital, two of Allentown’s major hospitals, into one new “super” hospital that would fulfill Leonard’s vision. The private activity, which he pursued with the advice of only a few, was the establishment of a private philanthropic effort in health to honor his late wife. These two pathways ultimately intersected.



ALLENTOWN HOSPITAL-SACRED HEART HOSPITAL (ASH)

In the late 1960s, regional health planning became de rigueur as communities across the nation confronted escalating hospital costs and duplication of expensive, increasingly high-tech facilities. The timing, thus, seemed right to many community leaders in the Lehigh Valley to explore the concept of combining two leading Allentown hospitals and building a single new and much-needed facility. Both Allentown Hospital and Sacred Heart Hospital were “land-locked” — constricted by the real estate around them from expanding their physical plants. Both hospitals sought property on which to build “branches.” Leonard Pool, as a member of the Allentown Hospital Board, along with many others became convinced a merger that could result in creation of a state-of-the-art hospital was logical. Over the course of months and then years, boards of each hospital met; approvals were granted; a director was hired; architects drew plans. From a common pad accommodating shared services, twin towers were to rise, one housing the nonsectarian part of the organization (Allentown Hospital); the other tower — complete with crucifixes in all patient rooms — would house the Sacred Heart side of the enterprise. The obstetrics unit was to be operated solely in the Allentown tower. Leonard Pool anonymously put up more than \$5 million to get things rolling and a major fundraising drive was launched. On April 14, 1969, a news story in *The Morning Call*, Allentown’s daily newspaper, said: “...the concept of full merger burst upon the scene like a star shell across a darkened battlefield.” Later, someone said the merger failed because “Somebody forgot to tell the Bishop.” Actually, the Bishop did know. And the Bishop did come to object to the plans as they unfolded. But it was not just nonsectarian versus sectarian issues that eventually helped to scuttle the plan. Suffice to say that over a period of years the plan to fully merge the two hospitals ended, but construction of a new hospital as a joint venture did move forward. In spring 1974, the new Allentown and Sacred Heart Hospital Center — Leonard Pool’s passion since Dorothy’s death — was officially dedicated. Later, Sacred Heart completely ended its relationship in the joint venture, choosing to remain at its original site. The new hospital was renamed Lehigh Valley Hospital. ²

LEONARD POOL DIES

Leonard Pool died in his sleep in his bed in Allentown, Pennsylvania on December 27, 1975. He was 69 years old. He had been well honored as the recipient of numerous honorary degrees and awards from professional associations.

LEONARD POOL’S WILL

Dorothy and Leonard Pool jointly decided years earlier that they would establish the Rider-Pool Foundation as the means to carry out their philanthropy after their deaths. It was the intent of each to leave their estates to the foundation. Upon Dorothy’s death, her estate went to the foundation. In the year before his death, however, Leonard changed his plans. Passionate for the success of the new hospital and concerned about its stability given the turmoil that ensued during the Allentown-Sacred Heart contretemps, Leonard decided to leave his estate not to the Rider-Pool Foundation but to a new entity that would work to assure the success of the new hospital on behalf of the citizens of the Lehigh Valley. He named it the Dorothy Rider Pool Health Care Trust. It was activated upon his death. It is perhaps the only such independent Trust in America so directly linked to the affairs of a hospital.



THE OBVIOUS QUESTION

Many have pondered why Leonard Pool, who was so intent on supporting the Lehigh Valley Hospital, simply didn't leave his estate directly to the Hospital. One national hospital expert is quick to give his answer: "Because the Hospital would have spent the money immediately." This was not said pejoratively but rather generically, meaning: "Any hospital in America would have spent the money immediately." Another response, probably nearer the mark, comes from The Rev. Dr. Grant E. Harrity, former Lehigh Valley Hospital Board chair: "Leonard Pool gave the money to the Trust not the Hospital because he wanted this hospital to be an avant-garde hospital, creative, innovative, able to change with the times. By giving his money to the Trust instead of the Hospital, he ensured that the Hospital would remain on the cutting edge by virtue of the influence the Trust would have upon it. It is my impression that Leonard very carefully constructed the set of instructions in his will to accomplish what he wanted through the Trust." A confirming view comes from Philadelphia lawyer K. Robert Conrad, who advised Leonard Pool in the preparation of the will and who spoke with him by telephone frequently, including even the day before he died. Conrad believes Leonard Pool wanted the Trust to be a "goad for the Hospital...a goad for excellence."

¹ This quotation and selected other quotations and data are drawn from a history of Air Products and Chemicals, Inc., titled *Out of Thin Air* by Andrew J. Butrica. New York: Praeger Publishers, 1990.

² In January 1979, *The Morning Call* published an investigative reprise of the Allentown Hospital-Sacred Heart Hospital episode entitled "The Hospital Memoirs," a detailed journalistic endeavor not often found in a community newspaper.