

practicable way in which he could accomplish the beneficent design we assume him to have—except, of course, by doing exactly as we ourselves would have him do—we cannot condemn his method. But neither can we approve his method on its own merits. For what is it but a method for distributing, through trustees or a corporation, to future generations, the earnings of the labor of those generations?

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Mr. Rockefeller will not pass over to his trustees for the purposes he contemplates, any existing wealth of much moment. He will pass over little but paper evidences of title. And evidences of title to what? Simply to ownership of the earth. What, then, will be the nature of the income his trustees or paternalistic corporation will dispense? Nothing whatever that he has earned, or even acquired. Nothing whatever but a proportion of the earnings of the people of the future. They will pay some of their earnings to Mr. Rockefeller's posthumous representatives as profits on their uses of the earth, and his representatives will distribute that income in their discretion, probably for the "greater good" for which the endower lived and his endowment is to be established. But isn't this better than to have Mr. Rockefeller's heirs use that income selfishly? Let us not be too sure of that. In selfish hands those indefensible titles might not be so secure from exposure and abrogation, as in the hands of a beneficent corporation. Neither would they be the source of so much power for evil. Corporations are managed by trustees; trustees are men; men are human. Could not such an endowment be used with mightier force than heirs could use their patrimony, to bolster up social and industrial conditions in perpetuation of privilege—schools, colleges, pulpits, magazines, newspapers?

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EDUCATION IN THE COMMON LIFE.

We boast of our public schools. We never tire of boasting of them, we braggart and blusterful Yankees. But there is something wrong in the system or in its economic setting,—something that we ought to lack the heart to boast about. Notice this result of an inquiry into what the system does for our children, made by H. J. Waters, president of the Kansas Agricultural College, and reported by him in his inaugural address:

Of the eighteen million children in the graded schools in the United States today, less than a million, or less than one in twenty, will ever matriculate in a high school or academy. Moreover, of the

nine hundred thousand pupils in the secondary schools, only about two hundred thousand will be enrolled in our colleges and universities, or approximately one out of every four. It requires, therefore, approximately eighty pupils in the grades to supply one college or university student. Less than one in five of these college and university matriculates graduates. Therefore, over four hundred graded school pupils are required to furnish one college graduate. Of more significance than all this is the fact that seven out of every eight of the boys and girls of the United States leave school between the fifth and sixth grades and go out into a world of splendid opportunities without the training and intellectual power to enable them to take advantage of these opportunities.

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This condition may be accounted for in part by the pitiful financial state of parents, which drives them to put their children to work as soon as the law permits, and sooner still if they can evade the law. It may be accounted for in part by the eagerness of school children to get out into the world and earn a little money. It may be accounted for in part by the failure of public school authorities to relate education to the common life, in consequence of which pupils lose interest in the schools, or never get any. Other factors still may enter in. But be the cause what it may, there is little to boast of in a school system which empties its class rooms, between the fifth and sixth grades, of seven out of eight of the pupils that have entered.

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One of the effects of this weakness is a large population of American grown men and women whose education is utterly inadequate to their abilities, and it may be to their opportunities. We know of no better illustration of this than that afforded by the Ferris Institute, which is located at Big Rapids in the lumbered-off regions of northern Michigan. This institution was founded a quarter of a century ago by Woodbridge N. Ferris and his wife, when they realized the narrowness of the public school regime, under which both had worked. Their aim was to educate for life as it is lived, and to this end the Institute places no maximum limit of age upon its pupils. Among the thousand or two who pass through this institution annually are youths of fifteen, young men in their twenties, and men of middle age. From a, b, c's up, through a professional preparatory, and regardless of sex or age, these pupils study and work together, in some cases for a little time, and in others through the course and into the State university, to which their graduation here entitles them. To the limited extent of its facilities, this

unique institution, besides serving the immigrant, takes up the human material that has drifted away from public schools, and does for it what we ought to be able to boast of our public schools as doing.

A visit to Ferris Institute is full of suggestion as to what might be made of the public school system. It is not a place for "cramming" nor for "stunts." It is distinctly educational in purpose, spirit and atmosphere. And it is democratic to the core. It could hardly be otherwise with Mr. Ferris at its head. He will be recognized as the Democratic candidate a few years ago for Governor of Michigan, whose popularity throughout the State gave him so large a vote that his election was anticipated. But he is no mere traditional Democrat. He is a democratic Democrat who has the courage and leads the life of his convictions.

EDITORIAL CORRESPONDENCE

SAVINGS BANK INSURANCE IN MASSACHUSETTS.

Boston, Mass.

We have recently closed the first year of our savings bank system in operation, and the following review of what has been accomplished in this pioneer work may prove of value generally in the effort for social betterment:

First—Following the publication of an article in Collier's September, 1906, a plan for legislation of the character therein referred to was submitted to the Recess Insurance Committee appointed by the Massachusetts legislature of 1906, and the plan was unanimously recommended by that committee to the legislature of 1907.

The Savings Bank Insurance and Annuity bill was passed on June 26, 1907. The trustees of the General Insurance Guaranty Fund, who exercise general supervision over the system, were appointed in July, 1907. The State actuary was selected by the trustees in October, 1907. The large amount of work required of the State actuary and State medical director before the system could be put into operation delayed the opening of the insurance department of any bank until the end of June, 1908, when the Whitman Savings Bank established its insurance department. Even then the preliminary actuarial work had only been in part performed, and it was not until some months later that the system was in what may be called working order. The People's Savings Bank of Brockton opened its insurance department November 2, 1908.

Second—The financial year of the savings banks begins November 1. The first year, therefore, of the savings bank insurance system in operation closed October 31, 1909. The report showing the operation of both the Whitman Savings Bank and the People's Savings Bank of Brockton has just been made with the following result:

1. The aggregate insurance of the two banks outstanding at the end of the year (not including an-

nuity or pension policies) was about \$1,000,000,—the policies being 2,521, and averaging \$393.79.

2. The insurance departments earned, after setting apart the full legal reserve, calculated on the most conservative basis, and in addition an amount equal to four per cent of the premiums to the trustees of the General Insurance Guaranty fund, and paying interest at the rate of four per cent on the special guaranty fund of \$25,000 for each bank, a surplus from which they have declared payable to the holders of all of the monthly premium policies a dividend of 8½ per cent.

For the payment of this dividend only 25 per cent of the surplus profit earned is required. The remaining 75 per cent of the profits is set apart as a surplus guaranty fund, in addition to the legal reserve and the contribution to the General Guaranty fund referred to above. Of the expenses of the insurance department during the past year, over two-thirds has consisted of medical fees. The percentage of these to premiums is of course unusually heavy in the first year. The State actuary believes that when the system is in full operation, the dividend on the monthly premium policies will be much larger than 8½ per cent, and that a dividend of 20 per cent may reasonably be expected.

Third—The present monthly premium rates are 15 per cent less than the present industrial rates. Savings bank policies, however, being participating policies, the policyholders, even with the present dividend of 8½ per cent, get a rate which is 22 per cent less than that of the industrial companies. Putting it in another way—the present industrial companies' rate is about 30 per cent higher than the net savings bank rate based on this year's dividend.

The rates on the quarterly premium policies of the savings banks, of course, do not show so great an advantage over that of the other companies, but the net rates are believed to be the lowest rates for policies of similar amount attainable in any legal reserve company.

Fourth—The reduction of rates which the savings insurance banks offer has been made possible by marked changes in the system of doing business. The industrial companies through their solicitors have a house to house solicitation for business, and a weekly house to house collection of premiums, the compensation of the solicitors and collectors being directly dependent upon the amount of the business written and the premiums collected. The savings bank insurance law prohibited the banks from employing paid solicitors and collectors. It undertook to substitute for these unpaid agencies, and the business actually written by the banks has come mainly through such agencies.

Among these agencies are the following: United Shoe Machinery Co., Beverly; George E. Keith Co., Brockton; Fore River Shipbuilding Co., Quincy; Dennison Manufacturing Co., S. Framingham; Regal Shoe Co., Whitman; B. F. Sturtevant Co., Hyde Park; Commonwealth Shoe & Leather Co., Whitman; Boston Typothetae, Boston; Talbot Mills, North Billerica; American Hide & Leather Co., Lowell; F. W. Bird & Son, East Walpole; People's Institute, Boston; Wells Memorial Institute, Boston, and Women's Educational and Industrial Union, Boston.

Fifth—The amount of business done by the sav-