Alma-Mater. College spirit sends him out for the team; college spirit makes him a football star. He graduates. Wealthy-Alumnus becomes sentimental over the financial handicap under which Prep-School-Star starts life; generously he tears up Prep-School-Star's various notes and makes him a graduation present of the fragments. All's fair and above board; all's a perfectly good business proposition. Why shouldn't Wealthy-Alumnus be generous and help the less fortunate along?

What's right with the methods of buying football players? Many things. Stadiums must be built, for they are an architectural addition to the campus. Stadiums must be paid for when built. Stadiums must be filled, during and after being paid for, and only a good team can fill them. Football profits virtually support all the other athletic activities of the college; they finance the intra-mural athletic program, in which every student participates in exercise; they even finance faculty gymnasiums, where and if any. Perhaps when the football profits exceed five million a year, some few dollars can be found to add to the salaries of those who teach the necessary though sometimes seemingly superfluous academic subjects.

What's wrong with the methods of buying football players? Not much, except their fundamental hypocrisy. Figuratively, such a rose by any other name would probably smell as sweet; literally, football players, whether bought secretly or openly, would play the game just as well.

What about further evidence? Can you prove that Coach A. in XYZ Conference teaches his players dirty football tactics? Can you prove that Coach Z. in ABC Conference makes his team eleven automatons by directing every play from the sidelines? Try to get any one, even me, to name any one, individual, specific player who is being "bought" by any one, individual, specific college. Well, just try!

Small Loans and Family Welfare

By MARY ROSS

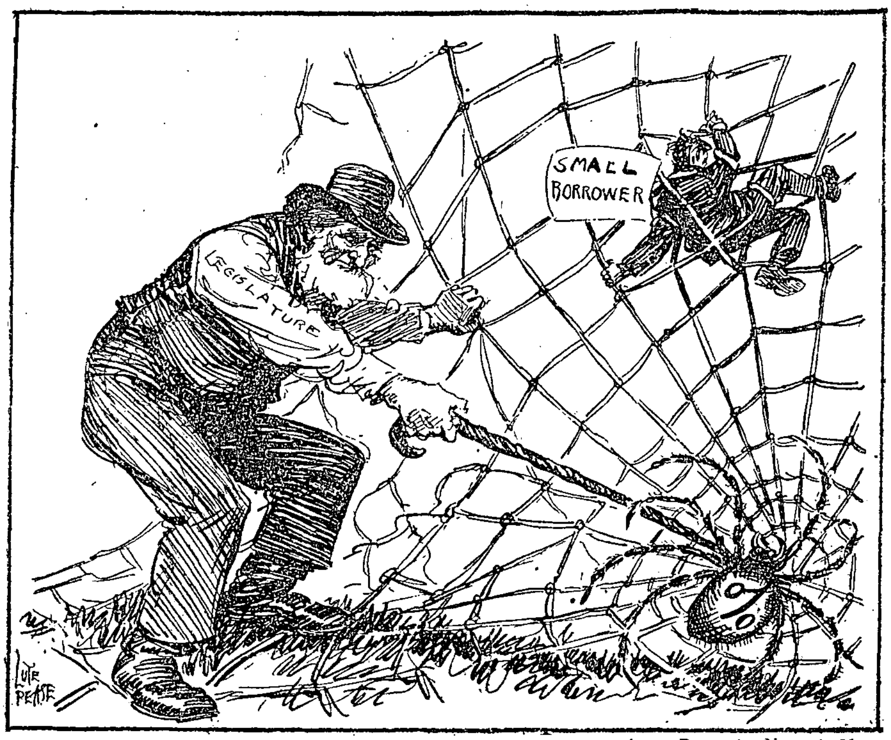
THE possibility of a new name and the project of a basic study of family finance were two of the high-lights of the annual meeting of the American Industrial Lenders Association held in September in Philadelphia. Both measures were sponsored by W. Frank Persons, who brings to his new position as executive vice-president of the association the social background of his years with the New York Charity Organization Society, the American Red Cross and the League of Red Cross Societies, and his more recent industrial experience with the North American Company and the Milwaukee Electric Light and Railway Company. The American Industrial Lenders Association has referred to its executive board the matter of calling itself the American Association of Family Finance Companies, and in that shift of focus is mirrored an increasing recognition of the social and constructive aspects of credit, especially for families of small means who have little choice but to borrow when rainy days come. The only question for them is where and how.

When one needed money in a pinch and could walk down Main Street under the elms to consult with the gray-haired banker who had known one's family, man and boy, credit was a very different matter from what it is now for the wage-earner who probably has neither house, business nor bonds on which to borrow, and if he has a bank, finds himself an almost anonymous nonentity when he faces its marble doorway. The so-called "character loans" require endorsers or co-makers, and the friends of families on the ragged edge are not likely to be themselves in circumstances which permit them to underwrite other people's debts or make them, despite good intentions, reliable guarantors. The resultant evils of the loan shark need no rehearsing; and to cope with his depredations, some twenty-five states have now passed the Uniform Small Loan Act, governing loans of $300 and less made by licensed companies on wages and chattels, and limiting the interest to 3½ per cent monthly on the unpaid balance.

Wisconsin passed the uniform law in 1927 and this year, when it was under fire, a series of studies were launched to discover the experience of borrowers under its operation and to disclose, more fully than yet has been done, what people borrow and why, and whether or not the maximum lawful interest rate should be reduced. A series of conclusions endorsing its present usefulness and fairness appear as the result of a report presented to the legislature by a citizens' research committee, under Fred M. Wilcox of the State Industrial Commission as chairman, and with a membership including John R. Commons of the University of Wisconsin; Aubrey Williams, secretary of the State Conference of Social Work; W. Frank Persons; H. H. Jacobs of the University Settlement in Madison; Alvin Reis, a member of the state assembly; Eugene Wengert, former district attorney of Milwaukee; Leo Crowley, president of the Bank of Wisconsin at Madison; and S. A. Oscar, president of the Association of Commerce of that city.

THIS committee remarks that 82 per cent of the gainfully employed have an income of less than $2,000 and families cannot reasonably be expected to save on a budget that does not afford modest comforts. Put the other way around, 13 per cent of the American people own 90 per cent of the American wealth, and the other 87 per cent of the people without "bankable collateral" have nothing to fall back upon in time of trouble but endorsers, chattels and wages. Before the small loan law was enacted hundreds of families in Milwaukee were the victims of loan sharks who charged them 200 per cent or more for money, while other thousands, unable to secure credit from any source, suffered the drastic pressure of collection agencies, loss of credit, and often hunger and privation.

The committee believes that the organization of credit unions—the wage-earners' cooperative savings bank and credit agency—would accomplish greater results than the organization of remedial loan societies and might well be undertaken by the state government. But at present the state's good credit union law is ineffective because no one is



Lute Pease in Newark News

Break the Cent-Per-Cent Web

responsible for promoting it, and until the greater number of families with low incomes are members of credit unions, commercial facilities for obtaining money on the security of chattels and wages are "absolutely essential to the welfare of Wisconsin families and should be operated under state license and supervision."

People in Wisconsin don't borrow in order to buy luxuries, the committee found, but to "re-finance debts," to meet the pressing demands of doctor and grocer and landlord. The bulk of the borrowers had incomes of from $1,200 to $1,800, and they borrowed on an average $122, or about a month's income, seldom the $300 permitted under the law. The amount of money advanced is regulated by the circumstances of each family, the amount of indebtedness and the margin between income and living expenses. A financial statement prepared at the time of the application shows the applicant's debts, income, maintenance expenses, and ability to pay. Collections were made without recourse to legal proceedings, and 99 per cent of the accounts were paid in full, while very few families got behind in their payments on principal. "The licensed companies," the committee comments, "have the only plan of family budgeting now to be found in the business community."

From this fact arises the possibility foreseen by the more progressive companies, of a program of education in family finance for borrowers which might be as beneficial alike to families, companies and communities as the health education of the life insurance companies has proved. Heretofore, except for the banks, there have been few commercial organizations interested in seeing that a family spent its money to the best all-round advantage; manufacturer, retailer, and the like want primarily to sell their own stuff, and the family, surrounded by competing and alluring advertisements, has to pick its way as best it can. A far-sighted campaign by the lending companies would have the advantage of sharing the family's own interest in seeing its debts paid as promptly as possible, and this in turn means the best management of living expenses in the interim to permit saving without undue discomfort.

The citizens' committee found, too, that the rate of 3½ per cent a month allowed under the uniform small loan act was not in practice, as it might seem, $42 a year for each $100 borrowed, since the interest is collected only on unpaid balances, and if the $100 is paid off during the course of a year the interest consequently would be $22.25. As a matter of fact, a study by the Wisconsin State Lenders' Association showed that most loans are paid off in less than six months. Capital has been slow to enter the small loan business, and the citizens' committee feels that at the present time it would be impossible to enforce a lower interest rate. Corporations conducting chains of offices in both large and small cities do not make more than an ordinary profit at the 3½ per cent rate until their volume exceeds the $2,000,000 mark. One large company, able to obtain capital at usual commercial rates, and dealing in preferred risks, with no loans of less than $100, already has cut its interest rate voluntarily to 2½ per cent a month.

A cross section of small loans is shown in an impartial study of all the accounts of twelve licensed companies in a district of Milwaukee County selected as typical. There were 1,008 borrowers here and the loans averaged $171. Almost half of the total number—46 per cent—borrowed to "consolidate existing debts," to lump into one debt to the lending company the small amounts that they had been unable to pay here and there. What are the reasons for these debts, no one knows, of course. The other listings show as the largest single cause of borrowing the need for money to meet the expenses of illness—doctor, dentist and hospital bills—which accounted for a little more than 15 per cent of the borrowers; payments on homes or homesites, 6 per cent; funds and supplies for businesses, 4.77 per cent; repairs and improvements on home, 4.36 per cent; payments on automobiles, 2.58 per cent; general current expenses of families whose breadwinner was unemployed, 2.18 per cent; moving expenses, 1.89 per cent; and education, .89 per cent. The other items, accounting each for less than one per cent of the total number of borrowers, were repairs on automobiles, assisting friends and relatives, travel, investment, and funeral expenses.

THE occupations of the largest number of these borrowers were classified under the mechanical trades, while the smallest representation, only 10 borrowers out of more than 1,000, were "agricultural." From the listings of public, clerical and domestic employes, of the retail trades, transportation, skilled and unskilled laborers and the professions, it would seem that the need to borrow on occasion runs straight through the whole range of these Wisconsin families of moderate means. Their incomes averaged $165 a month for the whole group, with the professional group, at $206, as the highest paid, and unclassified unskilled laborers at $122 as the lowest.

In July the Wisconsin Industrial Lenders Association decided to see how the borrowers themselves felt about keeping or abolishing the law and sent a buyers' referendum to 40,000 clients of the licensed lending companies operating under the law throughout the state. The ballots were returned to an impartial citizens' committee, and brought the surprisingly large response of 13,487 replies. Of these 12,577, or more than 93 per cent, were for keeping the law.

With the replies came unsolicited letters, which revealed more clearly than volumes of statistics the social importance and need of credit by what one correspondent called "the small fellows." There is a glint of humor in a letter from a Janesville borrower who found hospitality the last straw:

To the person trying to own there own one home and fix as they go or on payment and run no bill a small loan great help. Because just as we do pay every pennie we have over on some old bill and keep everything paid as we go beside we don't have much left for extra's and unexpected.

Not long ago we had word three families were coming for week-end. So much rent sleeping quarters and extra eats so must have $10.00 more. Bank don't like to loan that amount. To who can one go.

But far more typical in its picture of painstaking thrift and anxious self-respect is that of a painter in Brodhead, who needed $160 to install a spray painting machine on which he knew he could make money, but could get no funds for this purpose at the bank on his only security, his tools and his furniture; or a householder in Milwaukee, who borrowed to pay his rent till the spring brought him work again; or an old lady of 65 who keeps boarders and had to have money for funeral expenses when her sister died; or a Racine borrower confronted with the Peter-Paul dilemma who wrote, "I borrowed money to pay off a grocer who was charging me from three to ten cents more on every article I bought of him." Another Milwaukee client had paid out $655 in installments on furniture, which he would have lost had he not been able to borrow $45 to meet the balance when a run of hard luck interrupted his regular payments; while something little short of financial genius is evinced in a letter from a father of seven, who is earning $225 a month, carrying $9,000 life insurance, and sending all his children through the university.

Many letters question whether or not the lawful interest rate of 3½ per cent monthly, or the lower rate of 2½ per cent offered by one company, could not be reduced. At the present time, and under present investment conditions, the citizens' research committee believes that it probably could not. Perhaps a fundamental, if distantly utopian solution of family credit comes in a letter from Duluth, Minnesota:

At the going rate of present wages for common labor it is impossible for a man with a large family to have enough money at hand for an emergency. When sickness comes around these loan companies are a great help to those who *must* have money.

P. S. A living wage for the family man and we will not need these loan companies.

A Nurse's Night Out

By MARJORIE MEYER

THE meeting was over. I had given my health talk, shaken hands and answered questions. And I was weary. As I stepped into my car, the chairman at whose home I was to spend the night suggested that she and her daughter ride with me. So they crowded in, the lady and buxom Mildred, the twelve-year-old. The little car creaked and bulged; but there was room—there always is—for the Angel who looks after me.

We spattered out through the muddy street and followed the husband's car the three sloppy miles to their home. As soon as we were well on our way, the lady began the conversation. "The mister had his gall bladder cut out last winter." And she carried it on, discussing her husband's internal troubles with startling detail, as we sped over the hills and bumps and splashed through the star-sprinkled puddles. Why will people always talk of operations and diseases to nurses?

My car was parked in the barn. It was nearly midnight. The lady lighted the sitting-room lamp and urged me to sit down, while the sleepy Mildred was persuaded to show the nurse how nicely she could play the piano. Then there were kodak snaps to be displayed an explained.

I interrupted and asked to go to bed. Another lamp was lighted and I was guided up the narrow stairs.

"I'm sorry," my hostess apologized, "but you won't mind sleeping in my stepson's room, will you? I've changed the pillow-case, and it's a real comfortable bed." Then an after-thought. "I suppose you will want your window open. You said something about it in your speech. I'll have the mister come up and un-nail it for you."

I had also talked about washing and cleaning teeth before retiring. But there was no wash-bowl or pitcher in the room. Guests mustn't ask too much. When we were finally alone, my Angel and I, we were glad to crawl unwashed between the stepson's gray blankets on top of the too-soft feather bed. We were thankful for the clean pillow-case and for the sweet spring air from the open window.

In the morning I made my way down to the kitchen where the lady of the house was busy getting breakfast. With Mildred and the stepson—he had evidently slept somewhere—and the mister, who had just come in from milking, as audience, I removed some dishes from the sink, pumped out water into the basin and proceeded to wash as best I could without soiling uniform collar and cuffs.

Courtesy Hartford Visiting Nurse Association

At the table, the mister asked the blessing. Fried potatoes and pork chops were passed around. Fresh biscuits and coffee. Then there was pie, hot from the oven, baked especially because the nurse was there.

"It must seem good to you," said the lady of the house, "to get out in the country where they have real food for breakfast. I don't see how city folks can toast and coffee in the morning."

The sun came out on the way home. It was surely an inscrutable, but a nice and funny old world.