

SKETCH
OF
THE FRANKLIN FUND
OF THE
CITY OF BOSTON.

BY
SAMUEL F. McCLEARY.

[REPRINTED FROM THE PROCEEDINGS OF THE MASSACHUSETTS HISTORICAL
SOCIETY, OCTOBER 14, 1897]

CAMBRIDGE:
JOHN WILSON AND SON.
University Press.
1897.

SKETCH
OF
THE FRANKLIN FUND
OF THE
CITY OF BOSTON.

THE FRANKLIN FUND.

AT a meeting of the MASSACHUSETTS HISTORICAL SOCIETY, held in Boston, on Thursday, October 14, 1897, Mr. SAMUEL F. McCLEARY read the following sketch, prepared from authentic sources, of the origin, purpose, and results of the Franklin Fund in the City of Boston : —

Benjamin Franklin was born in Boston on the 17th day of January, 1706, according to the New Style. After a career of pre-eminent usefulness to his country and to science, he died at Philadelphia on the 17th of April, 1790, in the eighty-fifth year of his age. He was therefore in his seventy-first year when he signed the Declaration of Independence.

His will was made on July 17, 1788. At that date the Revolution, in which he had been a prominent agent, had successfully terminated, and the United States of America had become a recognized nation.

Throughout his whole career, whether at home or in the courts of Europe, Franklin never forgot his humble origin, or the efforts which he made under great difficulties to obtain an education in the schools of Boston. He therefore provided in his will for the annual distribution of silver medals to the most meritorious boys in the public schools of Boston ; and for this purpose he bequeathed one hundred pounds sterling, or five hundred dollars, to the town, the interest of which should be devoted to this object. The original sum has been increased to one thousand dollars, and annually the most

deserving boys in the Latin and English High schools of this city now participate in this benefaction.

Having thus provided in his will for the encouragement of learning in his native town, he was forcibly reminded of his own early struggles for the means to support himself and for the extension of his business, when the scantiness of his purse compelled him, as he states in his Autobiography, "to carry the papers to his customers, after having worked at composing the types and printing off the sheets." To him, at that time, a loan of fifty pounds would have been regarded as a fortune.

Accordingly, on the 23d of June, 1789, in less than twelve months from the date of his will, he prepared a lengthy codicil which was devoted almost entirely to the encouragement of young married mechanics in the town of Boston and city of Philadelphia. This was the origin of the "Franklin Fund," as it is now generally termed, the object and purpose of which are fully detailed in said codicil, from which the following are extracts : —

"I was born in Boston, New England, and owe my first instructions in literature to the free grammar schools established there. I have, therefore, already considered those schools in my will. But I am also under obligations to the State of Massachusetts for having, unasked, appointed me formerly their agent in England with a handsome salary, which continued some years. . . .

"Having considered that among artisans, good apprentices are most likely to make good citizens, and, having myself been bred to a manual art, printing, in my native town, and afterwards assisted to set up my business in Philadelphia, by kind loans of money from two friends there, which was the foundation of my fortune, and of all the utility in life that may be ascribed to me, I wish to be useful even after my death, if possible, in forming and advancing other young men, that may be serviceable to their country in both those towns. To this end I devote two thousand pounds sterling, of which I give one thousand thereof to the inhabitants of the town of Boston, in Massachusetts, and the other thousand to the inhabitants of the city of Philadelphia, in trust, to and for the uses, intents, and purposes hereinafter mentioned and declared.

"The said sum of one thousand pounds sterling, if accepted by the inhabitants of the town of Boston, shall be managed under the direction of the selectmen, united with the ministers of the oldest Episcopalian, Congregational, and Presbyterian churches in that town, who are to let out the same upon interest, at five per cent per annum, to such young married artificers, under the age of twenty-five years, as have

served an apprenticeship in the said town, and faithfully fulfilled the duties required in their indentures.

“ And, as these loans are intended to assist young married artificers in setting up their business, they are to be proportioned, by the discretion of the managers, so as not to exceed sixty pounds sterling to one person, nor to be less than fifteen pounds. . . . And in order to serve as many as possible in their turn, as well as to make the repayment of the principal more easy, each borrower shall be obliged to pay, with the yearly interest, one-tenth part of the principal, which sums of principal and interest, so paid in, shall be again let out to fresh borrowers.

“ If this plan is executed, and succeeds as projected without interruption for one hundred years, the sum will then be one hundred and thirty-one thousand pounds, of which I would have the managers of the donation to the town of Boston then lay out, at their discretion, one hundred thousand pounds in public works, which may be judged of most general utility to the inhabitants; such as fortifications, bridges, aqueducts, public buildings, baths, pavements, or whatever may make living in the town more convenient to its people, and render it more agreeable to strangers resorting thither for health or a temporary residence. The remaining thirty-one thousand pounds, I would have continued to be let out on interest, in the manner above directed for another hundred years, as I hope it will have been found that the institution has had a good effect on the conduct of youth, and been of service to many worthy characters and useful citizens. At the end of this second term, if no unfortunate accident has prevented the operation, the sum will be four millions and sixty-one thousand pounds sterling; of which I leave one million sixty-one thousand pounds to the disposition of the inhabitants of the town of Boston, and three millions to the disposition of the Government of the State, not presuming to carry my views farther.

“ All the directions herein given, respecting the disposition and management of the donation to the inhabitants of Boston, I would have observed respecting that to the inhabitants of Philadelphia, only, as Philadelphia is incorporated, I request the corporation of that city to undertake the management agreeably to the said directions; and I do hereby vest them with full and ample powers for that purpose.”

Soon after Franklin's death, information of his bequests was communicated to the Selectmen of Boston, who called a town-meeting, at which the bequests were accepted, and the following acknowledgment was sent to the executors of his will :¹

¹ Town Records, vol. viii. p. 173.

Boston June 1. 1790.

We, the inhabitants of the Town of Boston, in town meeting assembled, now transmit to you our vote of acceptance of the Two bequests of your testator, the most venerable Doctor Benjamin Franklin. The many useful designs, projected by that great man, during a Long and Valuable Life, perhaps even more than his exalted Talents as a Patriot, Statesman & Philosopher, must endear his Memory To Americans: while they, in a more particular manner, reflect Honor upon the Town of Boston, which gave him Birth and Education. Every step to carry into full effect his benevolent plan will be cheerfully pursued by those who he was pleased to constitute his Trustees; and rising generations will for ages Bless the name of their illustrious Friend & Benefactor.

We thank you, sir, & the other gentlemen, for your early communication of the contents of the will as far as it relates to us.

We are, with the most perfect respect, gentlemen

Your most obedient servants

In the name & by order of the Town

WILLIAM COOPER *Town Clerk.*

HENRY HILL & the other gentlemen,

Exec^r. to the last will of the late

Doct^r. Franklin.

Having received the bequest of the Mechanics' Fund, thereafter called the "Franklin Fund," the Selectmen became anxious lest the Trust would be affected, or lapse, by reason of the fact that there was no Presbyterian Church at that time in the town.

But, after a full consideration of the subject, they concluded to constitute the Board of Managers as follows: ¹—

April 5. 1791.

The Selectmen taking under consideration the Will of Dr. Benjⁿ. Franklin, as it respects his donation to the Town of £1000 sterling, —

Voted: That as Trustees of said Donation they are to be united with the Ministers of the oldest Episcopalian, Congregational and Presbyterian Churches of this Town, and whereas there is in this Town *no* Presbyterian Church, it is further *Voted* That the said Selectmen united with the Minister of the Old Brick Church as the first Congregational one, and the Minister of the Chapel Church as the first Episcopalian Church, are the Trustees of the said Donation.

Upon the subsequent establishment of a Presbyterian Church in the town, its minister was added to the Board. The first

¹ Selectmen's Minutes for 1791, p. 258.

Board of Trustees advertised for applications for loans from this Fund to such young mechanics as were duly qualified therefor. It is interesting to note in the first Book of Applications the names of many young artificers who, obtaining their first start in business through this pecuniary aid, became enrolled among Boston's respected citizens. One or two examples are selected as illustrations. On December 24, 1808, a loan of three hundred dollars was made to Charles Wells, a bricklayer, whose sureties were Leach Harris, a calker, and Seth Lothrop, a housewright. This loan was paid in full, and it doubtless led to that success which Mr. Wells achieved in his native city, and which made him worthy of the public stations and honors awarded him by his fellow-citizens, who finally elected him to the highest municipal office in Boston for the years 1832 and 1833.

Take a later case. A few years ago there was made to a young American printer, who had just married, a loan of three hundred dollars for the purchase of an outfit wherewith to set up his business. In about four or five years his literary taste was so stimulated by composition and proof-reading, that it attracted the attention of a Boston clergyman who had given him work. At the suggestion of the clergyman he sold out his business and entered into his adviser's service as an amanuensis and proof-reader. The clergyman discovering his ability urged him to study for the ministry, and gave him valuable aid to that end. He acquired information quite rapidly, and finally spent two years at the Harvard Divinity School. On leaving that institution he was settled over a small parish in this State, whence he was called at an increased salary to one of the principal towns in New Hampshire, where he is now the pastor of a flourishing church. Were other instances wanting (which is by no means the case), these two successful applications of Franklin's bequest exhibit in the clearest light the wisdom and foresight of the testator, who devised this novel plan to help the young mechanics of Boston and Philadelphia.

When the loans were first instituted, the apprentice system was in existence, by which young men intending to learn a trade bound themselves to serve for seven years some Master in the Arts, who, in lieu of compensation for such service, engaged to teach the apprentice the entire technic of the trade; so that at the end of the lad's term of service he would be

fully qualified to engage in such business on his own account. But here, at the very threshold of his career, he was confronted with the hard fact that he had no tools with which to begin his trade, neither had he any money for their purchase. This was the sharp pinch which Franklin's benefaction sought to remedy. From the generous fund provided by his will, the lad could, if he were married and under the age of twenty-five, borrow three hundred dollars, with which he could purchase the necessary tools and start his business. His master and his master's neighbor usually would be his bondsmen.

Franklin was a believer in early marriages as most conducive to morality and ultimate happiness. He therefore required of his candidates this safeguard against moral peril. At the suggestion of this judicious requirement one is forcibly reminded of the romantic incident that occurred to Franklin while a boarder with his friends Mr. and Mrs. Thomas Godfrey, of Philadelphia. Mrs. Godfrey became interested in the honesty and industry of her young boarder; and he tells us in his Autobiography, with a pathetic frankness, that "Mrs. Godfrey projected a match for me with a relation's daughter. Mrs. G. took opportunities of bringing us often together, till a serious courtship on my part ensued, the girl being in herself very deserving. Her old folks encouraged me by continual invitations to supper, till at length it was time to explain. Mrs. Godfrey managed our little treaty. I let her know that I expected as much money with their daughter as would pay off my remaining debt for the printing house, which I believe was not then above a hundred pounds. She brought me word they had no such sum to spare; I said they might mortgage their house in the loan-office. The answer to this after some days was — that they did not approve the match! and therefore I was forbidden the house, and the daughter was shut up." This rebuff was never forgotten by Franklin; hence it is a fair inference that the refusal of his prospective father-in-law to place a mortgage on his house in order to give his daughter and her lover a fair start in life suggested the principal conditions in the remarkable codicil under consideration. Thus he encouraged future apprentices to marry early, by practically providing in his bequest a dowry for each bride.

This scheme of loans, adopted over one hundred years ago, is practically the same in use to-day. Since the system of

apprenticeship was abolished about seventy-five years ago, the Trustees have required each applicant to be simply a mechanic, or that he should intend to adopt a mechanical trade. He can have the loan for ten years, but must pay back one-tenth of the principal each year, together with interest at five per cent on the balance of the loan unpaid.

During the first quarter of the century the money available for loans was nearly all taken by applicants therefor, for money was scarce and interest was generally high. In recent years the applications for loans have been comparatively few, for money has usually been plenty and cheap, and it is easier for a young man, if he be worthy and honest, to borrow three hundred dollars of a friend without giving bonds than to procure a loan from this Fund. Moreover, such are the changed conditions of modern life that a young mechanic under twenty-five cannot afford to marry and incur the necessary responsibilities and expense which such a relation involves.

In the absence of borrowers this Fund is now largely invested with moneyed institutions, where the interest is compounded annually.

Having noted the character of the Fund, let us look at its financial results.

The one hundred years of loans under Franklin's will terminated in Boston on July 1, 1891; but owing chiefly to some early losses, the Fund did not reach at this period the sum estimated by Dr. Franklin.¹

It was however determined by the Trustees at the end of the first century that in the distribution of the proceeds the same proportions should be observed as were fixed in his estimate.

The total amount of the Fund on July 1, 1891, was \$391,168.68. But, before the actual apportionment to the city could be estimated, the Trustees were enjoined from paying out one dollar, until a suit for the recovery of the entire Fund for their own benefit by the heirs of Benjamin Franklin in

¹ The Franklin Fund of Philadelphia suffered in the early days losses from poor investments and from neglect to collect the interest and principal of its loans to an extent much greater than occurred in Boston, so that to-day the Philadelphia Fund amounts to only one quarter of the Boston Fund, or a little over one hundred thousand dollars. No division of the Fund, as projected by Franklin, has as yet been made. But this proposition has been suggested, that if the city of Philadelphia would appropriate a sum equal to its portion of the General Fund on hand, an Art Museum could be constructed in Fairmount Park.

Philadelphia was heard and determined. The ground of this contest was that Franklin's bequest constituted a trust in perpetuity, which is illegal by the common law, except for a distinctly charitable purpose. The judgment of the lower court at Philadelphia was adverse to the heirs, who appealed the case through additional adverse decisions to the highest court of the State, which finally decided, in May, 1893, against the heirs; and the injunction was removed from both cities.

It will be remembered that Franklin expressed a wish that the money which should be awarded the city at this time should be expended in "public works, which may be judged of most general utility to the inhabitants, such as fortifications, bridges, aqueducts, public buildings, baths, &c., or whatever may make living in the town more convenient to its people, and render it more agreeable to strangers."

Upon the purchase by the city in 1881-82 of five hundred and twenty-seven acres of land in West Roxbury for a public park, the city issued bonds for the payment therefor. A large amount of these obligations matured in July, 1891, at the very time the city should have received its portion of the Franklin Fund. Anticipating this fact, the Board of Aldermen of 1882 passed the following resolves:—

"Resolved: That in the opinion of this Board, comprising a majority of the Trustees of the Franklin Fund, it is expedient and highly desirable that the proportion of the Fund, which will be available in 1891-2 for investments in some 'public work,' should be devoted to the extinguishment of the debt incurred for the purchase of the West Roxbury Park.

"Resolved: That, in the event of such disposition of the said portion of the Franklin Fund, the park just purchased should be called 'Franklin Park,' in honor of the testator, who has so generously endowed his native town."

Acting in the spirit of these resolves, the Park Commissioners at once called this ground "Franklin Park." But owing to the injunction by the heirs, the city's share of the Fund was not available in July, 1891, and the city's bonds, which matured about that date, had to be met in some other way. Fortunately, however, by the action of the Park Commissioners, the name of Franklin will always be associated with this popular park, though none of Franklin's money is invested there.

When the injunction was dissolved and the proceeds of the Fund became available in 1893, the Trustees determined, on October 30, that the city's share was \$322,490.20. As soon as this sum was fixed, applications for its expenditure poured in upon the Trustees. There were twenty-seven of these petitions. But it was found that under the terms of the will only thirteen of the propositions could be legally entertained.

After a discussion by the Trustees upon the merits of these suggestions, it was finally and unanimously voted, on December 28, 1893, —

“ That the sum set apart from the general Franklin Fund, as due to the city on July 1, 1893, viz. \$322,490.20, with its accumulations, be paid by the Treasurer of the Fund in January next, to the City Treasurer, to constitute a special fund for the purchase of land and for the erection thereon of a ‘ Franklin Trades School ’ and the equipment of the same: said expenditures to be made under the direction of such department as may for the time being be charged by the statutes and ordinances with the duty of erecting and furnishing public buildings in the City of Boston. The location of, and the plans for, said School to be approved by the Board of Managers of said Fund.”

Accordingly, on January 17, 1894 (Franklin's birthday), the Treasurer of the Fund paid to the City Treasurer of Boston the foregoing sum with its accumulations to that date, amounting in the whole to \$329,300.48, which is to be devoted to the erection of the Franklin Trades School.

No land has yet been purchased and no definite plans for such building have been drawn. In the mean while the Fund established for this purpose is drawing interest in the city treasury at the rate of about six thousand dollars annually.¹

After the deduction of the city's portion from the General Fund, there remained a balance of \$102,455.70, which was put on interest, and will earn interest through loans and investments until July 1, 1991, when the *principal* will be divided without restrictions between the City of Boston and the Commonwealth of Massachusetts as provided in Franklin's bequest; and the Fund will then cease to exist.

What magnificent results this second portion of the Fund will reach at that distant day may be imagined by the consid-

¹ The amount in the City Treasury on October 1, 1897, to the credit of the Franklin Trades School was \$352,641.38.

eration of a single fact, which may be stated as follows. If \$5000 at five per cent interest for one hundred years, notwithstanding some early losses, produced over \$391,000, what will \$102,500 produce, "if," as Franklin suggests, "no unfortunate event happens," at the end of another one hundred years? It will produce over twenty times as much, or nearly eight million dollars, to be divided between the City of Boston and the Commonwealth of Massachusetts, — the city to receive about three million dollars, and the State nearly five million dollars. This, of course, is a *general* estimate.

It will at once be seen what a superb bequest this is, not alone in a pecuniary point of view, but vastly better, as an educational factor of great promise and value.

It will be doubtless asked, What will be the character and scope of the Franklin Trades School which the city has engaged to erect? It is now, and has for years been, a serious problem to devise occupation for such boys as annually emerge from our grammar schools who do not intend to enter the high schools for further education. Statistics show that over seventy per cent of boys committed to the Concord Reformatory have never touched a hand to any trade. While some graduates of our common schools enter stores or offices, there are others who become idlers upon our streets and wharves, and are pretty sure to drift into bad company. Many of these are bright lads, who only need to have some latent interest awakened to keep them out of mischief. The Franklin Trades School proposes to offer to the graduates of the grammar schools, or other lads of a suitable age, free instruction in such branches of mechanical arts as the boys incline to undertake. There will be competent teachers in all branches, and there will be practical work done in all stages of construction.¹ Every boy has some latent mechanical taste or ability, which only requires encouragement and development to attain perfection. Many boys who do not cultivate their heads may become proficient with their hands; and handicraft, when well directed and applied, is in turn a stimulus to brain power.

This school will take the place of the old apprentice system; and a diploma upon the lad's graduation will furnish a complete proof of his competency to do faithful work, and will

¹ For an interesting report upon the working and benefits of Trade Schools in different parts of the country, see City Document 165 for 1894.

entitle him, if he be under the age of twenty-five and becomes married, to a loan of three hundred dollars with which to set up his chosen art.

Every master mechanic of the present day will testify that it is very difficult to find journeymen who fully understand their business; hence we see, or hear of, careless and negligent work in all departments.

After this school has been in full and successful operation for a few years, we may confidently expect that its annual graduates will take especial pride in their employments, and will elevate the character of their several occupations; so that all work accomplished by them will be of an enduring character, and be "done upon honor," as it used to be termed in the olden time. It will be readily seen, from this imperfect sketch, that the sagacity and foresight of the poor Boston boy, whose memory is recalled to-day, have given to his native city the greatest benefaction that it has ever received, and will perpetuate the name of Franklin for generations yet to come.

A brief account of the constitution of the Board of Managers of the Franklin Fund since the adoption of the City Charter of Boston is hereto appended.

Under the City Charter adopted February 23, 1822, the Mayor and Aldermen, nine in number, became the successors of the Selectmen of the town,¹ and, accordingly, with the ministers of the churches indicated in Dr. Franklin's will, they acted as Trustees of his donation. When the Revised City Charter was adopted, in November, 1854, the Board of Aldermen,² consisting of twelve persons, in connection with the ministers above named, acted as such Trustees.

The Board of Aldermen, thus composing a major part of the Trus-

¹ "All the powers heretofore vested in the Selectmen of the town of Boston, either by the general laws of this Commonwealth, by particular laws relative to the powers and duties of said Selectmen, or by the usages, votes, or by-laws of said town, are vested in the Mayor and Aldermen as hereby constituted, as fully and amply as if the same were herein specially enumerated." (Stat. 1821, c. 110, § 13.)

² "All the powers on the 23d day of February, 1822, vested in the Selectmen of the town of Boston, either by the general laws of this Commonwealth, by particular laws relative to the powers and duties of said Selectmen, or by the usages, votes, or by-laws of said town, and all the powers vested in the Mayor and Aldermen, whether as Mayor and Aldermen, County Commissioners or otherwise shall, subject to the approval of the Mayor as aforesaid, be and hereby are vested in the Board of Aldermen as hereby constituted, as fully and amply as if the same were herein specially enumerated." (Stat. 1854, c. 448, § 33.)

tees, have annually appointed an auditing committee to examine the Treasurer's accounts, and their records accordingly exhibit the state of the donation from year to year.

As the Commonwealth of Massachusetts has to-day, in the second century of Franklin's bequest, a larger residuary interest in the existing Franklin Fund than has the City of Boston, a petition was presented to the Legislature of 1896 for the reconstruction of the Board of Managers of this Fund, so that it shall hereafter consist of the ministers of the churches mentioned in Franklin's will, and of seven other Trustees to be appointed jointly by the Governor and by the Mayor of Boston.

The Committee on the Judiciary reported a bill (House Document 702, 1896) based upon this petition. But upon a suggestion of some difficulties in such an Act, a substitute bill (House Document 1237) was proposed, by which the Supreme Judicial Court should appoint three persons at large who, together with the aforesaid ministers, should constitute the Board of Trustees, who by such bill were authorized to receive from the Treasurer of said Fund and from the City Treasurer all moneys belonging to or derived from said Fund. Neither of these proposed bills was enacted, it being thought that the Suffolk Probate Court held the proper jurisdiction in this matter. *Feb 4*

On petition of Hon. Josiah Quincy, Mayor of Boston, ~~July~~ *Feb 4* 19, 1896, the said Probate Court decreed, on March 26th of the same year, that an authenticated copy of the will of Dr. Franklin, as allowed in the State of Pennsylvania, should be filed and recorded in the county of Suffolk as provided by law.¹

Subsequent to this action the City of Boston by its Corporation Counsel submitted to the Suffolk Probate Court a statement alleging that the old Board of Trustees went out of existence with the Board of Selectmen in 1822, and that, with the exception of the Ministers, there have been no legally constituted Trustees of the Franklin Fund up to this time, and asking the Court to appoint the Mayor and Aldermen by their individual names to be joined to said ministers for the desired purpose.

After a hearing of all parties in interest on this matter, Mr. Justice Grant, on July 11, 1897, decided that, as this was a public charity, the Attorney-General was the proper party to appear and make suggestions in the case, and that the City of Boston have leave to withdraw. The Court then afterward decided that it would appoint four laymen who, with the ministers mentioned, should hold and manage the Franklin Fund. Accordingly, on March 18, 1897, the Court announced its appointment of Henry L. Higginson, Charles T. Gallagher, Francis C. Welch, and Abraham Shuman, Rev. Charles W. Duane of the oldest Episcopal Church,² Rev. Stopford W. Brooke of

¹ Suffolk Probate Records, Book 712, page 1.

² Now Christ Church

the oldest Congregational Church, and Rev. Alexander K. McLennan of the oldest Presbyterian Church in this city, as Trustees of the Franklin Fund.

At the first meeting of said Trustees, held on April 22, 1897, Henry L. Higginson was elected Chairman, and Francis C. Welch was chosen Secretary of said Board. At this meeting it was voted that Messrs. Gallagher and Welch be a committee to look into the status of the two Funds and to demand payment and to give receipt therefor ; also that if the Funds were not paid over to the new Board, the same gentlemen are to take such action as may be deemed desirable to place said Funds in the control of the Trustees. To determine this matter a writ of *quo warranto* has been served upon the City Treasurer, and will be passed upon by the Supreme Judicial Court.¹

¹ The Treasurers of the Franklin Fund and the dates of their appointment by the Trustees have been as follows : 1791, Thomas Edwards ; 1799, Russell Sturgis ; 1801, John Tileston ; 1807, Peter Thacher ; 1811, William Minot ; 1866, Frederic U. Tracy ; 1876, Samuel F. McCleary.

