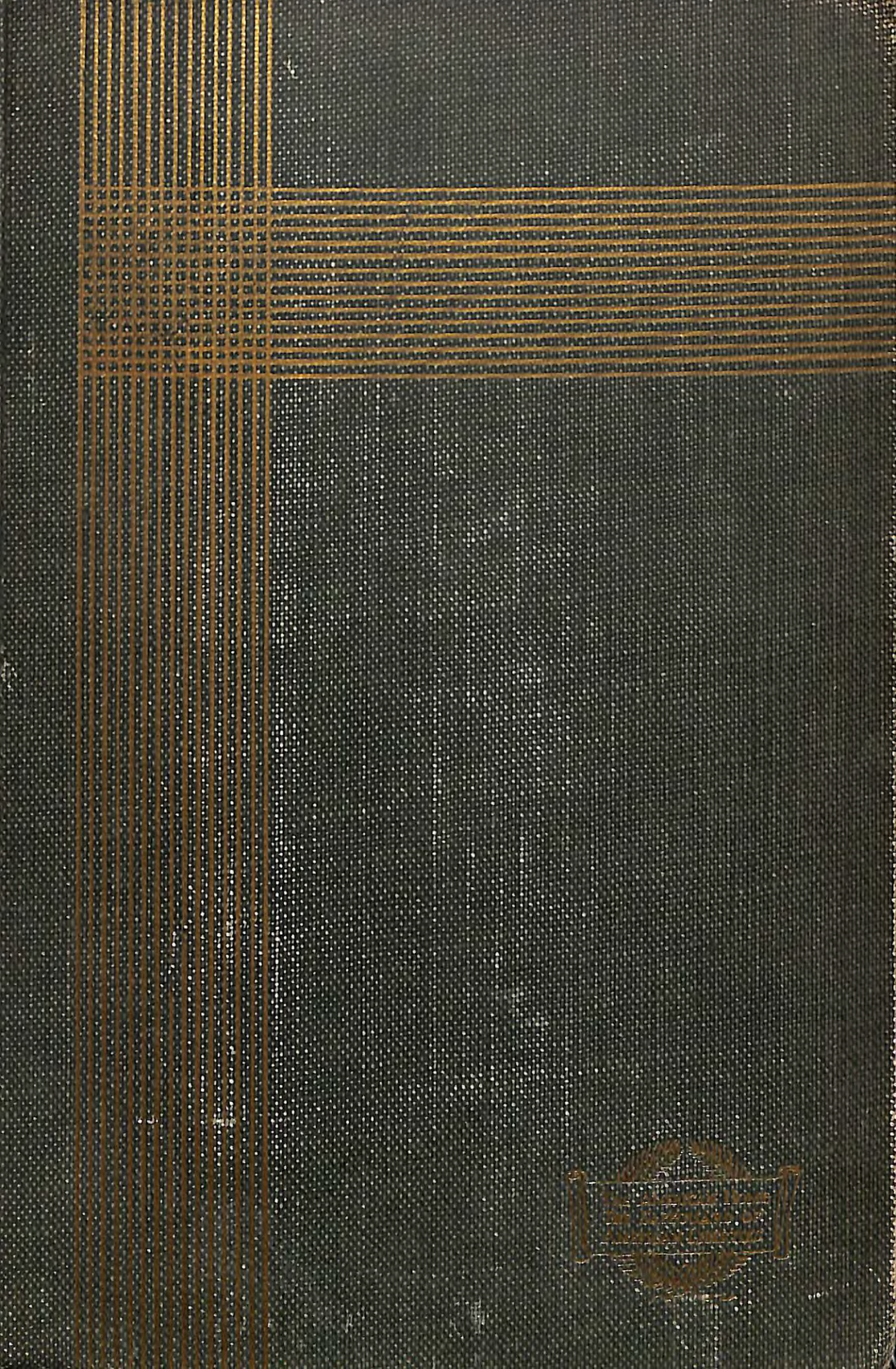
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HISTORY OF BUILDING AND LOAN IN THE UNITED STATES

H. MORTON BODFISH
Editor-in-Chief

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History of Building and Loan in the United States

Together with a History of Building and Loan in the Several States and a Directory of Building and Loan Associations.

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H. Morton Bodfish, Editor-in-Chief
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TO the leaders of the past whose practical idealism, unselfish motives, and business ability laid the foundations of the American building and loan movement, as well as to leaders of the future, pledged to sound principles and policies for advancing systematic thrift and home ownership among the American people, this book is dedicated.

PREFACE

A PREFACE to a history should be brief, but the complications attendant upon the preparation of a volume which includes a variety of authors and has developed considerable evolutionary history of its own requires some violation of that much desired brevity.

The object of this book is to record, as far as possible, the history of the first one hundred years of building and loan in the United States. In our schools we have all too often detailed the affairs of government, glorified mass murder, or eulogized those who have made themselves great by strategy or manipulation of one type or another. A tendency may be noted, however, in the social sciences, particularly history and economics, to place greater emphasis upon human relationships and human institutions. The development of some of these institutions, quite disregarded in the past, often tells us more about the warp and woof of human affairs than do inaugurations or military marches. The whole of our present order may be described in terms of institutions. In this volume will be preserved the essentials in the evolution of an institution of cooperative finance which from modest beginnings has become an integral part of the financial structure of the United States.

The story of building and loan is a fascinating one. It is a story of self-help, of democracy, of an institution attuned to the weekly wages of the masses. In the words of one of our leaders, Mr. R. Holtby Myers, "the history of building and loan is not a record of accumulated personal wealth nor political power nor large affairs. Through a century, no man has ever accumulated a fortune in the business. Thousands have served as officers and directors through a whole generation without financial reward. They have made a record of self-sacrifice and devotion to a high ideal. The work of Shallcross, Wrigley, Endlich, Dexter, Hennessy, and other leaders was prompted by the highest motive, service to others."

Part of the neglect of building and loan affairs by economists and educators has been attributable to the lack of literature in the field. This lack has been supplied to a greater extent

in recent years, and the object of this volume is not only to gather together historical material, but to lend perspective to the generalizations found in this comparatively recent literature.

The book pretends in no way to be an evaluation of any particular building and loan plan, procedure, or type of development. It aims rather, within the limitations of varied sources of material, to record accurate facts.

The scope of the volume is limited to the United States, and does not undertake to include building and loan developments in the English speaking world nor in other countries outside of the United States. The plan of the book is to present the concept of financial cooperation and the conditions under which it had its beginnings in the United States; to describe the first building and loan association in the United States and the spread of the movement from that seed; to outline the evolution of building and loan plans, building and loan organization, and growth. The second part of the volume details building and loan development in each of the several states, as well as in the District of Columbia and Hawaii. Finally the volume contains a directory of the active and progressive associations through whose support the United States Building and Loan League has been enabled to collect these materials and publish this book. Appended to the volume are historical statistical materials compiled by Secretary Herman F. Cellarius, and their inclusion in this historical volume marks an event as significant as the publication of Carroll D. Wright's book in 1893, which painted the first broad statistical picture of building and loan development in the United States. In addition, the volume contains a bibliography as comprehensive as the time available for its preparation would permit.

Of further interest for readers of this volume will be a brief statement of how it has come into being. About six or seven years ago, a casual conversation among a group of building and loan leaders led to the suggestion that a comprehensive historical review of the progress of the building and loan association movement in the United States since 1831 would be of value, not only to the business itself, but to students of American economic institutions. As originally planned, the history was to be a collaboration of a number of individuals who might record their recollections of the early days of the movement,

particularly in their own states, and on this basis the plans proceeded for some time. After the collection and preparation of materials was begun, however, the desirability was apparent of enlarging the scope of the work to include a picture of the growth of the movement throughout the country. Accordingly Mr. Myers and Mr. McDowell outlined the larger field and made the beginnings of the work on the broader lines which the book has subsequently taken.

Credit for the vigorous energy necessary to make the history a reality must be given to Mr. Myers. Many of the materials were gathered by him, and the original outline planned by him. In April, 1930, Mr. Walter F. McDowell, who had counseled with Mr. Myers in planning the volume, was appointed its editor-in-chief, and assignments were made of state historians and for the collection of materials. Mr. McDowell gave many months of voluntary service to the work, and later left his regular business responsibilities and had begun to give his full time to the editing of the book, when a heart attack carried him from his work, his family, and his friends. The writer of this preface was then made editor-in-chief of the volume by the Board of Directors of the United States League, and the final preparation of the materials became his duty and opportunity. Recognition and ample appreciation should be accorded to R. Holtby Myers for the energy and direction which he gave to the volume in its earlier stages. He has long been interested in the development of building and loan literature, and has given unreservedly of his own time and that of his associates to the furtherance of this volume. At this point particular mention should be made of the services of Mrs. Edith P. Nichols who supervised the handling of the materials while they were still in Mr. Myers' office.

A lengthy list of acknowledgments might be made to other individuals who, in one way and another, have helped to make this volume possible. Special credit is due to the authors of the several state histories who have worked indefatigably to gather the essential facts. Many of them have even indicated a firm intention of digging farther into building and loan history with a view to securing other valuable data of a historical nature to place on record.

Among the individuals who have given assistance, particular credit must be given to Herman F. Cellarius, not only for the several chapters which he has prepared, but for his great

assistance in supplying facts and figures to the authors of other parts of this volume. Numerous other individuals could be mentioned if space permitted. Their assistance is recognized and appreciated, not only for the materials which they have prepared and made available, but also for their helpful and co-operative spirit. Several individuals have given us broad liberties with manuscripts they had prepared and others have permitted us to quote on several occasions from copyrighted sources. Mr. James M. McKay, for example, permitted us to distribute over several chapters the essential thoughts in a paper which he had prepared. Acknowledgment should also be made of the assistance of the special editorial committee consisting of Walter F. McDowell (deceased), Herman F. Cellarius, Ernest A. Hale, John C. Hall, Harry McEnerny, and George E. McKinnis. They have read most of the manuscript and have offered valuable suggestions and criticisms.

Appreciation is accorded to Edward B. Hocker and relatives of the early founders of the building and loan movement who have assisted generously in securing valuable historical materials and to Miss Helen C. Monchow who has aided in the preparation of the work.

All materials have been carefully checked and footnoted as time would allow; legal citations, both statutory and judicial, have been inserted in order to increase the usefulness of the materials for those who are conducting legal and economic research in building and loan in the future.

In editing the material prepared by contributors, it has been necessary, because of the historical nature of the volume, to undertake a certain amount of historical evaluation, to shift emphasis, to add relevant materials, to subtract some items and discussion which appeared to be of current interest only, and to remedy the duplication which is more or less inevitable in any volume prepared by more than one author. These changes have been made with only one purpose in mind—namely, that the book represent, as nearly as possible, an accurate historical picture of the first century of the building and loan business in the United States. A note of explanation is needed regarding illustrations and pictures. In so far as possible, the book assembles pictorial history which might have been lost in the passage of a few more years. The past leaders of the national organization are touched upon in the state histories and in the history of the United States League. The pictures of the past presidents no longer living appear in the chapter on the United States League, while those of surviving past presidents of the League have been placed in the several state histories.

I have striven most earnestly to discharge faithfully the trust, realizing that a history of a great character-building and community-building business was being written, and that it must speak authentically to a wide audience until time and research should make possible a further work. It is devoutly hoped that contributors will be tolerant and understanding regarding the task which on several occasions involved the re-writing of manuscripts and frequent briefing in order to keep within the limits of a 700-page volume. For those materials which have been prepared by the editor, of course, full responsibility is taken.

H. Morton Bodfish,
Editor-in-Chief.

« PART I »

One Hundred Years of Building and Loan

« »

CHAPTER I

THE DEVELOPMENT OF COOPERATIVE FINANCE IN THE UNITED STATES

IN its original and still predominant form a building and loan association is an example of cooperation. It is an organization of individuals designed to promote the welfare of its members by developing thrift, pooling savings, and financing homes. Its transactions are confined to its members and all profit proportionately from its activities. Its members pay in their savings, generally in small but regular amounts, to a common fund. From this fund, some of the members receive loans for the purpose of purchasing or constructing homes. Over a period of time all members who so desire can secure such loans.

In its modern form the shares have been modified to conform to varying conditions and investment habits. Also loans may be extended to new members who have not previously been investors. The details of its operation may be varied in an almost infinite number of ways but the essence of every building and loan association is contained in the statement that it is essentially a cooperative enterprise.

The building and loan movement has always had at its very core the principle of cooperation—of existence for "co-workers and laborers in a common cause and for a common end, the mutual well-being of all its members, who work harmoniously to and for a common end."[1] The idea has invariably been contained in the names applied to building and loan organization: building and loan *associations*; building *associations*; *mutual* savings and loan *associations*; homestead aid *associations*; *cooperative* banks; *cooperative* savings and loan *associations*; building *societies*, etc.

A fundamental element of early building and loan associations and of practically all modern ones is an idealism looking toward the development of habits of thrift and the establishment of communities of homes. Combined with this idealism has been the application of sound business principles.

[1] Charles Eugene Clark, "Co-operation: Its Necessity," 1912 *Proceedings of the United States League of Local Building and Loan Associations*, p. 110.

Editorial Note: Subsequently in this volume when reference to this publication is made, it will be in the abbreviated form, *Proceedings of the United States League.*

A rather widespread impression about cooperative enterprises in general, and the early associations in particular, is that the characteristic participant is the intellectual, the revolter, and the economic misfit. Many cooperative societies ultimately failed even if they did enjoy a period of initial success. The essential notions were largely the abolition of individual property, the obligation to work, and in many cases even money was abolished. The participants in building and loan stand in bold contrast to the dilettante reformer, the intellectual, or the economic misfit. The leaders, directors, and officers have represented from the beginning the most stable and worthwhile people. Without exception they have been trades people, workers, and professional folks of moderate means, but of excellent repute in their communities. Thousands of them have given their time and energy without remuneration to the development of building and loan associations. It has been their contribution to the development of their communities.

The point that is being emphasized here is that this particular form of cooperation has not had either poor or haphazard management. The sponsors and workers who have developed building and loan associations have been as idealistic as the Shakers, Perfectionists of Oneida, Owenites, or any of the participants in cooperative communities. They have, however, chosen a most practical means for bettering the condition of their fellowmen in building into their communities opportunities for individual independence, accumulation, and resulting happiness and welfare. In other words, they devised a practical "workingman's way to wealth."

However, in keeping with the safe and practical first principles of the building and loan business, its sponsors early saw that the interests of cooperative enterprise and the cooperators are best served by competent management when the enterprise gains such momentum that its affairs can not be handled entirely by the voluntary and part time work of the directors and officers. As the associations have grown they have more and more developed and retained competent officers and managers in order that the workingman's dollar might be as capably handled and safely guarded as the millionaire's. It is a matter of universal record, however, that the building and loan secretary or manager husbanding a million dollars of the common

people's money is seldom remunerated beyond a modest living wage and not to one-tenth the amount usually paid in non-cooperative enterprises.

Because of the importance of this cooperative element the building and loan movement may be better understood historically if it is viewed in connection with other cooperative endeavors which preceded and accompanied it. Building and loan associations truly, "as found at the present time, . . . are a natural development in direct co-operation . . . ."[2]

Cooperation

In a broad sense all society is based on co-operation

> " . . . one of the things that strikes me with regard to all co-operative associations is that the characteristic feature of an active life is co-operation . . . a community is civilized in proportion as it can sink its individuals in the common interest."[3]

It is obvious that in government through an organized state, in religious organizations, in education, and in many other forms of activity[4] individuals act together to secure for each other benefits which they would not be able to attain alone. Another form of unconscious cooperation is found in the division of labor by which "the miller grinds the flour to feed the tailor who made the clothing worn by the farmer who grew the wheat;" in other words, in modern economic society we work to satisfy each other's wants in order to satisfy our own. In the illustration just given, however, the cooperation is indeed unconscious since the farmer, the miller, and the tailor are trying each to secure as much as possible for what he produces and give as little as possible for what he needs.

In this sense the capitalistic system is a splendid example of cooperation, particularly with regard to the system of "round about" production which is based on the accumulation of capital goods—machines, factories, railroads, buildings, etc. In order that this system may be possible, society and the individual members of society must first consume less than is produced, i. e., they must save. The savings are made available to producers in the form of capital goods and thus aid labor to

[2] Seymour Dexter, *Co-operative Savings and Loan Associations* (New York: D. Appleton and Company, 1891), p. V.

[3] Woodrow Wilson, then governor of New Jersey and nominee for the Presidency of the United States, 1912 *Proceedings of the United States League*, p. 105.

[4] For further discussion of the wide-spread application of cooperation, see Seymour Dexter, *op. cit.*, pp. 1-8.

higher wages through greater production and consumers through lower prices and more goods of all kinds, including those of comparatively high value, such as homes. In instances of high-value goods, the savings of others must almost invariably be used over a period of time until those of the purchaser equal the value of the home. Financial institutions play an extremely important role in this accumulation of capital by promoting saving, adding small amounts into sums large enough to be effective, and making them available to persons who will use them to advantage.

Here, however, we are concerned with a somewhat different kind of cooperation—one in which the individuals concerned are organized in a form of productive activity not for the profit of any one, or even for any part of the group, but rather so that each may advance in a degree proportionate to his contribution of labor or capital.

> "The basis on which it rests is that of 'mutual help for self-help' . . . Fundamentally, therefore, co-operation rests on the economic basis of division of labor which increases wealth production."[5]

It should not be thought, however, that such cooperation is altogether unselfish and altruistic on the part of the cooperators. In all forms of cooperative financial institutions ". . . a high humanitarian motive is bound up with *calculating self-interest.*"[6]

The idea of "mutual help for self-help" must not be overlooked. In all forms of cooperation, as is well illustrated by the building and loan associations, the individuals making up the organization desire to secure for themselves advantages which they believe could not be gained in any other way under existing economic conditions. Each with his small savings or capital could be only slightly effective in advancing his own interest. When these savings were combined, however, they become powerful in assisting the group, and thus through the element of mutuality, in aiding each individual member to gain his ends.

Cooperation, at its inception during the early 1800's, was a reflection and an antithesis of the economic philosophy of the period. Economic doctrine was bound up with the

[5] James B. Marman, "Co-operative Credit Institutions in the United States." 87 *Annals of the American Academy*, 172.

[6] Henry W. Wolff, "*Peoples' Banks: A Record of Social and Economic Success*" (London P. S. King & Son, 1910), p. 47.

principle of laissez-faire. This principle, which represented a policy of non-interference in economic activity on the part of the government, evolved into an universal and absolute faith in the benefits of free and unlimited competition. Advocated by Adam Smith, often called the Father of Economics, as the doctrine of liberty, it meant competition between business men for markets, between laborers for jobs, and in another form, between employers and employees for wages and profits. Combined with certain "natural" laws the doctrine of laissez-faire meant that no one, not even the government, had any responsibility for what might befall the poorer classes in the matter of getting a living or advancing their station in life.

As a result of this attitude the wage earners were compelled to depend on themselves alone. In their individual capacities, they were almost powerless, economically as well as politically. Naturally, therefore, they turned to various forms of cooperative enterprise. Cooperation was thus in harmony with laissez-faire doctrine in that it was not dependent on the government but was purely voluntary. On the other hand, it was not competitive as between the individuals making up the organization but operated through the efforts of each one assisting all others but with the final purpose of advancing the economic welfare of the individual members.

Co-operative enterprises of the sort discussed here foreshadowed the development to a place of major importance of a form of business organization which now dominates American business—the corporation. Corporations, it is true, had existed for a considerable time before the period under discussion (1750-1880). However, such corporations were comparatively rare, and were largely confined to risky enterprises[7], such as foreign trade expeditions and some other businesses where very large amounts of capital were necessary. For ordinary business, however, the corporation in which a number of different persons were associated was almost non-existent. Practically all day-to-day business was carried on by single proprietors or partnerships. In 1789, for example, there were only about 15 corporations in America. It is true that additional ones were organized prior to 1830 but even then the association

[7] *Encyclopedia of the Social Sciences.* Edwin R. A. Seligman, ed. vol. IV. (New York: Macmillan Company, 1931), p. 414.

of large numbers of individuals in a corporation was not the usual type of business organization.[8]

Cooperative enterprises involved organizations of large numbers of people to carry on every-day activities, such as the operation of stores, the production of goods, insurance of lives and homes, and the accumulation and investment of savings. Today, with the corporate form dominating business of all sorts and with everyone familiar with the corporation as an employee, customer, stockholder or all three, it is rather difficult to conceive the significance of the innovation of this type of business organization.

Cooperative Forerunners in England

Mention is sometimes made of various sorts of cooperative societies in China and other parts of the Orient, as well as in some of the early historical civilizations. However, for present purposes it will be sufficient to begin with the development of cooperation in England because of its direct effect on the movement in America. Like so many other American institutions, cooperation in the United States seems to have been most directly influenced by the prior development in England.

The English cooperative movement, much like the early portion of the American development, was largely confined to the poorer class, the workers in the cities. The large land owners, the merchants, and the early factory owners were not interested. They were individualists, motivated by the desire for profits to be gained through successful competition or if possible, through monopoly. Prior to 1750 the small farmers, often called the backbone of the English economic structure, were an independent group and on the whole seemed to be doing fairly well. But at about this time conditions were changed for them. Throughout the period 1750-1830 wealthy men bought up large tracts of land with the purpose of conducting large-scale agriculture. At the same time industries, particularly textiles for the export trade, sprang up.

This was the period of the Industrial Revolution, when methods of production underwent drastic changes, first in England and later in the United States, Germany, France and other countries. A number of inventions in different fields, such as more rapid methods of spinning yarn, weaving cloth,

[8] *Ibid.*, p. 416.

cleaning cotton with Whitney's cotton-gin, the development of steam power machinery and soon improvements in practically every field of production and transportation wrought vast changes in the manner in which people lived and worked. Goods were no longer made in the worker's home with his own tools but were made in factories where the worker was an employee along with numbers of others. The demands in England for the export trade required larger and larger numbers of workers in the manufacturing establishments. The result of all these changes was that the independent farmer class began to disappear and the individuals composing it became wage-earners. For many years, until about 1850, conditions for this class grew steadily worse.

> "The greatest problem was the deterioration of the working-class under the capitalistic system. Hours were too long, wages too small, and conditions unhealthy and unsanitary. The once independent and home-loving yeoman had lost home and independence."[9]

It was among this class that cooperation began on a large scale. It should be noted that in every country cooperative enterprises were started to alleviate conditions of the poorer classes. However, in every case which was successful the operations were genuinely cooperative, i. e., they were organized by workers and contributions were made almost exclusively by such members. On the other hand, those with a philanthropic angle were uniformly failures.[10]

The Friendly Societies in England

"The friendly societies have been said to be first in the 'thrift race' of those organizations which are cooperative in form: 'noble institutions of self-help' which the working classes of England have made for themselves without any assistance from the government or from the rich."[11] The close relationship between the development of the building and loan association movement and the friendly societies, particularly in England, is shown by the fact that "building societies were first certified under the Friendly Societies Act of 1834."[12]

[9] Carlton J. H. Hayes, *A Political and Social History of Modern Europe*, (New York, Macmillan Company, 1928), Vol. II, p. 81.

[10] Henry W. Wolff, *op. cit.*, p. 27; Mary Willcox Brown, *The Development of Thrift*, (New York: Macmillan Company), p. 182.

[11] Brown, *op. cit.*, p. 182.

[12] Harold Bellman, *The Building Society Movement*, (London: Mathuen & Co., Ltd. 1927), p. 10.

When a special act for building societies was first passed in 1836 the laws in force for regulating friendly societies were also extended to them.[13] To this day the Chief Registrar of Friendly Societies issues an annual report on building societies.[14]

The members of the friendly societies made weekly contributions and in return received benefits of weekly allowances during sickness, funeral expenses when they died, annuities for widows and orphans, traveling expenses for members who were out of work and who desired to search for employment in other cities, as well as payments for other contingencies. Some societies included insurance against accident and loss by fire.

There were many such societies even before 1750 and a hundred in England and Scotland before 1800.[15] Their development continued throughout the 19th century. In such organizations the members received the training which enabled them to continue in other sorts of cooperative enterprises. Their membership was widespread and almost everyone became familiar with the cooperative idea and with self-discipline in thrift through regular contributions. The system of regular payments again clearly brings out their relationship to the building and loan associations, as well as to other forms of cooperative financial organizations.

English Mutual Savings Banks

Another important form of cooperative enterprise is the mutual savings bank. These institutions were organized so that the working class might develop habits of thrift through having a place where their small savings might be regularly deposited and kept safely while also earning interest. The deposits were invested, frequently in mortgages, and the interest earned was credited to all depositors in proportion to their contributions.

It is claimed[16] that the first savings bank was started in Berne, Switzerland, in 1787, and that there was one opened in Tottenham, England, in 1803 or 1804. The first clear record of such an institution in England is that of the "Savings and

[13] *Ibid.*, p. 10.

[14] George E. Franey, ed. *Building Societies Year Book 1930* (London: Reed & Co., 1930), p. 36.

[15] Brown, *op. cit.*, p. 192.

[16] For further details of the origin of the savings bank see Frank P. Bennett, Jr., *The Story of Mutual Savings Banks*, (Boston: Frank P. Bennett & Co., 1924), pp. 115-117.

Friendly Society" started in 1810 by a Scotch parson in the village of Ruthwell. However, the United States can claim the first mutual savings bank in the world to be incorporated. This is the Provident Institution for Savings in the Town of Boston, chartered in December, 1816. It is still in existence. Eleven days before this however, a similar, although unincorporated, institution was opened in Philadelphia. These American banks followed the plan of operation employed by the English prototypes.

Mutual savings banks, frequently in conjunction with friendly societies and other cooperative institutions, were rapidly developed in England as well as in other countries prior to 1850. From the cooperative point of view the mutual savings bank presents marked contrasts to the commercial banks which had been started long before. The commercial banks and the non-mutual savings banks are operated primarily for the benefit of their owners, the stockholders. Depositors' interests are secondary, so far as the purpose of such banks are concerned, and must be guarded only because they form a class of preferred creditors. On the other hand, a mutual bank, like other forms of cooperative enterprise, is operated primarily for the benefit of the depositors who are also the owners. It thus appeals to the lower-income classes and is a very close relative of the building and loan association, although of course the two types of organization serve different purposes.

Mutual Fire Insurance

One of the earliest types of mutual enterprise was the mutual fire insurance company. These companies were not primarily designed to serve the working classes. They were organizations of property owners. The first of such companies in England was started around 1635.[17] They were relatively local.

Producers' Cooperatives

Shortly after 1800 several cooperative organizations were formed by wage-earners to engage in manufacturing enterprises. Although there were some predecessors, the main stimulus to this activity was given by Robert Owen before the 1820's. Owen was a successful business man who was impressed

[17] V. N. Valgren, *Farmer's Mutual Fire Insurance in the United States* (Chicago: University of Chicago Press, 1924), p. 4.

by the idea that workers were suffering from the profit urge of employers. He believed the workers should work for themselves in their own shops with a division of the proceeds among themselves. In putting his ideas into force Owen started several cooperative colonies in England and in the United States, the most famous in this country being New Harmony, Indiana.

Cooperative producers' associations were established in many countries, particularly after the reform agitation of 1848 in Europe.[18] Many of them failed but in 1856 there were 17 in England, considerably fewer than when they first started but those existing seemed to be flourishing.[19]

Consumers' Cooperatives

Probably more important than the producers' organizations were the cooperative associations of consumers. The first of these of much significance was started among the weavers of Bradford, England just before 1800. These men started through the cooperative buying of a few necessities of life.[20] Others followed so that in 1828 Dr. William King, a physician of Brighton, published a magazine called *The Cooperator*, designed to guide and further the movement.[21] It appealed to all forms of cooperative enterprise, as well as to consumers' cooperatives.

The landmark in the development of the consumer's cooperatives is the formation of the Equitable Pioneers Cooperative Society among the weavers of Rochdale, England. This organization has been eminently successful and has been followed by a number of others operating along the same plan. At the present time such cooperatives are a potent influence in English economic life.

The chief significance of producers' and consumers' cooperatives to the movement toward cooperative finance lies in the evidence which they give of deep and wide interest in mutual enterprise at the time.

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[18] For a description of some of these enterprises, particularly those in France see John Stuart Mill, *Principles of Political Economy* (Edited by W. J. Ashley) (London: Longmans, Green and Company, 1909), pp. 764-784.

[19] *Ibid.*, p. 783.

[20] Henry S. Rosenthal, *Cyclopedia of Building, Loan and Savings Associations* (Chicago: American Building Association, News Publishing Company, 1927), p. 3.

[21] James Peter Warbasse, *Cooperative Democracy*, New York: (The Macmillan Co., 1927), p. 33.

English Building Societies

The immediate ancestor of the American building and loan association was the English building society. There is some controversy about just which society should be honored as the first, but the distinction seems to belong to one started in Birmingham, England in 1781.[22] This may have been partly speculative, but the general plan was very similar to the form later adopted. In the ensuing years before 1836 a number of other organizations of the purely mutual type were formed to serve as "the means whereby the industrial classes of Great Britain have supplied their economic needs for themselves, no man showing them the way, 'not by prescription nor by influence of superiors'."[23]

It is obvious that by 1850 the spirit of cooperative enterprise was widespread in England. Every wage earner and many persons in other classes had the opportunity of engaging in one or more types of cooperative organization. Everyone was familiar with their purpose. Similar movements were taking place, although possibly not in such a variety of forms, in other countries of Europe, particularly in France, Germany and Italy. It was inevitable that the same spirit should come to the United States. In some respects the economic conditions were substantially different but there were some points of similarity. Possibly the greatest influence in spreading cooperation in America was the tide of immigration of persons who were familiar with the benefits of such institutions in their former countries.[24]

Cooperation in America

In some respects conditions in America during the century after the United States achieved its independence were particularly conducive to the development of cooperation in the forms discussed. There was a comparatively early development of a wage earning class which, while better off than its counterpart in Europe, was compelled to depend largely on mutual effort for any considerable economic advance. At the

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[22] Bellman, *op. cit.*, p. 5.

[23] *Ibid.*, p. 10.

[24] For example, in the first building and loan association in America, the Oxford Provident Building Association of Philadelphia County, at least three of the initiators, Samuel Pilling, Jeramiah Horrocks, and in particular Dr. Henry Taylor, were all natives of England, and were familiar with the good work of the building societies there.

same time the development of a new country, where the goverment has not had an opportunity to become paternalistic or the business institutions dominant, requires that the individuals perform cooperatively many of the functions which are later taken over by the state or private business. Thrown on their own resources the settlers combine their efforts to accomplish for each other greater achievements than those which each could attain alone. They are thus trained in that "working together" which is so essential for successful cooperative enterprise.

Probably the earliest form of cooperative organization in the United States was the friendly society patterned after that in England. The movement in its original form was not very widespread. Its place was taken by the secret society or lodge which sometimes developed political ambitions.

Mutual fire insurance companies developed comparatively early; records indicate that one was started in Charleston, S. C. in 1735.[25] By 1850 hundreds of mutual fire insurance companies were in operation throughout the country. Here, particularly, the farming element received its initiation into cooperation. The second was the Philadelphia Contributorship, noteworthy not only as additional evidence of the spirit of cooperation[26] around Philadelphia but also because Benjamin Franklin was one of its organizers and a member of its board of directors.[26a]

It is difficult to measure the effect which Benjamin Franklin must have had in the development of cooperative financial institutions as well as other American enterprises. Certainly one of the most widely read publications in this country was his

[25] V. N. Valgren, *op. cit.*, p. 4.

[26] Philadelphia claims many "firsts." Among them may be mentioned ". . . the first Law School in the United States . . . the first American locomotive . . . the first paper mill, 1690; the first botanical garden, 1728; the first Masonic Lodge, 1730, the first subscription library, 1731; the first volunteer fire company, 1736; the first American medical book, 1740; the first magazine, 1741; the first American philosophical society, 1743; the first Shakespearean performance in America, 1749; the first fire insurance company, 1752; . . . the first water works, 1799; . . . the first American building and loan association, 1831; . . . "To which may be added, the first mutual savings bank in America, and the first strike called by a union in America. It is interesting to note how many of these "firsts" entailed a form of co-operation.

[26a] "The oldest insurance company in America is The Philadelphia Contributionship for the Insurance of Houses Against Loss By Fire. This old mutual was organized by Benjamin Franklin and his neighbors on February 25, 1752. The company proposed to relieve and prevent misfortune caused by fire. Distribution and prevention of misfortune are characteristics of every mutual insurance company today." (From an address by Mr. Harry Cooper, secretary of the national association of mutual insurance companies, Indianapolis, Indiana, under the heading of "History.")

Poor Richard's Almanac, started in 1732 and continued for 25 years thereafter.[27] It almost served as a school book for the youth of that period and for a long time afterward. Filled with wisdom presented in an appealing way, the *Almanac* had as one of its main themes the virtues of thrift and saving. Surely the generation which benefited by it in its youth must have carried its lesson through life.

In addition Franklin himself set his countrymen a lesson in the initiation of new endeavors of a public or semi-public nature, some of which partook in part at least of the nature of cooperation. In addition to the fire insurance company mentioned, he was also instrumental in starting a volunteer company to extinguish fires, a subscription library, a hospital, and many other organizations.[28]

Cooperative Stores

The development of cooperative stores in England had its counterpart in the United States, (additional evidence of the spirit of cooperation of the era), at about the same time as the first period of growth of the building and loan association movement—1840-1860. They were fostered by the same class—the wage-earners—and indeed the first consumers' cooperative in New England began early in the 1840's when certain members of the New England Association of Farmers, Mechanics, and Workingmen, whose chief object was the securing of the 10-hour day law, began to buy certain necessities together and divide them at their meeting place.[29]

This movement spread to other parts of the country but apparently was most popular in New England, where it became a form of organization of major importance until disrupted by the Civil War.

Mutual Savings Banks

There is a fairly close relationship between the building and loan associations and the mutual savings banks, in so far as they are both financial institutions developing regular habits of thrift in small amounts. They differ, however, in the element of mutuality between borrowers and savers.

[27] John F. Morse, Jr., *Benjamin Franklin*, (Barton: Houghton, Mifflin and Company, 1889), p. 21.

[28] See John F. Morse Jr., *op. cit.*, pp. 20-40.

[29] For further details of the development of this form of co-operation see Edward W. Bemis, "Cooperation in New England", *Publications of the American Economics Association*, 1887, pp. 9-15.

The origin of mutual savings banks in America has already been described. The point[30] has been brought out that such institutions, appealing as they do to the small saver, could not well have been started before the period around 1816. The interruption of commerce during the Napoleonic Wars between 1795 and 1815, intensified by the War of 1812, had resulted in a very rapid development of manufacturing. As a result a class of employees grew up who, because of comparatively good wages, had small amounts to save. Prior to this the populace was composed largely of farmers, fishermen, traders, merchants, etc., who always turned any small surplus back into the business in the form of additional land, stock, or equipment. The new employee class did not have this opportunity. The banks of the time did a strictly commercial discount or loan business and for many decades did not attempt to solicit deposits, particularly in small amounts. There was, therefore, a real need for such an institution of a type which had not existed prior to this time. This condition should also be borne in mind in connection with the early building and loan associations.

The early growth of the mutual savings bank was comparatively rapid. By 1854 there were 73 in Massachusetts alone.

It is evident that by the time the first building and loan association in America was formed in 1831 there had been a real beginning of cooperation in this country. It had shown itself in a number of different forms most of which grew along with the building and loan movement in its early period of expansion up to 1860.[31] The history of the development of building and loan associations themselves will be described in detail in later chapters.[32]

Co-operation After the Civil War

Another wave of cooperation swept over the country after

[30] Bennett, *op. cit.*, pp. 19-26.

[31] At one time several types of organizations appeared which tried to imitate the building and loan association but which lacked the essential element, mutuality. For descriptions of Loan Associations and Land Associations of speculative purposes giving profit to their promoters which spring up between 1850 and 1855 in Philadelphia and other cities and perished during the panic of 1855, see Edmund Wrigley, *The Working Man's Way to Wealth*, (Philadelphia: James K. Simon, 1869), Chapter II entitled "A Glance at Other Plans of Saving."

[32] For dates of organization in other states, as well as a brief history of the movement, see Horace F. Clark and Frank A. Chase, *Elements of the Modern Building and Loan Associations*, (New York: The Macmillan Company, 1930), pp. 452-475.

the Civil War. Perhaps this statement is not quite accurate. Probably the movement had been continuous but was submerged in the national consciousness by the events of the Civil War and the period immediately after it.

In Europe certain developments of importance in the movement toward cooperative finance had been taking place. Cooperative enterprises had been advancing particularly after the wave of reform which reached a climax in 1848. Perhaps the most interesting was that of the credit banks in Germany. They took two distinct forms.

One was the Schulze-Delitzsch system originated by Herman Schulze-Delitzsch in 1850. Schulze-Delitzsch had organized small associations of carpenters and shoemakers for the purpose of buying raw materials. This developed into a credit association which grew into a cooperative bank.[33] In this system an association of small craftsmen was formed; the members all became jointly and unlimitedly liable for the association's debts; on this basis it borrowed from outside sources and lent to those of its members who could repay; the members made regular contributions to its capital.[34]

This system grew rapidly and it was said, "Those years from 1867 to 1873 . . . were called . . . the 'flowering season' of the Schulze-Delitzsch movement. Certainly they were years of extraordinary growth and prosperity."[35]

In 1869, F. W. Raiffeisen started a variation of the Schulze-Delitzsch plan designed to meet the needs for cooperative credit on the part of small farmers. Other variations were also introduced but these two plans developed most rapidly.

Cooperative credit banks were established during this period in Italy, France, Belgium, and other European countries. These credit banks might be termed second cousins of the building and loan associations but they were distinctively different institutions. By the time they had developed, the building and loan had taken on a certain more or less definite character and had achieved a place of great importance, particularly in the United States and England.

Probably the greatest contribution of these credit banks to

[33] Warbasse, *op. cit.*, p. 75.

[34] Donald Tucker, "Evolution of People's Banks," CII *Columbia University Studies in History, Economics and Public Law*, p. 55.

[35] Tucker, *op. cit.*, p. 100.

building and loan was that immigrants from many European countries were familiar with them and therefore looked with favor on cooperative financial institutions.

At this period the cooperative movement can best be understood in the light of two movements of economic and political significance, one among the agricultural element—the Patrons of Husbandry or Granges; the other among the city workers—the Knights of Labor. The Patrons of Husbandry started in 1867. By 1875 there were 19,000 granges with a total membership of 758,767.[36] The purpose of this organization was political and educational but it did make its members conscious of the mutuality of interest which is so necessary for true cooperative enterprises.

The Noble Order of the Knights of Labor was started in Philadelphia (Philadelphia, again) in 1869. Among other objectives, " . . . they urged private cooperative organizations of workingmen to handle the production and distribution of goods."[37] After a slow start the movement gathered momentum and within the three years between 1883 and 1886 the membership leaped from 52,000 to 700,000. Under the impetus of these movements many cooperative enterprises began throughout the country.

Perhaps the most notable was the development of cooperative shops in Minneapolis.[38] The first of these cooperative shops was started about 1868 by the coopers employed in making barrels in the early days of Minneapolis' rise as a flour-milling center. These started in a small way but did not prosper until about 1874 when one of these shops was organized as a corporation. This marked the beginning of a number of similar and successive shops established in other cities frequently under the auspices of the Knights of Labor.

Accompanying and in part preceding the cooperative producers' enterprises in Minneapolis was a very rapid growth of the building and loan association movement in that City and its near neighbor, St. Paul.

In connection with this development the remarks of Dr.

[36] Faulkner, H. U., *American Economic History* (New York: Harper and Brothers, 1924), p. 425.

[37] *Ibid., p.* 591.

[38] This material is drawn heavily from Albert W. Shaw, "Co-operation in a Western City," I *Publication of the American Economic Association* (1887).

Albert W. Shaw, written at about that time, are of interest to all students of the building and loan movement.

> "The form of cooperative enterprise that has attained far greater results in the United States than all others combined, is that of the well-known and almost invariably successful building and loan association.
>
> "It is immensely important in the period of a city's early and most rapid development that the proportion of tax-paying, property-holding citizens should be as large as possible . . .
>
> "Of all the various plans in vogue for acquiring property by small periodic payments from current wages, the building and loan associations provide the best."[39]

The building and loan association, a mutual financial insituation, is seen to be a climax of a widespread movement in cooperation. The experience and familiarity with the cooperative idea which has resulted from all these forms has undoubtedly aided the building and loan principle in attaining its great success.

The building and loan movement has unquestionably been successful. Its growth has been continuous and has been as prodigious as that of the United States itself. In a very real sense it has grown up with the country. As this nation grew in numbers and in prosperity, as its cities sprang up wherever economic opportunity beckoned, the building and loan association has also grown and successfully carried out its functions.

With this growth conditions changed and in some respects the building and loan association changed also. It has adopted several slightly different forms to aid in carrying out the function which it performs for the community. But whatever its variation in form it encourages thrift through safeguarding savings, while yielding a good return to the saver. It is assisted in doing this by giving an incentive to systematic and periodic additions to the funds credited to the saver. It finances homes and aids to ownership persons for whom this boon would otherwise be impossible. Through developing home ownership it makes the community a better place in which to live. It adds to the stability of the populace by aiding the accumulation of property and particularly of real property in the form of homes.

This contribution of the building and loan association has been widely recognized.

[39] Shaw, *op. cit.*, p. 80.

"And so there has grown up . . in all civilized countries the idea that the state must in the interest of its own stability and prosperity, recognize certain activities of its citizens (especially those wherein they are formed together in voluntary cooperative associations for some worthy purpose) as deserving of public encouragement . . . it says in effect: Come, you groups of citizens, out of the common walks of life, and organize these *mutual cooperative*—observe the words—savings institutions, dedicated to these fine ends—to help those save who never saved before, and to see that these savings funds be safely invested in the best type of security that human experience or human ingenuity has yet invented. What is that security? It is the security of first mortgages, repayable in monthly installments, upon the homes of our people in the villages, towns and cities of the state. To those who, in voluntary associations scattered through fifty counties of our state, provide the machinery for this service to thrift and home-ownership, the State of New York says, in effect: Bully for you! You are wisely helping to build the true greatness of our state. For it must be clear that these savings and loan associations are helping on the one hand to serve the fine social and public purpose of building an independent citizenry, a citizenry not dependent upon doles, nor upon charity, but men and women building their own lives and their own communities as self-respecting Americans. It is to men and women such as those that the state wisely says: Bully for you! You are rendering fine service to the state and to your communities! We will encourage you."[40]

This is a challenge to building and loan and it has been signally met. It can still be said of any true building and loan association, whatever be its form, as was said when the movement was still young, ". . . with ordinary judgment, enterprise and strict integrity brought to bear on its management, [it] cannot fail of permanent benefit and profitable results to any community adopting it and faithfully carrying out its principles."[41]

[40] Address of Hon. Charles O'Connor Hennessy, at the Mid-Winter Conference of Savings and Loan Associations held at Albany, January 19, 1931, p. 10.
[41] Wrigley, *op. cit.*, p. 6.

CHAPTER II
AMERICA IN 1831

THE statement that the building and loan movement in the United States began in 1831, just 100 years ago, is of historical value but not much more. In order to understand the development of the building and loan idea and to appreciate its contribution as well as its potentialities it is necessary to examine those beginnings somewhat in detail and to analyze the conditions under which it was founded, the elements contributing to its inception, and the influences which made it flourish. The assumption behind such an analysis is that the conditions prevailing in 1831 paved the way for the introduction of this type of savings and building institution and that the evolution of that institution has paralleled the evolution of those conditions over the subsequent 100 years.

It is comparatively easy to enumerate and ejaculate over the vast changes which have occurred in America since 1831. A favorite pastime is depicting the astonishment with which Washington, Jefferson, or even Jackson would behold our present civilization—our paved roads, automobiles, railroads, gigantic factories, skyscrapers, apartment houses, telephones, and myriad developments of the past generation or two. The bewilderment of these men, if set down in 1931 in an American city, can easily be imagined. But we must not forget that we would appear quite as wide-eyed with astonishment should we be carried back to the Philadelphia of 1831.

But a recital of the amazing changes of this particular 100 years is not pertinent here. Rather the desire is to paint in broad strokes the conditions of 1831, grouping them for convenience in four or five large masses which dominate the picture. No attempt will be made to examine exhaustively the period under the question nor to analyze all the contributing influences. Furthermore, no evaluation of these separate elements and no estimate of their relative influence on building and loan development will be essayed. Such efforts would unduly expand this part of the discussion and, furthermore, the various elements react and interact upon each other until their individual influences are lost in the effect of the whole. In short, the aim is to construct a background against which this

first building and loan episode may be portrayed and, in a measure, explained.

Population Growth

In 1831 the America could indeed be spoken of as a very young country. Only a little more than 200 years had passed since the first settlers had landed at Jamestown and Plymouth. During much of this time development had indeed been slow, although progress had been made at an accelerated pace for some time prior to 1831. As a Nation, the country was only about 50 years old, although it had already survived two wars with a major European power.

If the United States was young it was also growing—growing in almost every conceivable way. The population had more than trebled in the 40 years between 1790 and 1830, increasing from 3,929,214, to 12,866,020[1] (it was not far from 10 times that in 1930). In the same period the land area had almost doubled, largely as a result of the Louisiana and Florida purchases. The number of states was also increasing. Eleven (Kentucky, Tennessee, Ohio, Louisiana, Indiana, Mississippi, Illinois, Alabama, Missouri, Vermont, and Maine) had been added to the original 13 before 1830.

Another characteristic of American population, beside its growth, was its extreme mobility. People were pouring into the country and those already here were engaged in a great migration. This was the beginning of the great spurt in immigration which was to characterize American population conditions during the 19th century.[2]

Within the country the movement was twofold: a movement to the cities and a movement to the new lands being opened in the West. The cityward movement, while not approaching in proportions what we now characterize by that name, "became perceptible" in the decade 1820-30 and its significance for the building and loan movement will be touched upon later.[3]

The more spectacular movement was the westward expansion. Possibly at no other time and in no other place has

[1] *Fourteenth Census of the United States*, Bureau of the Census: Population, 1920. (Washington, 1921.)

[2] "During the twenties immigration was small, but beginning with 1832 it increased rapidly, and by 1840 had reached 84,066 for the year." (Bogart, *An Economic History of the United States* (New York: Longmans Green & Co., 1923), p. 243.

[3] *Ibid.*, p. 244.

there been such a mass movement of people as was taking place during this time. The westward movement started before 1800, and was in full sway in 1830. It had been given added impetus by an act of Congress in 1820 providing for the sale of the public land in the West, i. e., what is now the middle west, in tracts as small as 80 acres and at prices as low as $1.25 an acre. This law was designed primarily for the poor man and was conducive to the movement of thousands and even millions of families from the eastern states. Probably at no other time have the lower income classes had so glamorous an opportunity to become landed proprietors with as little investment in addition to their labor and they were eager to take advantage of the opportunity.

> "In short, within the forty years after the heavy migration began, the western territory acquired more inhabitants than the original thirteen colonies in a century of development under the stimulus and patronage of governments, companies, and proprietors; more than Canada in the hundred years following the British conquest of that great dominion."[4]

This western country soon began to add to the productiveness of the entire nation and increased the exports, largely of agricultural products, which were necessary to counterbalance the imports of machinery and other capital goods which were so essential for the development of the Nation. Thus early in the 1830's, the first shipload of wheat left Chicago on Lake Michigan to be transported through the Great Lakes, the Erie Canal, and finally to be exported from New York. Of course, wheat and other products had been shipped on the more eastern of the Great Lakes some years before this time.

Transportation Development. These various population movements, as well as commodity movements, were, of course, greatly facilitated by transportation improvements which were being developed at this time. The first means promoted was the turnpike and improved road which were the object of particularly intense interest and activity in the 30 years prior to 1820. The first turnpike in America was built between Philadelphia and Lancaster in 1792, again showing the eagerness with which the residents around Philadelphia welcomed a progressive measure. By 1832 Pennsylvania had about 2,200 miles of such roads.[5]

[4] Charles R. Beard and Mary R. Beard, *Rise of American Civilization* (New York: Macmillan Co., 1930), p. 525.

[5] Faulkner, H. U., *American Economic History* (New York: Harper Bros., 1928), p. 312.

Such improved roads, their cost and the necessity for a fairly intensive use to justify this cost, were very largely confined to the eastern and better settled states.

The West, on the other hand, was greatly assisted by inventions and improvements in river steam boats. By 1825, 125 steam boats[6] were operating on the Mississippi and Ohio to connect these areas with the markets in the lower South and the New Orleans export center. Farther north, the Westerners were able to secure fairly cheap transportation on the Great Lakes. In the East the much greater cheapness of water transportation was secured by building hundreds of miles of canals. One of the most notable of the large projects was the Erie Canal, which was opened in 1825. This gave great impetus to commercial activity and the growth and population of the cities in the State of New York, particularly New York City itself, with the result that the population of this metropolis was doubled between 1820 and 1830, relegating Philadelphia, for the first time, to second place among American seaports. In 1830-31 canals were being built in practically every eastern state, with Pennsylvania in the lead.

The railroad, that foremost agent in the subsequent development of the United States, had not yet been proved practicable in 1831, although in that year the first railroad approaching the modern concept in America, the Baltimore and Ohio, had definitely decided to use steam for its motive power rather than horse-power or sails as had previously been contemplated. Although not of real importance as yet, the first era of railroad building was just beginning.[7]

In this connection brief mention should be made of the development of trade and commerce which were flourishing at this time in America. Possibly the most prosperous business in the decade between 1820 and 1830 was that of the American merchant marine. In some respects this business flourished to a greater extent during this period than at any time before or since. In 1826, 92.5% of the foreign trade of the United States was carried in American bottoms.[8] In addition, American built vessels enjoyed an enviable reputation throughout

[6] *Ibid.*, p. 317.

[7] Thirty-two miles were constructed in 1830, 95 in 1831, 229 the following year, and 1,000 by 1835. In 1831, experiments were being made in many of the eastern states, including Massachusetts, Pennsylvania, Delaware, South Carolina, and New York.

[8] Faulkner, *op. cit.*, p. 254.

the world and many thousands of tons of shipping were sold to foreigners during the years between 1820 and 1830. Not only were the American workmen particularly skilled, but the timber and other materials necessary for the business could be had more cheaply here than anywhere else; thus "a fully equipped 500-ton sailing vessel cost $37,500 in America and $43,000 in England."[9] American sailors were so efficient that it was cheaper to operate an American vessel even at higher wages because of the smaller crew required. American vessels were seen in every important port of the world and only a few years later a clipper ship was developed to carry on New England's trade with California, China, and other parts of the Far East.

This increasing volume of trade and the improvenent of transportation facilities had far-reaching effect upon American economic development. Their major effect for present purposes was their contribution to the growth of urban centers, chiefly at the port and transfer points, and to the building up of a specialization of functions between communities and the consequent rise of a wage-earning class.

The ramifying influences of this transportation and trade development can only be indicated. The improved facilities assisted the various migratory movements not only directly but indirectly by facilitating the interchange of products between different areas and thus promoting division of labor and the differentation of urban and rural functions; by making the surplus produce of the interior available for export and thus promoting foreign trade. Further generalized, these transportation improvenents contributed to the development of city populations, the growth of manufactures, and the stimulation of trade and commerce with their attendant economic institutions.

Manufacturing Development

Prior to 1831 the United States was an agricultural country and the agriculturalist was self-sufficient to a high degree. In 1831 agriculture was still the major industry and was destined to remain so for some time to come. Thus, the census of 1820, showed only 14%[10] of the population engaged in manufacturing

[9] *Ibid.*, p. 256.

[10] Willard L. Thorp, *Business Annals* (New York: National Bureau of Research, Inc., 1926), p. 109.

and mechanical industries. In 1821, 60.5%[11] of our exports were in crude materials, largely agricultural. Part of the explanation for this predominance of agriculture may be found in the fact that the great national resources, coal, steel, and oil, which form the basis for much of the later manufacturing dominance of the United States, were then practically unexploited. It was only in 1830 that iron ore was successfully smelted with anthracite coal.[12] The Bessemer process of making steel was not discovered until 20 years later.

It must not be understood, however, that factories were altogether unknown in the United States. On the contrary, they were developing rather rapidly in 1831. Prior to this time most of the articles which we now think of as strictly factory-made were produced in the home, including such articles as cloth, hats, and even simple tools. The factory-made articles which were used in the United States were imported from England, for America did not possess the necessary machinery for the establishment of factories.

Manufacturing, particularly of textiles, was at first assisted by a flow of new inventions, many of them improvements on the spinning jenny, the water frame, power frame, cotton gin, and the steam engine, all of which had been invented considerably before this time, and which were constantly being refined and improved and made more practical. As a result of these inventions it became cheaper and cheaper to produce cloth, and before long, a variety of other goods were produced in factories where a number of working men were assembled, rather than in the home.

The stimulus to manufacturing which came about 1831, had several contributing causes. The Napoleonic Wars between 1795 and 1815, by interrupting commerce with the old countries, materially assisted the establishment and growth of local industry. This was particularly true during the War of 1812 with England. Additional assistance came from the protective tariff which really became effective in 1816. This tariff was revised in 1824 and 1828, and during the four years from 1828 to 1832 reached the highest point prior to the Civil War. American manufacturers had a very marked amount of natural protection in addition to that given by the tariff, because of the

[11] *Ibid.*, p. 111.
[12] Faulkner, *op. cit.*, p. 275.

costs and difficulties of transportation from Europe and more particularly because of the distance of established seaports from the backwoods markets. Thus little factories to supply local needs could successfully compete with their larger and more powerful competitors overseas. This natural protection was, of course, weakened with the development of more efficient means of transportation.

This manufacturing development had two particularly significant consequences for the development of the building and loan institutions. It brought about the emergence of a wage-earning class and it promoted the concentration of people in urban centers.

The Appearance of a Wage-Earning Class

The development of manufacturing and the factory system, as well as large commercial enterprises, gave rise to a wage-earning class which by 1831 had achieved rather large proportions particularly in the cities of the East and was beginning to appear in the new centers in the West. Two characteristics of this new element in the population are of particular significance for the development of the building and loan movement. The wage earners were not generally property owners. They did not even own the tools or raw materials with which they worked, as did the handicraftsmen of the previous era; they were employed in factories owned by others. Practically their only stakes in the community were the homes which they owned or hoped to own. These facts made them excellent prospective users of the building and loan idea.

The other charactristics of this group of the population was the fact that their receipt of regular wages, even though small, permitted them to save at least a portion according to some systematic plan to be applied toward a distant goal. Their incomes were not large, and their lot was not enviable, but on the whole they were doing fairly well in 1830 and many of them for the first time had a small surplus which they could invest if the opportunity were offered. Part of their good fortune was attributable to the possibility of migration to the West which drew off that part of the population which might otherwise have constituted a surplus and have tended toward lower wages. On the other hand, immigration from Europe was on the increase. In 1830, the arrival of 30,224 im-

migrants was recorded at New York. Many thousands entered the United States at other ports but the records of their number were not very accurately kept. Most of these immigrants came from Great Britain and northern Europe.

In some of the eastern states the workers objected to the ensuing competition for jobs and appealed to their legislators for aid. Their appeals were made more effective by the fact that some of the immigrants were not very desirable and a few of them even became public charges.[13] On the whole, however, the immigrants proved themselves to be good material for American citizens and their venture was encouraged rather than discouraged.

Workingmen for the first time evidenced a disposition to organize for mutual protection. Their initial endeavors were also political. In 1830 the Workingmen's Party came into existence in Massachusetts, and soon spread into New York and Pennsylvania. In its platform the new party demanded abolition of imprisonment for debt, elimination of monopolies, equalization of wages, laws for the encouragement of industry, a 10-hour working day, instead of the 12 or 14-hour day, then customary, and establishment of a system of free schools. Several journals were founded as organs of the Workingmen's Party.

These early efforts at organization are evidence of a consciousness on the part of the workers of their economic position and a desire to seek to better themselves by uniting forces in their own interests. In short, here are the beginnings of group efforts on the part of a portion of the population which could use and profit by the advantages to be offered by the building and loan principle.

The Development of Cities

Another major development, already referred to, which got under way about this time, was the appearance of cities of considerable size and economic importance.

The America of 1831 must not be thought of as an entirely backwoods country. There were many cities in practically every section of the nation; some of those in the eastern

[13] At about this time Massachusetts enacted a law forbidding the landing of aliens until the master of the vessel in which they came had paid $5,000 for each person to the town where they landed.

states were of very respectable size and already rather old. Among the oldest cities may be mentioned, New York, Philadelphia, Boston, Charleston, and many others. Villages, towns, and cities were springing up in the West.

These cities were first established largely for commercial purposes, serving as centers for the collection of the products of the surrounding territory and also as distributors of materials needed by this territory. They became, however, natural centers for small factories, serving the local market for 50 or perhaps 100 miles around. Their manufacturing development was, of course, enhanced if they were located near a source of cheap power which at that time was almost entirely the waterwheel.

Of particular significance was the fact that these cities represented considerable aggregates of people, living in relatively small areas and thus able to cooperate and pool their resources to secure certain desirable ends. The actual fact of living in close proximity to each other seems to be the all-important fact in this connection. In other words, cooperation on any organized and systematic scale was not possible when people were scattered over a wide area and living in comparative self-sufficiency. But when they came to live close together and to work together these facts were stepping-stones to the idea of further association and the securing of individual needs through group effort.

The American Financial Situation in 1831

Finally, there remains to be mentioned the banking facilities available in 1831. Possibly the characteristic which would occasion the most surprise to the present American business man, if he were to attempt to carry on his enterprise in 1831, would be the banking system. There had been several marked changes in the banking system in the brief history of the country up to 1831. The first notable period was that from 1791 to 1811 during which the first United States bank was chartered. Just before the charter was issued there had been a rather rapid rise of small state banks, all issuing notes which passed with a greater or less facility as currency. The federal charter bank with its many branches, by refusing to accept notes which the issuing state banks would not or could not redeem in specie, drove such notes out of circulation.

The charter of the first United States bank expired in 1811 and was not immediately renewed. At once many state banks sprang up and began circulating notes far and wide. These notes often were accepted in trade only at a substantial discount, particularly when the issuing bank was not well known or near at hand. It is hard for us with our present uniform currency to imagine the confusion and difficulty in transacting business inherent in such a system.

In 1816 the second United States bank was chartered for 20 years. It was again beneficial in restraining the note issue of the many state banks. Unfortunately, however, this bank became a political issue and after Jackson's reelection to the presidency in 1832 the support of the government was withdrawn from the bank and its charter was not renewed in 1836. State banks again had mushroom growth and issued enormous quantities of notes. Many of these banks were unable to weather even a small storm and many of them failed from time to time. The result was a general lack of confidence in banks and this undoubtedly aided in the development of the building and loan movement.

During the latter period of the bank's charter it was not so effective in controlling the issuance of notes by state banks partly because of the popular feeling against it. As a result, by 1829, there had been a number of state banks chartered, 11 in Philadelphia county alone and a corresponding number in other cities and states. These banks, of course, issued notes which passed into the channels of trade. Some of them were destroyed because of the poor quality of paper on which they were printed while others circulated only at a substantial discount, so that a merchant had to quote a wide variety of prices depending upon the kind of money offered. These banks were subject to failure in periods of financial stress and thus aroused distrust.

This brief resumé of the financial situation serves to show that what banking facilities were available were not of the variety that would be of much assistance to the working man in his efforts to get ahead and accumulate funds for the future. In the main, the generalization may be hazarded that the banking problems of 1831 centered around the matters of credit for the growing industries of the Nation, the establishment of an adequate currency system, and the facilitation of the increasing

commercial activity of the times and the fiscal operations of the Government. They were not primarily concerned with fostering the saving and accumulating processes of the average run of citizens.

Except for a few banks of the mutual savings variety, banking institutions in general were of no benefit to the working man so far as the protection of his savings were concerned. They made no attempt to develop savings accounts, their main business being that of discounting commercial paper or making business loans. On this account and also because of their speculations in western lands, unfavorable criticism was generously levied at them about this time.[14]

The time was ripe, therefore, for the appearance of some institution which could accept the small savings of the working man and provide him with the needed security and investment return to induce him to save and to secure a stake in his community.

In spite of this uncertainty and dissatisfaction with the banking and currency affairs of the Nation, America was enjoying a period of very general prosperity in 1831. The depression of 1826 had changed to moderate prosperity in 1827, with continued improvement in industry, a rapid rise in commodity prices, and some recovery in foreign trade. Money was easy, which promoted a revival of speculation largely in western lands. Prices of both wheat and cotton were low and the latter crop, in addition, was poor. Prosperity continued until the summer of 1828, when there was a depression marked by credit restriction with accompanying distress among New England manufacturers. In May of that year the tariff was raised and in the same year Jackson was re-elected. The depression continued throughout the greater part of 1829 with some revival in the autumn. Foreign trade had fallen off considerably and security prices declined. The revival continued through 1830 in spite of the fact that commodity prices reached a low point in this year. The price of wheat was low and that of cotton was very low with only a fair crop.

1831 was a prosperous year. There was a further improvement in business and industry. Commodity prices rose and foreign trade boomed, particularly imports, in contrast to the

[14] See Dewey, Davis R., *Financial History of the United States*, (New York: Longmans Green & Co., 1924), pp. 198 ff.

previous year when exports had risen but imports remained low. Money became a little tighter in the autumn but security prices rose. Prosperity continued, although at not quite so fast a pace, during 1832 and well into 1833.[15]

1831 Political America

The period just before 1831 marks a milestone in the political development of the United States. The country had already shown signs of a three-way division in politics, based largely on economic conditions, although social influences were of course also at work. These three divisions were the commercial and manufacturing East and Northeast, the agricultural West, and the plantation South. The West bought little from the South but found it a good market for corn, wool, and other agricultural products which the South with its already developed pre-occupation in cotton did not find time or energy to produce. In turn, the agricultural West bought crude machinery from the East and an increasing amount of manufactured products in the form of textiles, shoes, etc. The South's greatest market was that for cotton in New England, and to an even greater extent in Great Britain. The East, of course, bought foodstuffs from the West and this trade was facilitated by the rapidly developing means of transportation between these two sections.

The West and South found themselves fundamentally divided from the East on the tariff question. They desired to buy their necessities as cheaply as possible. The East, on the other hand, wanted a tariff because of the opportunity for higher prices which it afforded. Another ground of division between the West and the South, on the one hand, and the East, on the other, was that of the backwoodsmen, frontiersmen, or the newly established settlers against the cultured and, as the westerner said, supercilious East. Still another division came as a result of the policy of disposing of western lands. The frontiersmen wanted the public domain transferred to private ownership as cheaply and as rapidly as possible. The eastern manufacturers, on the other hand, were opposed to this policy because opportunity in the West attracted the workingman and thus tended to keep up wages and consequently manufacturing costs. In the act of 1820, which has been mentioned, the frontiersmen won a partial victory but desired even more, which, however, was not attained until the Homestead Law of 1862.

[15] This material describing business conditions of the five years prior to 1831 is taken directly from Thorpe, *op. cit.*, p. 120.

In the election of Andrew Jackson in 1828 the West and South triumphed and on the whole were able to hold their control until the Civil War, which was brought about by the gradual switching of the Northeast's alliance to the East.

Jacksonian Democracy has become a by-word in American politics. Although representing the democratic West, Jackson was perhaps more autocratic than any of his predecessors. He introduced the spoils system through which appointed officers of the Federal Government holding over from the previous administration were turned out and supplanted by his own supporters. Jackson, however, retained his hold on the affection of a large part of the populace so that he was re-elected in 1832 and was able to choose his successor in 1836.

Resume'

The America of 1831 is thus seen as a growing and expanding Nation, largely agricultural but with manufacturing and commerce rapidly becoming more and more important. The population was predominantly rural but in many parts of the country there were fairly large cities, some of them firmly established and with an existence of 100 or more years behind them. In these urban centers there was emerging a wage-earning class to whom home ownership and safe investment were almost a necessity. Thus through working together and living together the ground was prepared for further joint efforts of a definitely cooperative nature.

CHAPTER III

THE OXFORD PROVIDENT BUILDING ASSOCIATION: ITS ORGANIZATION, FOUNDERS, AND FIRST LOAN

The Community

A DESCRIPTION of the first building and loan association in the United States may well begin with a brief examination of the community in which that association came into being. In the light of the contents of the two preceding chapters, no surprise is occasioned by the announcement that this beginning was made in the Philadelphia area. That city has always shown rather striking wideness of interest and active participation in various cooperative and progressive enterprises. Hence building and loan ideas found a fertile soil here.

The first building and loan association in the United States, the Oxford Provident Building Association, was organized at Frankford, Pennsylvania, in 1831. Frankford was then an independent borough but since 1854 has been part of the consolidated city of Philadelphia, now comprising all of what was formerly Philadelphia County. Frankford's organization as a borough covered the period from 1800 to 1854, while prior to 1800 it had been part of Oxford Township. Settlements were made in that locality along the Delaware River by Swedes even before William Penn, in 1682, founded the city of Philadelphia some miles farther south.

The name of the community was taken from that of a creek flowing into the Delaware at this point, whose source was in a tract of land owned by the Frankfort Land Company, five miles to the west, where that company had founded Germantown.

The first English settlers came from Oxfordshire, England; hence they named the township Oxford. Trinity Episcopal Church, Oxford, built in 1711 upon the site of an even older house of worship, still stands a few miles north of Frankford.

When the borough of Frankford was incorporated in 1800, its population was about 1,000. The government consisted of a board of seven burgesses, having most of the functions of a

modern city council. One limitation was that the highways of Frankford remained under the control of the supervisors of Oxford Township until 1842, the supervisors collecting the road tax in the borough and directing the repairs of the roads.

A peculiarity of the borough government during its earlier years was that only two of the board of burgesses had the title of burgess; the others were denominated assistant burgesses. The burgess receiving the largest number of votes became the chief burgess, with powers analogous to those of the mayor of a city. This method was abolished in 1844, when a borough council of nine members was constituted.

One phase of the early government was retained when the consolidation with Philadelphia took place in 1854, and is still operative, namely, the poor district. Instead of sending needy residents to the city almshouse, they are cared for in a district almshouse under the governance of the Oxford and Lower Dublin Poor Board, the territory comprising the old Townships of Oxford and Lower Dublin.[1]

Frankford was on one of the main highways from Philadelphia to New York, the route of several stage coach lines between the two cities. In 1830 a United States soldier rode on every stage coach as a precaution against attacks by highwaymen. The through stage lines were operated until 1836, when the Philadelphia and Trenton Railroad was opened; but for some years afterwards stage coaches still carried passengers between Frankford and Philadelphia at a fare of 25 cents.[2]

Some German families settled in the Frankford region about the middle of the 18th century, and founded a German Reformed Church, which subsequently became English Presbyterian. In the first years of the 19th century Frankford won favor among Philadelphia residents as a site for country estates. During the second, third and fourth decades of this century industries came into existence at Frankford, which attracted large numbers of English immigrants, who made their homes there.

The United States War Department established an arsenal in Frankford in 1816, which may, in some degree, be regarded as a pioneer Frankford industry. But the real industrial pio-

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[1] "Frankford—A Souvenir Booklet," published in 1912.

[2] "Reminiscences of Dr. William B. Dixon," *Publications of the Historical Society of Frankford*, nos. 2 and 4.

neers of Frankford were Samuel Pilling and Jeremiah Horrocks. In 1820 Samuel Pilling opened a block printing factory, that is, a factory for printing calico, which was one of the earliest of the kind in America. The workingmen to carry on this industry all came from England. The following year Jeremiah Horrocks came to Frankford and founded the Frankford Dyeing, Finishing and Bleaching Works, the first dye house in Philadelphia County.

Soon other industries began operating in the Frankford region. Before 1838 there appeared a second dye works, a factory to make spool cotton, two starch factories, two tanneries and two "stick factories," where umbrella handles were made.[3]

In 1830 Frankford had a population of 1,843. Besides the German Reformed Church mentioned, there were a Friends' Meeting House and a Baptist Church. Since 1768 Frankford Academy had been supplying educational facilities and a public library had also been opened.

Such was the community where the American building and loan association movement was born.

The Organization of the Oxford Provident Building Association

The two pioneer manufacturers of Frankford, Samuel Pilling and Jeremiah Horrocks, were both natives of England and knew the beneficial results which had been achieved by the English building societies since 1781 in encouraging workingmen to save systematically. There was also in the community a practicing physician, Dr. Henry Taylor, who had come from England and who had at heart the welfare of the working people among whom he had a large practice.

These three men consulted Isaac Shallcross, surveyor, conveyancer, and teacher of the principal school in Frankford. They became convinced that Frankford ought to have a building society, and "pursuant to public notice," they held a meeting for organization on the night of January 3, 1831, at the inn of Thomas Sidebotham, at what is now 4219 Frankford Avenue.

To obtain legal advice about organization, the aid of Jesse

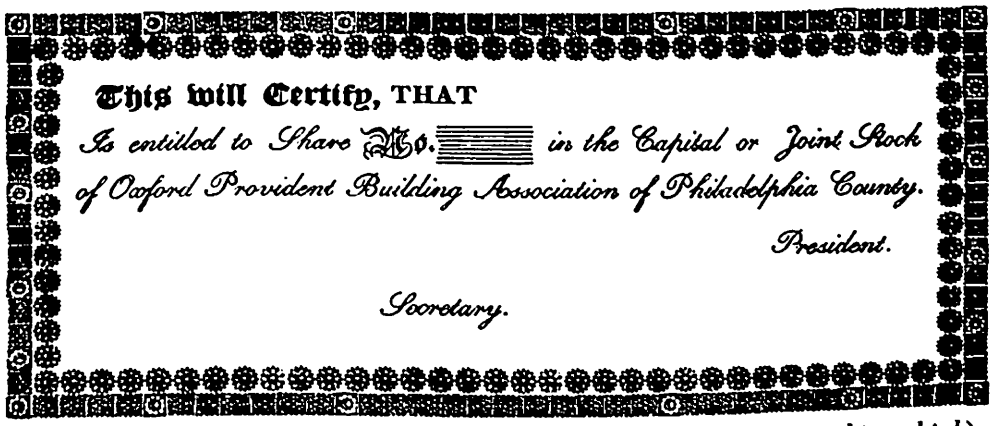
[3] See "Frankford—A Souvenir Booklet;" also *Publications of the Frankford Historical Society.*

Y. Castor, a lawyer and a member of a family long prominent in Frankford and vicinity, was enlisted.[4]

While following the British model, no literature as to the operation of the societies on the other side of the Atlantic was at hand; hence it was necessary to depend for details upon the memory of those who had been familiar with the English building societies.[5]

The minute book containing all the records of the first Association is still in existence, having been placed in the custody of the Historical Society of Frankford. Credit for the preservation of this book is due to the thoughtfulness of members of the Corson family of Frankford, descendants of Jacob Deal, a trustee of the first association.

The minute book records the events of the first meeting when the name, the Oxford Provident Building Association, was chosen and the affairs of the new organization were placed in the hands of 13 trustees who were to serve without compensation. The purpose of the Association, or "building club" as it


This will Certify, THAT
Is entitled to Share No. ____ in the Capital or Joint Stock of Oxford Provident Building Association of Philadelphia County.
President.
Secretary.

Certificate for stock in the Oxford Provident Building Association (original in red ink), property of the Historical Society of Frankford, Pa.

was sometimes called, was to enable the subscribers, most of whom were wage earners in the textile trade, to build or purchase dwelling houses.

The par value of shares was set at $500 each, and members were required to make an initial or membership payment of $5, and then pay $3 a month on each share. No one could hold

[4] John B. Currier, "The Pennsylvania Locals—the Pioneer Building and Loan Associations," 1922 *Proceedings of the United States League.*

[5] T. M. Daly, "The Growth of Building Association Law in Pennsylvania," 1909 *Proceedings of the United States League.*

more than five shares. Money received as dues was to be offered as loans to the highest bidder among the stockholders, who were entitled to borrow $500 for every share held.

Members desiring to withdraw were required to give a month's notice, and were charged a penalty of 5% of amounts paid in, at time of withdrawal. New members could be elected by ballot at the monthly meetings. Failure to pay for 12 months was ground for expulsion.

Trustees were to be fined 25 cents every time they were absent from a meeting, and a like fine was imposed for failure to pay monthly dues or for appearing at meetings in an intoxicated condition.

It was further agreed that

> "the association shall continue until every member shall have opportunity of building or purchasing a dwelling house for each share of stock he may hold in the same, after which the balance in the treasury shall be equally divided among the members according to their respective shares."

No loans were to be made for building houses at a greater distance than five miles from Frankford.

In the record of the second meeting of the Oxford Provident held on January 10th, 1831,

> "at the house of Thomas Sidebotham in the Borough of Frankford, the following officers were elected: president, Isaac Whitelock; secretary, Isaac Shallcross; treasurer, Samuel Pilling; trustees, Isaac Whitelock, Jeremiah Horrocks, Peter Buckius, Jacob Deal, James Wright, Joshua Cooke, Jesse Y. Castor, Alfred C. Jones, Abram H. Duffield, Thomas Pendlebury, Henry R. Shoch, Thomas Sidebotham, Francis Deal."

Because of their historical value, as well as their human interest, the constitution of the Oxford Provident Building Association and the minutes of the meetings of the first year of its operation, which include the by-laws, are printed here exactly as they appeared in the minute book. The first pages of this record are a facsimile of the minute book; the balance are exact transcripts.

January 3rd 1831

At a meeting of sundry inhabitants of the Borough of Frankford and its vicinity held this day pursuant to public notice at the house of Thomas Sidebotham in said Borough for the purpose of forming an association to enable the contributors thereof to build or purchase dwelling houses. Isaac Whitelock was called to the Chair and Jesse Y Castor was appointed Secretary.

On Motion and seconded the following Constitution was unanimously adopted for the Government of said association

Article 1st

This association shall be known by the name style and title of the Oxford Provident Building Association of Philadelphia County

Article 2nd

This Association shall be conducted by Thirteen Trustees who shall at the stated meetings in January and July in each and every year elect a President from their own body and a Secretary from amongst the members and such other officers as the business of the institution may require. The seat of any trustee who shall be absent for three successive stated meetings may be vacated by the Board at any stated meeting thereof and any officer by them appointed may be removed at pleasure

Art 3rd

The trustees shall have power to fill up by ballot after notice of one month any vacancy which may happen in their body or officers not less than two thirds of the whole Board to be present when any appointment or removal is acted upon

Article 4th

The trustees shall not receive either directly or indirectly any compensation for their services

Article 5th

The Treasurer shall be elected by ballot by the members at the semi annual meetings in January to serve one year whose duty it shall be to keep a just and true account in a book or books to be kept for the purpose of all the monies paid him by the members either as fines or contributions. He shall serve in charge and shall be responsible for all monies by him received from time to time and shall at the stated meeting in January and July in each and every year render to the society a correct statement of the fiscal concerns of the same or whenever required by the trustees

He shall attend every stated meeting of the association unless prevented by sickness or other unavoidable cause and for neglect of duty shall be fined by the President or in his absence by the President Pro tempore in any such sum as may be specified by the Bye laws

He shall give such security as the trustees shall deem sufficient for the faithful performance of his duties and for the payment of the balance due by him to the association and for the delivery of the books and papers belonging to the same to his successor in office

Art 6th

The trustees shall be elected by ballot at the stated meetings in January and July in each and every year the term of service of six of the youngest trustees now elected shall expire at the next stated meeting in July and six others be elected to supply their places to serve for the ensuing year so that at the end of every six months the terms of either seven or six trustees shall expire

No trustee shall be incapable of re election nor

shall he be obliged to serve more than one year out of three

It shall be the duty of the trustees in addition to those specified to cause all bills for lumber and materials to be paid through the Treasury where they consider the same just and fair and shall assign to the treasurer and Secretary or other officers for their services such compensation as they shall think reasonable

Article 7th

The president shall preside at all meetings of the trustees and association and shall preserve order and regulate debate for the infractions whereof he shall impose such fines as may be designated by the Bye laws

He shall sign all orders on the Treasurer for the payment of money when directed so to do by the Building committee

Article 8th

It shall be the duty of the secretary to keep fair minutes of every transaction of the trustees and of the association. He shall keep a book or books containing a list of the members with an account opened with each. He shall have in charge all books and papers belonging to the association except those of the treasurer and shall deliver the same to his successor in office

Article 9th

Each member shall pay the sum of five dollars upon each share of stock held by him and a monthly contribution of three dollars on each and every share by him held

Article 10th

The trustees shall from time to time as the funds of the associations will justify give notice at a stated meeting that at the next stated meeting they will be prepared to advance money to one or more members as the case may be which shall not exceed the sum

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of five hundred dollars on each share by him or them held which said money so advanced shall be applied to the purpose of purchasing or building a dwelling house or houses and no other In every case the party or parties desirous to borrow the said sum or sums of money shall at the stated meeting offer by a written ballot with his name thereon specifying what premium he or they are willing to give for the same and the member or members offering the highest sum shall be entitled to the same

Article 11th

When any member shall be declared to be entitled to a loan or loans it will be his duty to inform the Building committee of the trustees of his having purchased a house or houses or a lot to erect one or more thereon the title papers for which shall be submitted to them for inspection and if they are satisfied with the same or any other collateral security which may be offered they shall permit the purchase to be made the deed and title papers for which shall be deposited in the hands of the trustees until the party so borrowing the said sum or sums of money shall have paid the same to the association the trustees having full power and authority to adopt any other legal measure for securing the association from loss

Article 12th

In case of the death of a member his legal representative or representatives shall be entitled to receive from out of the funds of the association the full amount of his interest in the same subject to a deduction of all fines and dues and the sum of two and an half per centum on the net amount which he would be entitled to receive

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Article 13th

Any member who shall think proper to withdraw from this association having given one months notice of his intention so to do shall be entitled to receive the amount of his share and contribution money paid by him subject to a deduction of five per centum on the amount so paid and also to a deduction of all fines if any be due Provided nevertheless that in case the association should meet with losses or if the value of the shares should otherwise be found below the net amounts of Initiation and dues actually paid the member or member making such demand shall in no case be allowed to receive more than the net value of the share or shares held by him or them subject to such deduction as before specified

(see Article 13th at page 15)

Article 14th

No member shall hold more than five shares in his own name or in that of any other person and if any member shall be guilty of violating this article he shall forfeit to the association the share or shares of stock he may hold thereon

Article 15th

Every member holding one share of stock shall be entitled to one vote having two shares two votes and five shares five votes for the election of officers and on no other occasion

Article 16th

The stated meetings of this association shall be on the second monday in each and every month at such times and places as may be fixed upon by the by-laws

Article 17

No Member shall be entitled to the benefit of a loan or loans from this association for the purpose of erecting a dwellings or purchasing one at a greater distance

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distance than five miles from the market house in the Borough of Frankford nor shall any member be entitled to a loan for the purpose of building or purchasing a dwelling house unless the same be located in the County of Philadelphia

Article 18th

This association shall continue until every member shall have an opportunity of building or purchasing a dwelling house for each share of stock he may hold in the same after which the balance in the Treasury if any shall be equally divided among the members agreeably to their respective shares

Article 19th

The trustees shall at their stated meetings in January and July in each and every year appoint three of their own body a standing committee for the purpose of examining titles securing property purchased by the members and shall regulate the payment of the loans to the purchaser in such manner as they may think advisable for the interest and security of the association

Article 20th

Any member neglecting to pay his monthly contributions and fines for the term of twelve months shall forfeit to the association the amount of his interest in the same and be expelled from the society nor shall any member be entitled to claim a share from the funds thereof who may be in arrears of contributions or fines

Article 21st

No alteration or amendment shall be made to this constitution nor to the Bye laws of the association unless the same shall be proposed in writing at a stated meeting of the association to be acted upon at the next stated meeting thereafter and shall

require the concurrence of two-thirds of the members present.

	No. of shares
Samuel Pilling	1 and 2
Henry Barchill	3 and 4
John Bolton	5
Abram H. Duffield	6 and 24
Jacob Deal	7
J. Horrocks	8 and 9
James Wright	10
Isaac Whitelock	11
Henry P. Shoch	12
Thos. Pendlebury	13
J. Y. Castor	14
Isaac Shallcross	15
Thomas Sidebotham	16
Joshua Cooke	17
Francis Deal	18
Em. Barrett	19
Peter Buckius	20
M. Bomeisler	21
David Reid	22
Philip Buckius	23
Gardiner Fulton	24
Chas. X. Hill	25
(Mark)	
Alfred C. Jones	26
William Borger	27
Myers Deal	28
Wm. Pilling	29
Daniel McMullen	30
Adam Smadley	31
Henry Taylor	32
Jos. Greenwald	33
John D. Harper	34
Gideon Dubois	35
John Johnson	36
Comly Rich	37
Henry R. Shoch Agent & in trust for C. Barnes	38
Daniel Faunce	39
Moses Hilt	

JANUARY 10th 1831

At a stated meeting of the Oxford Provident Building association held this day at the home of Thomas Sidebotham in the Borough of Frankford the following officers were duly elected, Samuel Pilling, Treasurer for the ensuing year, Isaac Whitelock, Jeremiah Horrocks, Peter Buckius, Jacob Deal, James Wright, Joshua Cooke, Jesse Y. Castor, Alfred C. Jones, Abram H. Duffield, Thomas Pendlebury, Henry R. Shoch, Thomas Sidebotham and Francis Deal, Trustees.

The trustees being duly organized Isaac Whitelock was elected President and Isaac Shallcross, Secretary.

On Motion Resolved That Jesse Y. Castor be a committee to purchase a set of books for the Association.

On Motion Resolved that Isaac Shallcross be a committee to get a sufficiency of Certificates and treasurers orders printed by the next stated meeting.

On Motion Resolved that James Wright, Jesse Y. Castor, and Alfred C. Jones be a committee to prepare a code of By-Laws and report at the next stated meeting.

Adjourn to meet the 17th Inst.

JANUARY 17th, 1831.

At an adjourned meeting of the Oxford Provident Building Association held this President in the Chair proceeded to business.

The following members paid the first installment on their respective shared;

Joshua Cook	$ 5.00	Peter Buckius	$ 5.00
Isaac Shallcross	5.00	Jeremiah Horrocks	10.00
John Bolton	5.00	Gardiner Fulton	5.00
Henry Berchill	10.00	M. Bomeisler	5.00
Charles Hill	5.00	Alfred C. Jones	5.00
Abm. H. Duffield	5.00	Wm. Barrett	5.00
Isaac Whitelock	5.00	James Wright	5.00
Thos. Pendlebury	5.00	Jesse Y. Castor	5.00
Thos. Sidebotham	5.00	S. Pelling	10.00
David Reid	5.00		

Making in all one hundred and ten dollars which was paid into the treasury.

Adjourned to meet the 24th Inst. at 6½ O'clock P. M.

Isaac Shallcross, Secy.

JANUARY 24th, 1831

At an adjourned meeting of the Oxford Provident Building Association held this day at the house of Thomas Sidebotham, President, in the chair proceeded to business.

The following members paid their first instalments:

Francis Deal	$ 5.00	Jacob Deal	$ 5.00
William Borger	5.00	Mires Deal	5.00

making twenty dollars which was paid to Jeremiah Horrocks to hand over to the Treasurer he being absent.

Adjourned. Isaac Shallcross, Secy.

FEBRUARY 14th, 1831

At a stated meeting of the Oxford Provident Building Association held this day at the house of Thomas Sidebotham, President being absent Jacob Deal took the chair.

The minutes of last stated and the intermediate meetings were read.

The Committee to procure books report service performed and are discharged.

The Committee to procure certificates and treasurers orders report service performed and are discharged.

The Committee on bye laws report progress. So far as said committee has proceeded in the duties of their appointment were submitted to the meeting and having been duly considered and the voice taken upon each section separately the following sections were duly adopted and ordered to be entered on record to form a part of a code of bye laws for the government of the association

Section 1st

The meeting of this association shall take place on the days designated by the Constitution at the hour of seven P.M. for the months commencing on the second mondays in October November December January February and March And at eight P M in the months of April May June July August and September in each and every year

Section 2nd

The order of business shall be as follows

1st The President or in his absence the next senior trustee in age shall take the chair and call the meeting to order

2nd The minutes of the last stated and intermediate meetings shall be read

3rd All unfinished business shall be taken up and acted upon and all committees shall make report in the order that they stand on the minutes

4th The stockholders shall pay their instalments interest and fines into the treasury their names being called over for that purpose

5th New business may be proposed and acted upon

6th and lastly the minutes of the present evening shall be read

At the stated meetings in January and July the election of officers shall be in order immediately after the unfinished is acted upon

Section 3rd

Any trustee who shall absent himself from any stated or special meeting of the association or Board shall be fined in the sum of twenty five cents for every such absence unless prevented by sickness or family affliction.

Section 4th

The building Committee shall be entitled to receive the sum of three dollars from the party requiring their services for each and every application The same to be charged in his or their account with the association They shall meet at such times and places as may be designated by the trustees at each and every stated meeting and in default thereof they and each of them so offending shall be fined in the sum of fifty cents. They receiving from the party or parties who may require their attendance not less than three days notice of the same the day on which the notice is given to be excluded from the computation.

Section 5th

The Treasurer shall be fined for non attendance at any stated meeting in the sum of fifty cents. For neglecting to furnish a report of the finances at the semi annual election in the sum of one dollar and no excuse to be taken unless for sickness or domestic affliction.

Section 6th

The Secretary shall be fined for non attendance at any Stated meeting of the association or special meeting of the Board of trustees in the sum of fifty cents unless prevented by sickness or family affliction and in case he neglects to attend from any cause he shall send the books to the place of meeting in good time for each and every infraction of which he shall be fined in the sum of one dollar and no excuse admitted.

Section 7th

Each and every stockholder shall at each and every stated monthly meeting pay into the treasury the full amount of his monthly dues and fines (if any be due from him) and in case he neglects or refuses to comply with the same he shall be fined in the sum of twenty five cents for each and every share of stock

owned by him or them that may have any such arrearages due and owing upon it.

Section 8th

If any member shall attend any of the meetings of the association or Board in a state of intoxication he shall be fined in the sum of twenty five cents and forthwith be compelled to leave the room And if any member shall behave disorderly so as to disturb the meeting he shall be fined in any sum not less than four and a half cents nor more than one dollar and if he persists in such conduct he shall be fined in any further sum (in addition to the former) not less than twenty five cents nor more than two dollars.

It is being understood that the President or President Pro tem shall impose all fines in accordance with the Constitution and bye laws the individuals so fined being allowed the benefit of an appeal to the meeting.

Section 9th

When any member has built or purchased a dwelling house or houses with the funds of the association he shall effect an insurance upon the same to a certain amount to be specified by the Board of trustees as soon as practicable and if he neglects or refuses to attend to the same for the space of one month after notice from the trustees. The building committee shall cause the same to be done and charge the cost thereof to his account with the association

Section 10th

The Treasurer previous to entering upon the duties of his office shall give a Judgment Bond for the probably amount of money that will be in his hands at any time during the time for which he is elected with one or more substantial freeholders as sureties for the same conditioned for the due performance of his duties as Treasurer and for the punctual payment of the money and delivery of the books and papers in his hands to his successor in office.

Section 11th

Any and every member having built or purchased a dwelling house or houses with the funds of the association shall pay into the treasury at each and every stated monthly meeting of the association the full amount of interest due on the money advanced for that purpose at the rate of six per centum per annum, the time from one monthly meeting to another being always computed at once twelfth of a year And in case he or they shall neglect or refuse to comply with the same he or they shall be fined in the sum of twenty five cents for each and every neglect or refusal and upon each and every share upon which such interest shall be due and unpaid

The committee on bye laws are continued to make further report.

The following stockholders paid their instalments as follows:

Samuel Pilling	$ 6.00	Isaac Shallcross	$3.00
Henry Berchill	6.00	Thos. Sidebotham	3.00
John Bolton	3.00	Francis Deal	3.00
Abram H. Duffield	3.00	Wm. Barrett	3.00
Jacob Deal	3.00	David Rice	3.00
Jeremiah Horrock	6.00	Gardiner Fulton	3.00
James Wright	3.00	Alfred C. Jones	3.00
Henry R. Shoch	8.00	Charles Hill	3.00

Thomas Pendlebury	3.00	Wm. Borger	3.00
Jesse Y. Castor	3.00	Mires Deal	3.00

The following members newly admitted paid their first instalments of eight dollars each:

William Pilling	$ 8.00	Henry Taylor	$8.00
Adam Smedley	8.00	Joseph Greenwald	8.00
Daniel McMullen	8.00		

amounting to one hundred and fourteen dollars which was paid into the Treasury.

Isaac Shallcross presented a bill of 1. 82½ cts for cash paid John Young for printing 150 certificates and 3 quires of Treasurers orders, for which an order was drawn on the Treasury.

Jacob Deal made a motion which was seconded to repeal the 13th Article of the Constitution and pass another in the room thereof authorizing any member to sell and transfer his stock upon conditions to be therein specified laid over til next stated meeting.

Adjourned.

Isaac Shallcross, Secy.

February 21st, 1831.

At a special meeting of the Trustees of Oxford Provident Building Association held this day President in the chair proceeded to business.

On motion and seconded Resolved that the compensation of the secretary for the present year be in the sum of fifteen dollars.

On motion and seconded Resolved that Jacob Deal, Alfred C. Jones and James Wright be the Building Committee.

On motion and seconded Resolved that the security to be given by the Treasurer be in the sum of one thousand dollars and that Jeremiah Horrocks, Isaac Whitelock and Jesse Y. Castor be a committee to procure a bond for that purpose.

On Motion and seconded Resolved that the Secretary be directed to procure 100 hand bills giving notice that the books of the association will close on the day of April next.

On motion and seconded that the minutes of the Trustees be kept separate from those of the meeting of the association

J. Y. Castor, Secy. pro tem.

MARCH 14th, 1831,

At a stated meeting of Oxford Provident Building Association held this day President being absent Jacob Deal took the chair and proceeded to business.

The Committee on Bye Laws make no report and are continued Samuel Pilling and Mitchel Bomeisler are added to the Committee.

The Motion of Jacob Deal made at last stated meeting was taken up and duly considered and on motion and seconded resolved that the 13th Article of the Constitution stand as it now reads and that the same shall not be construed so as to prevent any stockholder from selling and transferring his share or shares to any member of the association or to any person not a member that may be approved by the association.

The following stockholders paid the amounts annexed to each of their names viz:

Sam C. Pilling	$ 6.00	M. Bomeisler	$ 6.00
Henry Borchill	6.00	David Reed	3.00
John Bolton	3.00	G. Fulton	3.00
Abm. H. Duffield	3.00	Chas. Hill	3.00
Jacob Deal	3.00	A. C. Jones	3.00
Jeremiah Horrocks	6.00	Wm. Borger	3.00
James Wright	3.00	Mires Deal	3.00
Henry R. Shoch	3.00	William Pilling	3.00
Thos. Pendlebury	3.00	Danl. McMullen	3.00
Isaac Shallcross	3.00	Adam Smedley	3.00
Thos. Sidebotham	3.00	Henry Taylor	3.00
Francis Deal	3.00	Jos. Greenwalt	3.00
Joshua Cooke	6.00	John D. Harper	11.00
Wm. Barrett	3.00	Gideon Dubois	11.00

Amounting to one hundred and fifteen dollars which was paid into the Treasury.

On motion and seconded Resolved that at the next stated meeting proposals will be received for loans on two shares one to be advanced on the 2nd Monday in May next and one on the second Monday in August next.

Adjourned. Isaac Shallcross, Secy.

APRIL 11th, 1831.

At a stated meeting of Oxford Provident Building Association held this evening the President being absent Jacob Deal took the chair. Proceeded to business.

The minutes of last stated and special meetings read.

The Committee on bye laws make no report and were (on motion and seconded) discharged.

On motion and seconded resolved that Doct. Henry Taylor Adam Smedley and Gardener Fulton were appointed a Committee on bye laws.

The following stockholders paid the amount annexed to their several names viz;

Samuel Pilling	$ 6.00	Chas. Hill	$3.00
Henry Borchill	6.00	Mires Deal	3.00
Jacob Deal	3.00	Adam Smedley	3.00
Henry R. Shoch	3.00	John D. Harper	3.00
T. Sidebotham	3.00	Comly Rich	14.00
Peter Buckius	9.00	Abm. H. Duffield	3.00
Gardiner Fulton	3.00	Jas. Wright	3.00
Wm. Borger	3.00	I. Shallcross	3.00
Danl. McMullen	3.00	Wm. Brackett	3.00
Jos. Greenwald	3.00	Phil Buckius	14.00
John Johnson	14.00	Alfred C. Jones	3.00
John Bolton	3.00	Wm. Pilling	3.00
Jer. Horrocks	6.00	Henry Taylor	3.00
Thos. Pendlebury	3.00	Gideon Dubois	3.00

Francis Deal	3.00	Henry R. Shoch	
David Reid	3.00		

in trust for Cath. Barnes 14.00. Making in all one hundred and fifty two dollars which was paid into the Treasury.

This being the evening to advance money on two shares proceeded agreeably to the 10th article of the Constitution.

Comly Rich offers 10 dollars for the loan due the 9th of May next, which being the highest premium offered it was adjudged that he was entitled to the same.

James Wright offers 12 dollars for the loan due the 2nd Monday in August which being the highest premium offered it was adjudged to be his.

Adjourned. I. Shallcross, Secy.

MAY 9th, 1831.

At a stated meeting of Oxford Provident Building Association held this day President in the Chair.

The minutes of last stated meeting were read.

The Committee on Bye Laws reported the following which were on motion and seconded approved:

Section 12th

When any member shall be entitled to a loan from this Association agreeably to the 10th article of the constitution he shall pay the amount of the premium offered by him on the evening of application and in case he shall afterwards neglect or refuse to comply with the rules of the association in such case made and provided such premium shall be forfeited to the association and the association shall in one month after such loan shall be payable dispose of said loan agreeably to the 10th Article of the constitution.

Section 13th.

Any person who shall hereafter wish to become a member of the association shall be proposed at a stated meeting by a member and balloted for and if a majority of the members present shall be in favor of his becoming a member he shall be admitted into the association and every member so elected shall pay such amount as shall from time to time be fixed upon by the trustees which shall in no case be less than the net value of a share at the time of such admission.

Section 14th

Members receiving loans from the association shall indemnify the association from all expenses in making search for incumbrances on such properties as may be purchased by him or them.

Section 15

At the meeting of the Trustees the names of the Trustees shall be called over immediately after the meeting has organized when every absent member of the board shall be fined in the sum of twenty five cents.

Section 16th

When any member of the Building Committee shall be entitled to a loan

another member shall be appointed by the President to supply his place in said committee until said loan shall be finally settled.

Section 17th

At the meetings of the Board of Trustees and of the association no member shall be permitted to speak to any subject until the same has been first moved and seconded and not in any case unless he rise and address the chair nor shall any member be permitted to speak more than once on any subject without permission from the President and for an infraction of this rule he shall be fined in the sum of 25 cents.

The following trustees being absent were fined in the sum of 25 cents each. Peter Buckius, Castor Pendlebury and Francis Deal.

On motion and seconded resolved that at the next stated meeting proposals will be received for a loan. Two hundred dollars of which to be paid on the 2nd Monday in October next and three hundred dollars on the 2nd Monday in January next.

The interest on the whole amount to commence on the 2nd Monday in December next.

The following stockholder paid their contribution as follows:

Sam Pilling	$ 6.00	David Reed	$3.00
Abm. H. Duffield	3.00	Alfred C. Jones	3.00
James Wright	3.00	Wm. Pilling	3.00
Thos. Pendlebury	3.00	Henry Taylor	3.00
J. Cooke	6.00	G. Dubois	3.00
M. Bomeisler	6.00	John Bolton	3.00
Chas. Hill	3.00	J. Horrocks	6.00
Myers Deal	3.00	H. R. Shoch	3.00
Adam Smedley	3.00	T. Sidebotham	3.00
John D. Harper	3.00	Wm. Barrett	3.00
H. R. Shoch in trust	3.00	G. Fulton	3.00
Henry Berchill	6.00	Wm. Borger	3.00
Jacob Deal	3.00	Danl. McMullen	3.00
Isaac Whitelock	12.00	Jos. Greenwald	3.00
Isaac Shallcross	3.00	John Johnson	3.00
Francis Deal	3.00		

The following Stockholders not paying their dues are fined in the sum of 25 cents each; Jesse Y. Castor, Peter Buckius, Philip Buckius and Comly Rich.

Adjourned Isaac Shallcross, Secy.

JUNE 13th 1831

At a stated meeting of Oxford Provident Building association held this day Prest in the Chair

The following members paid their Contributions as follows:

Samuel Pilling	$ 6.00	C. Hill	$3.00
Abm. Duffield	3.00	Dl. McMullen	3.00
Isaac Whitelock	3.00	J. D. Harper	3.00
Isaac Shallcross	3.00	C. Rich	18.75
M. Bomeisler	3.00	John Bolton	3.00

A. C. Jones	3.00	Jas. Wright	3.00
Adam Smedley	3.00	T. Pendlebury	3.25
Jos. Greenwald	3.00	J. Cooke	3.00
J. Johnson	3.00	G. Fulton	3.00
Henry Berchill	6.00	Wm. Pilling	3.00
Jeremiah Horrocks	6.00	H. Taylor	3.00
H. R. Shoch	3.00	G. Dubois	3.00
Thos. Sidebotham	3.00	H. R. Shoch in trust	3.00
David Reid	3.00		

Making one hundred six dollars which was paid into the Treasury.

The following trustees being absent were fined in the sum of 25 cents each viz; Abm. H. Duffield, Jacob Deal, Jesse Y. Castor, Francis Deal and Peter Buckius.

The following stockholders not having paid their contributions are fined in the sum of 25 cents each viz: Jacob Deal, Jesse Y Castor, Francis Deal, Peter Buckius, Wm. Barrett, Philip Buckius, Wm. Borgers and Myers Deal.

Daniel Faunce proposed by Saml. Pilling was duly elected a member.

This being the evening to dispose of a share of stock proceeded to the same when Joshua Cooke proposed 10 dollars which being the higher offer was adjudged to be his.

Adj Isaac Shallcross, Secy.

JULY 11th, 1831

At a stated meeting of Oxford Provident Building association held this day Prest in the Chair proceeded to business

The minutes of last stated meeting were read.

The following stockholders paid contributions as follows:

Saml. Pilling	$ 6.00	David Reed	$ 3.00
Henry Berchill	6.00	Gardiner Fulton	3.00
John Bolton	3.00	Alfred C. Jones	3.00
Amb. H. Duffield	3.25	Wm. Borgers	6.25
Jacob Deal	6.50	Myers Deal	6.25
J. Horrocks	6.00	Wm. Pilling	3.00
James Wright	3.00	Adam Smedley	3.00
Isaac Whitelock	3.00	Danl. McMullen	3.00
Henry R. Shoch	3.00	Henry Taylor	3.00
Thos. Pendlebury	3.00	Jos. Greenwald	3.00
Isaac Shallcross	3.00	John D. Harper	3.00
Thos. Sidebotham	3.00	Gideon Dubois	3.00
Francis Deal	6.75	John Johnson	3.00
Joshua Cooke	13.00	H. R. Shoch in trust	3.00
M. Bomeisler	3.00	Danl. Faunce	23.62

making 143.62 which was paid into the Treasury.

The following trustees not being present were fined 25 cents each viz: Jeremiah Horrocks, Peter Buckius and Jesse Y. Castor.

The following stockholders not having paid their contributions are fined in the sum of 25 cents each viz: Jesse Y. Castor, Wm. Barrett, Peter Buckius,

Philip Buckius, Charles Hill and Comly Rich. C. Rich is also fined 25 cents for non-payment of interest.

Isaac Shallcross presented a bill of $7.50 for 6 months services as secretary which was ordered to be paid.

This being the evening for the election 6 trustees the following members were duly elected to wit: Mitchell Bomeisler, David Reid, Gardener Fulton and Wm. Borger, Wm. Pilling and John D. Harper.

The Trustees therefore for the next six months will be Isaac Whitelock, Jeremiah Horrocks, Peter Buckius, Jacob Deal, James Wright, Joshua Cooke, Jesse Y. Castor, M. Bromeisler, David Reid, Gardner Fulton, Wm. Borger, Wm. Pilling and John D. Harper.

Adjourned Isaac Shallcross, Secy.

AUGUST 8th, 1831

At a stated meeting of Oxford Provident Building association held this day Prest in the chair proceeded to business

The following stockholders paid their contributions as follows:

Saml. Pilling	$ 6.00	J. Cooke	$3.00
H. Berchill	6.00	D. McMullen	3.00
J. Bolton	3.00	H. Taylor	3.00
A. H. Duffield	3.00	J. Greenwald	3.00
J. Deal	3.00	J. D. Harper	3.00
J. Horrocks	6.25	F. Dale	3.00
Wm. Borger	3.00	Wm. Barret	9.50
M. Deal	3.00	M. Bomeisler	3.00
Wm. Pilling	3.00	D. Reid	3.00
Adam Smedley	3.00	G. Fulton	3.00
J. Wright	3.00	A. C. Jones	3.00
J. Whitelock	3.00	C. Hill	6.25
H. R. Shoch	3.00	G. Dubois	3.00
T. Pendlebury	3.00	J. Johnson	3.00
I. Shallcross	3.00	H. R. Shoch in trust	3.00
T. Sidebotham	3.00	D. France	3.00

Making one hundred and fifteen dollars which was paid into the Treasury.

The following members not having paid their contributions are fined in the sum of 25 cents each: J. Y. Castor, Peter Buckius, Philip Buckius, Comly Rich.

The following trustees absent are fined in the sum of 25 cents each to wit: Peter Buckius, J. Y. Castor.

Comly Rich not having paid his interest is fined in the sum of 25 cents.

SEPT. 12th, 1831

At a stated meeting of Oxford Provident Building association held this day Prest in the Chair proceeded to business

The following stockholders appeared and paid their contributions as follows:

J. Horrocks	$ 6.00	G. Fulton	$3.00
A. H. Duffield	3.00	Myers Deal	3.00
Jas. Wright	17.50	D. McMullen	3.00

Thos. Pendlebury	3.00	J. D. Harper	3.00
Francis Deal	3.00	C. Rich	17.50
David Reed	3.00	John Bolton	3.00
Wm. Borger	3.00	J. C. Berchill	3.00
A. Smedley	3.00	H. R. Shoch	3.00
Jos. Greenwald	3.00	Thos. Sidebotham	3.00
J. Johnson	3.00	M. Bomeisler	3.00
D. Faunce	3.00	A. C. Jones	3.00
Saml. Pilling	6.00	Wm. Pilling	3.00
Jacob Deal	3.00	H. Taylor	3.00
Isaac Whitelock	3.00	G. Dubois	3.00
Isaac Shallcross	3.00	H. Shoch & C	3.00
Wm. Barrett	3.00		

Making in all one hundred and thirty one dollars which was paid into the Treasury.

The following stockholders not having paid the contributions are fined in the sum of 25 cents each, Jesse Y. Castor, Joshua Cooke, Peter Buckius, Philip Buckius, Chas. Hill.

The following Trustees being absent are fined in the sum of 25 cents each, Peter Buckius, Joshua Cooke, and Jesse Y. Castor.

On Motion and seconded Resolved that each and every stockholder pay to the Tavern Keeper 6½ cents on each share by him held every three months to commence next meeting.

Adj Isaac Shallcross, Secy.

OCTOBER 10th, 1831

At a stated meeting of Oxford Provident Building association held this day President being absent Jacob Deal was called to the Chair

The following stockholders paid their contributions as follows:

Saml. Pilling	$ 6.00	M. Bomeisler	$3.00
Amb. H. Duffield	3.00	Chas. Hill	6.25
James Wright	5.50	Wm. Pilling	3.00
Isaac Shallcross	3.00	J. Greenwald	3.00
Francis Deal	3.00	J. Johnson	3.00
A. C. Jones	3.00	John Bolton	3.00
Myers Deal	3.00	J. Horrocks	6.00
D. McMullen	3.00	Thos. Pendlebury	3.00
G. Dubois	3.00	J. Cooke	6.50
D. Faunce	3.00	D. Reed	3.00
H. Berchill	6.00	W. Borger	3.00
Jacob Deal	3.00	A. Smedley	3.00
H. R. Shoch	3.00	J. D. Harper	3.00
T. Sidebotham	3.00	H. R. Shoch in trust	3.00

Amounting to 102 D 50 cents which was paid into the Treasury

The following stockholders being absent are fined in the sum of twenty five cents each viz: I. Whitelock, Peter Buckius, Jesse Y. Castor and Wm. Pilling.

The following stockholders being absent and not paying their contributions are fined in the sum of 25 cents each viz: I. Whitelock, J. Y. Castor, Wm. Barrett, Peter Buckius, Philip Buckius, G. Fulton, Henry Taylor and Comly Rich.

Comly Rich not having paid the interest due on his loan is fined in the sum of 25 cents.

Adj Isaac Shallcross, Secy.

NOVR. 14th, 1831

At a stated meeting of Oxford Provident Building association held this day Prest being absent Jacob Deal was called to the Chair and the Secy also being absent A. H. Duffield was appointed Pro Tem. The following stockholders paid their contributions as follows;

Sam. Pilling	$ 6.00	G. Fulton	$6.25
A. H. Duffield	3.00	M. Deal	3.00
Jas. Wright	5.50	D. McMullen	3.00
Thos. Pendlebury	3.00	J. D. Harper	3.00
F. Deal	3.00	H. R. Shoch in trust	3.00
D. Reed	3.00	John Bolton	3.00
W. Borger	3.00	J. Horrocks	6.00
A. Smedley	3.00	H. R. Shoch	3.00
Jos. Greenwald	3.00	J. Cook	3.00
J. Johnson	3.00	M. Bomeisler	3.00
H. Burchill	6.00	A. C. Jones	3.00
J. Deal	3.00	Wm. Pilling	3.00
J. Whitelock	6.25	H. Taylor	6.25
T. Sidebotham	3.00	H. Dubois	3.00
W. Barrett	6.25	D. Faunce	3.00

The following Stockholders not having paid their contributions are fined in the sum of 25 cents each viz: J. Y. Castor, Isaac Shallcross, Peter Buckius, Philip Buckius, Chas. Hill and Comly Rich.

The following Trustees being absent are fined 25 cents each: Peter Buckius & J. Y. Castor.

Comly Rich not having paid his interest is fined 25 cents.

Moved and carried that Abm. H. Duffield be a trustee in the room of Gardener Fulton, resigned.

Moved and carried that the secretary procure 100 copies of the constitution and bye laws of this association at the charge of the institution.

Adj A. H. Duffield, Secy. pro tem

DECEMBER 12th, 1831

At a stated meeting of Oxford Provident Building association held this Prest being absent Jacob Deal was called to the chair. Secy also being absent Abm H. Duffield was appoint Secy Pro Tem.

The following stockholders paid their fines and contributions &C as follows:

Saml. Pilling	$ 6.00	A. Smedley	$3.00
A. H. Duffield	6.00	J. Greenwald	3.00
J. Wright	5.50	J. Johnson	3.00
T. Sidebotham	3.00	D. Reed	3.00
M. Bomeisler	3.00	J. Bolton	3.00
W. Pilling	3.00	J. Horrocks	6.00
H. Taylor	3.00	I. Shallcross	6.00
G. Dubois	3.00	F. Deal	3.00
D. Faunce	3.00	M. Deal	3.00

H. Berchill	6.00	D. McMullen	3.00
J. Deal	3.00	J. D. Harper	3.00
H. R. Shoch	3.00	H. R. Shoch in trust	3.00
J. Cooke	3.00	T. Pendlebury	3.00
A. C. Jones	3.00		

amounting to $98.50/100 which was paid into the treasury.

The secretary continued to have the constitution and bye laws printed.

The following stockholders not having paid their contributions are fined each 25 cents viz: I. Whitelock, J. Y. Castor, Peter Buckius, Charles Hill, Philip Buckius, Wm. Borger, Comly Rich and Wm. Barrett.

The following trustees being absent are fined in the sum of 25 cents each viz: David Reed, Wm. Borger, Isaac Whitelock, J. Horrocks, P. Buckius and J. Y. Castor. Comly Rich not having paid his interest is fined in the sum of 25 cents.

Adj A. H. Duffield, Secy. Pro tem

JANUARY 9th, 1832

At a stated meeting of Oxford Provident Building association held this day Prest in the Chair proceeded to business

This being the semi annual meeting proceeded to the election of Officers when Saml. Pilling was duly elected Treasurer.

Thos. Pendlebury, Henry Taylor, Jacob Deal, Charles Hill, Daniel Faunce, Danl. McMullen and Comly Rich were duly elected Trustees.

The association adjourned for a short time when the Trustees having held a meeting of their body elected Jacob Deal, President and Isaac Shallcross, Secretary.

William Borger, Jacob Deal and Mitchell Bomeisler were appointed a building committee.

The President elect then took the chair and the association again proceeded to business.

Moses Hill was proposed and duly elected a member of this association.

The following stockholders paid their fines and contributions as follows:

Saml. Pilling	$ 6.00	W. Borger	$ 6.50
Abm. H. Duffield	6.00	D. McMullen	3.00
James Wright	5.50	G. Dubois	3.00
I. Shallcross	3.00	D. Faunce	3.00
F. Deal	3.00	John Bolton	3.00
C. Hill	9.50	J. Horrocks	6.25
Wm. Pilling	3.00	H. R. Shoch	5.50
J. D. Harper	3.00	J. Cooke	3.00
H. R. Shoch in trust	3.00	D. Reed	3.25
Henry Berchill	6.00	Myers Deal	3.00
Jacob Deal	3.00	J. Greenwald	3.00
I. Whitelock	6.50	J. Johnson	3.00
T. Sidebotham	3.00	Moses Hill	42.98
M. Bomeisler	3.00		

making one hundred and fifty one dollars and ninety eight cents which was paid into the Treasury.

Isaac Whitelock, Abm. H. Duffield and Isaac Shallcross were appointed a committee to procure surety from the Treasurer.

This being the evening to dispose of a share of the fund proceeded to the same agreeable to the constitution when Saml. Pilling offered a premium of 15D 75 ct and that being the highest offer the same was adjudged to be his.

The following stockholders being absent are fined in the sum of 25 cts each for non-payment of dues to wit: Thos. Pendlebury, Jesse Y. Castor, Wm. Barrett, Peter Buckius, Philip Buckius, A. C. Jones, A. Smedley, H. Taylor Comly Rich.

The following trustees being absent are fined in the sum of 25 cts. each: J. Y. Castor, Peter Buckius and M. Bomeisler.

Comly Rich not having paid his interest is fined in the sum of 25 cents.

The Trustees for the next six months are M. Bomeisler, David Reed, Abm. H. Duffield, Wm. Borger, Wm. Pilling, John D. Harper.

It is understood that the interest on S. Pillings loan is to commence the second Monday in March.

Isaac Shallcross presented a bill of 7.50 for six months services as secretary which was ordered to be paid.

Adj Isaac Shallcross, Secy.

FEBRUARY 13th, 1832

At a stated meeting of Oxford Provident Building association held this day President in the Chair proceeded to business.

The following stockholders paid their fines and Contributions as follows:

Saml. Pilling	$21.75	F. Deal	$ 3.00
Henry Berchill	6.00	Wm. Barrett	9.50
John Bolton	3.00	P. Buckius	36.50
Abm. H. Duffield	6.00	G. Dubois	3.00
Jacob Deal	3.00	J. Johnson	3.00
J. Horrocks	6.00	C. Rich	29.50
J. Wright	3.00	H. R. Shoch	3.00
I. Whitelock	3.00	M. Bomeisler	3.25
Danl. McMullen	3.00	D. Reed	3.00
H. Taylor	6.25	Philip Buckius	32.25
Jos. Greenwald	3.00	Chas. Hill	3.00
J. D. Harper	3.00	Wm. Borger	3.00
H. R. Shoch	5.50	M. Deal	3.00
T. Pendlebury	6.25	Wm. Pilling	3.00
I. Shallcross	3.00	A. Snedley	6.25
T. Sidebotham	3.00	D. Faunce	3.00
J. Cooke	3.00	M. Hill	5.50

Making two hundred and thirty eight dollars which was paid into the Treasury.

The following stockholders not having paid their dues are fined in the sum of 25 cts each viz: J. Y. Castor and Alfred C. Jones.

The following trustees being absent are fined 25 cents each viz: David Reed, Henry Taylor, and Charles Hill.

The Committee to procure surety from the Treasurer Continued

Henry R. Shoch being trustee for Maria C. Barnes now Maria C. Beaumont requests that his trust be transferred to George Beaumont husband of said Maria which was agreed to.

George Beaumont was ballotted for and duly elected.

Adjourned Isaac Shallcross, Secy.

The Founders

This intimate picture of the early operations of the Oxford Provident Association whets interest in its founders and early leaders. What type of men were they? What were their other interests and activities? What can be gleaned about their motives in starting this first building and loan enterprise?

To the careful management of Isaac Shallcross, the secretary, may be attributed in large degree the success achieved by this first "building club." When he entered upon his duties his salary was fixed at $15 a year. In the later years of the Association he received $20. The second Oxford Provident paid him $50 a year, and subsequently $75. He was also secretary of the third Oxford Provident Association, and of the Franklin Building Association, organized January 21, 1852, as well as of the Washington Building Association, originated in 1848.



Isaac Shallcross

Isaac Shallcross was one of a family whose progenitors had come to Oxford Township in 1704. The farmhouse where he was born, October 29, 1797, stood on Bristol pike, on Frankford Avenue, a mile northeast of Frankford. His father died when Isaac was 15 years old. Older brothers took the farm, and Isaac was apprenticed to a cabinetmaker named Joseph Woolen. After completing his apprenticeship he never worked at the trade other than to make furniture for his own home.

In 1820 Isaac Shallcross married Deborah Gray, granddaughter of Joseph Woolen. They made their home in Frankford, and in 1821 Mr. Shallcross was appointed teacher of the first "free school" in Frankford. Up to that time children from families that could not pay for their schooling were scattered promiscuously in various schools, the county paying the expenses of their tuition. In 1821 the school board of Oxford Township arranged with Isaac Shallcross "to instruct all chil-

dren taught at public expense in the township for a yearly allowance of $250." He held this position until 1837.

Isaac Shallcross was chief burgess of the Borough of Frankford in 1832. Whether because of his influence or otherwise, more ordinances were enacted that year by the board of burgesses than during any other year of the Borough's history. Among the new laws receiving his signature as chief burgess were regulations to prevent the littering of the streets with "hard substances" that made travel difficult, directions to the constable to "take up" swine running at large, and the definition of the duties of the Borough's corder of wood, who was to inspect and measure all wood brought into the Borough for sale.[6]

Later Mr. Shallcross served as justice of the peace and Borough surveyor, and in the latter capacity he made the first plan of the Town's streets, from which a map of the Borough was published. He became surveyor of Philadelphia County in 1853 and, following the consolidation of the county in the city in 1854, he continued as city surveyor until 1870. From him is said to have come the suggestion that Philadelphia streets be named for the counties of Pennsylvania, and also that every fifth street running east and west be a broad avenue. The latter idea was carried out in part, for the name "avenue" was given to every fifth or sixth street.

For many years every public-spirited movement in Frankford seems either to have been inspired by Isaac Shallcross or to have found in him a leading supporter. He was instrumental in founding the Frankford Lyceum of the 40's, which had its own building, with a library and a collection of minerals and natural curiosities on the first floor, and a meeting room on the second floor where lectures on literary and scientific subjects were given. Mr. Shallcross was librarian of the Lyceum, his business office being in an adjoining building.

Through his initiative the Cedar Hill Cemetery Company was organized to open Frankford's first public cemetery, and he became secretary of the company.

The Frankford Mutual Fire Insurance Company, established in 1842, also profited through his services, for he was secretary from its organization until his death.

From 1814 until 1837 there was in Frankford a body of

[6] Ordinances of the Borough of Frankford.

citizens known as the Philanthropic Society, and Isaac Shallcross was the secretary. It was not a welfare society, as its name might suggest, but lent its efforts to the enforcement of the laws, the suppression of crime and vice, and the correction of evil social conditions.

The Shallcross family of earlier generations had been members of the Society of Friends, but about 1832 Isaac Shallcross identified himself with a Methodist congregation that had come into existence in Frankford. He helped it acquire the ground on Paul street, where Rehoboth Church was built in 1834; surveyed the plot and aided in obtaining a charter. In the 50's he and his son John were among the members who withdrew from Rehoboth Church and founded Frankford Avenue Church, now Frankford Avenue Memorial Church, at Oxford avenue and Dyer street. In the latter congregation he was a trustee and class leader.

Mr. Shallcross' granddaughter, Miss Kate T. Miles of Frankford, from whom much of the Shallcross history has been received, relates that her grandfather was very fond of reading, and his literary interests covered a wide range, embracing history, science, travel, and the better class of fiction. Furthermore, he sought to encourage others to give more of their spare time to reading, and he was always ready to lend books from his large library, frequently accompanying them with the words, "You need not return the book." So generous was he in giving away books that other members of the family sometimes were annoyed because a book which they had not yet had an opportunity to read would suddenly disappear, and when inquiry was made Mr. Shallcross would shyly confess that he had "loaned" the book to a friend. Experience told the family that such "loans" usually were gifts. Among novelists Sir Walter Scott was his favorite. In his later years he read and re-read Scott's novels. He was reading one of the books of the great Scotch writer when he suffered the stroke of apoplexy that ended his life.

Mr. Shallcross' generous spirit was evident, too, in his building association work, for he would pay the dues of stockholders who were in arrears, telling them they might reimburse him when they were able. Sometimes reimbursement never was made.

Mr. Shallcross was married three times. His first wife,

Deborah Gray, died in 1831. He married Amy English in 1833. After her death about 1858, he married Catherine Duba, who died in 1875. Mr. Shallcross died September 7, 1881, aged 84 years.[7]

The president of the Oxford Provident Association, Isaac Whitelock, was a native of Lancaster, Pa., whose family came to Frankford in 1793, when he was 15 years of age. He learned the trade of spinning-wheel maker, and was engaged at that occupation some years. With the development of manufacturing industries he realized the spinning-wheel was doomed, and he began making chairs. About 1830 he went into the lumber business. He was a Borough regulator in 1815; the duty of these officials was to regulate party walls. In 1820 and 1821 he was a burgess, and again in 1827 and 1828. For 19 years he was a director of the Germantown Bank and in 1842 on the organization of the Frankford Mutual Fire Insurance Company he was made its first president. He also was a trustee of the Frankford Friends' Meeting. His death occurred in 1848 at the age of seventy.[8]



Isaac Whitelock

Samuel Pilling, treasurer of the Oxford Provident Association, was one of Frankford's early manufacturers. He had come to the United States from England about 1820, and later he brought over a number of English "block printers" with whose aid he began the manufacture of calico. This kind of dress goods was popular among women then and for many years afterwards. In its production the design was carved upon blocks of wood, from which it was printed upon the material, thus giving rise to the term "block printing." Expert "block printers" at Mr. Pilling's factory received $45 a week, which was extremely high wages



Samuel Pilling

[7] Information concerning the activities of Isaac Shallcross, other than in building associations, and concerning his personal characteristics was obtained from his granddaughter, Miss Kate T. Miles, of Frankford.

[8] *Publications of the Frankford Historical Society.*

for those times. Moreover, even in those early days, the five-day week was in force in this industry.[9]

Jesse Y. Castor, whose legal abilities guided the new "building club," was of the fourth generation of a family identified with the development of the Frankford region. Several of the family were prominent in the Presbyterian Church of Frankford. Jesse Y. Castor was a trustee of the congregation, and he established a singing society among the young people; out of it developed the first choir of the church.[10] When General Lafayette visited the United States, in 1824, he received a cordial greeting on his trip through Frankford. An arch was erected across Frankford Avenue. Over the arch was a platform, upon which was grouped a chorus of young women; under the leadership of Jesse Y. Castor, and as Lafayette passed underneath the girls sang patriotic songs.[11] Mr. Castor died in 1840.

Jeremiah Horrocks, who founded the dyeing, bleaching and finishing works in 1821, was foremost in every endeavor for the progress of the community. He had been born in England October 4, 1788, coming to the United States in 1817. He was a member of a religious body known as Bible Christians, and throughout his life he was one of their leaders. Dr. Henry Taylor, another of the founders of the Oxford Provident Association, also was one of the Bible Christians and so was James Wright, the latter being a trustee of the congregation and the first Sunday School Superintendent.

The sect was an offshoot from Methodism in England, composed mostly of the working class. Two leading tenets of their faith were abstinence from animal food of every kind and abstinence from intoxicating drink. Hence they were popularly known as "abstainers." It has been said that the Bible Christians constituted the first organized temperance society. In 1817, 41 members of the Bible Christians from the neighborhood of Salford, England, under the leadership of the Rev. James Clarke and the Rev. William Metcalfe immigrated to Philadelphia. There the Rev. Mr. Metcalfe opened a school and conducted regular worship for his followers, while the Rev. Mr. Clarke, with several of the party, one of whom

[9] "Reminiscences of Dr. William B. Dixon," 1 *Publications of the Frankford Historical Society*, nos. 2 and 4.

[10] *Publications of the Frankford Historical Society.*

[11] "Frankford—A Souvenir Booklet."

was Jeremiah Horrocks, went to Lycoming County, Pa. This group eventually became scattered, Mr. Horrocks going to Frankford and resuming his connection with the Philadelphia Bible Christians. He was a trustee of the congregation in 1823 when the congregation bought a lot on Third street, near Girard avenue, to which an abandoned frame school house was moved and occupied as a church.

Although a strict vegetarian himself, Jeremiah Horrocks was in no wise censorious towards those who saw fit to eat meat. It is related of him that as Christmas approached in 1812 he directed a storekeeper in Frankford to obtain a large stock of poultry, remarking: "If I don't eat meat myself I don't interfere with others who do." He then instructed all his employes to go to this store and select a turkey, chicken or other fowl as a Christmas gift from their employer.[12]

Mr. Horrocks died in 1843. Two of his sons continued the dyeing business. Today his descendants still conduct a dye house in Frankford.

Thomas Sidebotham, another of the original trustees, was landlord of the tavern where the Oxford Provident Association was organized and held its meetings. There, too, other Frankford "building clubs," as well as lodges, had their place of meeting for many years afterward.



Thomas Sidebotham

Thomas Sidebotham came to America from England as a young man and was naturalized in 1837. After disposing of the hotel business he bought another property on Frankford Avenue and enlarged the building on it, adding a fourth floor in which lodges met. Nearly all the lodges of Frankford occupied this hall for some years. At the rear Mr. Sidebotham built a mill in which he manufactured tape and braid, continuing this business until his death, May 4, 1881, at the age of 91. His son succeeded him in the business, which is still operated by two grandsons of Thomas Sidebotham.

The Sidebotham hotel, known in later years as the Park Hotel because of its proximity to Womrath Park, was built in

[12] "Reminiscences of Dr. William B. Dixon," 1 *Publications of the Frankford Historical Society*, nos. 2 and 4.

part at least before 1760. Advertisements in newspapers show there was a tavern in that locality about 1740. Henry Paul conducted it in the 18th century. Thomas Sidebotham bought the hotel in 1828 and enlarged it on the north side. At one time it was called the Rotterdam. The Jackson Artillery, a militia organization, held its musters there. In the 30's and 40's a school was conducted in the building by Alexander Barnitz and Ann Stratton. Daniel Faunce was a later landlord. At the



Thomas Sidebotham's Tavern in Frankford, Pa., where the organization meeting of the Oxford Provident Building Association was held January 3, 1831.

time of the Civil War draft officers had their headquarters in this hotel. The building was an inn until a few years ago, when an addition was built at the front to adapt it for an automobile salesroom.

Of the other trustees Peter Buckius was a drover, operated quarries, owned much land, and was a trustee in the Presbyterian church; Abram H. Duffield was engaged in the lumber and milling business; Henry R. Shoch, a farmer and butcher, served as assistant burgess of Frankford from 1829 until 1832; Thomas Pendlebury operated a dye house and Jacob Deal and his son, Francis Deal, were stone masons.

The other initial stockholders were: William Barrett, proprietor of a dye house; William Billing; Henry Birchall; John Bolton; Mitchell Bomeisler, a wheelwright, and a noted swordsman, who was a militia official; William Berger, a carpenter; Philip Buckius, son of Peter Buckius; Meyers Deal, son of Jacob Deal and brother of Francis Deal, and, like them a stone

mason; Gideon Dubois, a jeweler; Daniel Faunce, who conducted a tavern in Frankford; Gardiner Fulton, a farmer; Joseph Greenwald; John D. Harper; Charles Hill; Moses Hilt; John Johnson; Daniel McMullen, a grocer; David Reid; Comly Rich, who lighted the borough street lamps and was at one time a member of the town "watch," or police force; Henry R. Shoch, trustee for C. Barnes; Adam Smeeley; and Dr. Henry Taylor, a physician.[13]

C. Barnes, who was represented by Henry R. Shoch as trustee, was the only woman among the original stockholders. Women and minors could hold stock only through trustees. In the ledger of the association her name is given as Catharine Barnes. In February, 1831, her stock was transferred to George Beaumont, but in 1834 Beaumont transferred the stock back to Henry R. Shoch, trustee for M. C. Barnes. Once more the stock was transferred, in October, 1840 to Adam Slater, who made a loan thereon and carried it to maturity.

Efforts to identify this first woman stockholder in any American building and loan association in the records of the Philadelphia register of wills showed that the will of "Joseph Barnes, of the Borough of Frankford, in the County of Philadelphia, storekeeper," was probated July 17, 1930, and that the testator left his entire estate to his wife, Maria Catharine Barnes, who also was made executor. Isaac Shallcross was one of the witnesses to the will. In all likelihood it was this Mrs. Maria Catharine Barnes who subscribed for stock in the Oxford Provident, through Henry R. Shoch as trustee.

On page 65 are reproduced the signatures of first trustees and subscribers of the Oxford Provident Building Association.

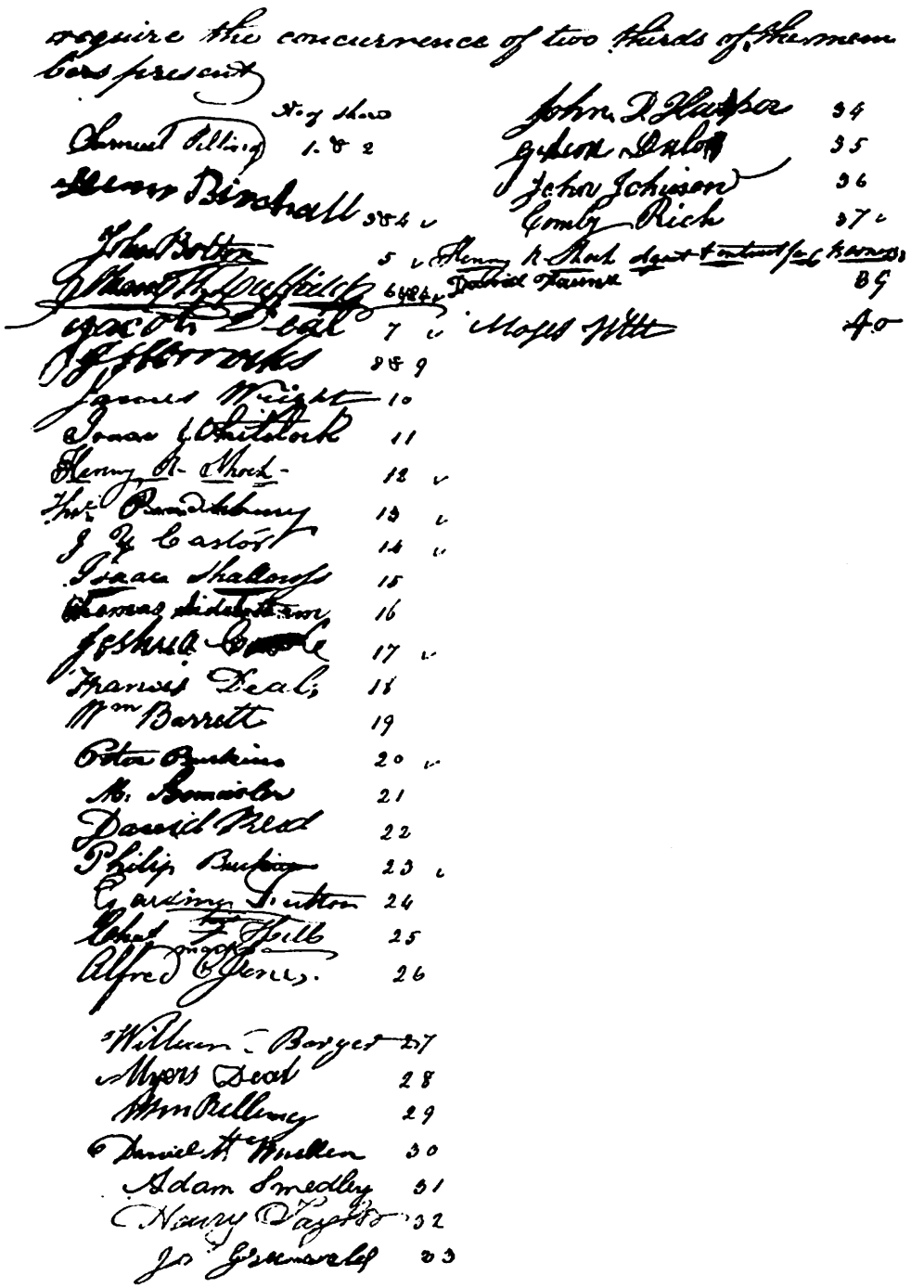
Notwithstanding that this was prior to the era of public schools, these men, with but one exception, were all able to write their names.

It is also worthy of note that several Frankford streets bear the names of families represented among these building and loan pioneers, e. g., Buckius, Castor, Pilling, Duffield, and Deal.

Besides Isaac Shallcross, three other officers of the Oxford

[13] Information to establish the identity of the original members of the Oxford Provident Association was obtained from the *Publications of the Frankford Historical Society* and from Rudolph Neff Corson and Miss Mabel Corson of Frankford, who are descendants of Jacob Deal, a member of the first board of trustees of the Oxford Provident Association.

Provident were burgesses of Frankford: Isaac Whitelock, the president, Jeremiah Horrocks, and Abram H. Duffield.



Signatures of trustees and subscribers of the Oxford Provident Building Association, reproduced from the Minute Book of the Association.

The last survivor of the original membership of the Oxford Provident was probably John Johnson. In 1896 he was present at the national convention of the United States League of Local Building and Loan Associations in Philadelphia and was then 84 years of age.

The First Loan

The first loan made by a building and loan association in the United States was to one Comly Rich. At its meeting on April 11, 1831, the Oxford Provident Association granted a loan of $375 to Rich, who offered a premium of $10. The minute book carries the notation:

> "Comly Rich offers 10 Dollars for the loan due the 9th of May next which being the highest premium offered it was adjudged that he was entitled to the same."

His claim to priority, however, hangs by a narrow margin for the next succeeding item in the minute book records a second loan:



James Wright

> "James Wright offers 12 Dollars for the loan due the 2nd Monday in August which being the highest premium offered the same was adjudged to be his."

These two statements, however, while apparently simple and straight-forward, necessitate considerable comment and qualification. In spite of the priority of these first two grants, a third member of the Association, namely Henry R. Shoch, actually apparently received the first funds on an Association loan. The mortgage accompanying this loan was the first of the three recorded; it was dated December 16, 1831. On March 2, 1832, a mortgage was recorded by Comly Rich to Samuel Pilling, treasurer of the Oxford Provident Association, in trust for the members and contributors thereof, in the sum of $700; conditioned to pay the sum of $375 on an Orchard Street property. Thus the evidence seems clear that the loan to Comly Rich was actually the first one made by the Association, although the one to Shoch enjoyed priority of recordation.

Additional notations of Secretary Shalleross concerning

these loans shed some further light on the first loan transactions of the Oxford Provident Building Association.

One interpretation is that these notations are from the min-

August 8th 1831
At a meeting of the Trustee of Oxford Provident Building association held this day the following officers were duly elected Viz Isaac Whitelock Pres[t] & Isaac Shallcross Secry Isaac Whitelock Jacob Beck & William Borger were duly elected building committee

January 11th 1832
At a meeting of the Trustees of Oxford Provident Building association held this day Pres[t] in the chair James Wright having transferred his right to a loan from this association to Moses Holt and the said Moses Holt being about to purchase a house and lot have caused the building committee to view the same. The building committee report that they have attended to their duty and that they are satisfied that the said property is clear of incumbrances Whereupon it was resolved that an order be drawn on the Treasurer in favour of Moses Holt for five hundred dollars he first securing the same by bond and Mortgage on his property
Ad[j]
Isaac Shallcross Secry

February 24th 1832
At a special Meeting of the Trustees held this day Jacob Deal in the chair proceeded to business
Comly Rich having purchased a house and lot on Orchard Street for 375 Dollars it was on Motion Resolved that the Pres[t] and secretary draw an order on the Treasurer for that amount and take a Judgment and Mortgage on the property for that sum
Ad[j]
Isaac Shallcross Secry

utes of the trustees as distinguished from the minutes of the Association.

The minutes do not describe Rich's real estate. According to the constitution, borrowers were to place the title papers of their real estate in the custody of the trustees of the Building Association, this apparently constituting the security for the loan.

No deed is on record showing the purchase of any real estate by Comly Rich, nor the sale of any real estate by Comly Rich,[14] but a mortgage,[15] dated March 2, 1832, is recorded whereby Comly Rich obligated himself to pay $375 to Samuel Pilling, treasurer of the Oxford Provident Building Association, in trust for the members and contributors thereof, the security being a house and lot "situate in the borough of Frankford, on the Northwesterly side of Orchard street, marked in a certain plan of lots (see map on page 69), laid out by Isaac Shallcross, acting executor of Samuel Morrow, No. 8,[16] containing in breadth on said Orchard street 40 feet, and containing that breadth northwesterly 99 feet to lot No. 5, bounded southwestwardly by lot No. 4, sold to Samuel Huckel, northwestwardly by lot No. 5, sold to David Frazier, northwestwardly by lot No. 6, sold to Louisa Duffield, and southwestwardly by Orchard street aforesaid, being the same premises that Isaac Shallcross, acting executor of the last will and testament of Samuel Morrow, deceased, by indenture dated March second, A. D. 1832, intended forthwith to be recorded, conveyed unto said Comly Rich in fee." This mortgage was satisfied June 5, 1841.

Further search in the office of the Recorder of Deeds revealed that the lot described in the mortgage was sold July 6, 1836, by Isaac Shallcross, executor of the Morrow estate, to Robert K. Duffield.[17]

By tracing subsequent transfers[18] it was possible to determine that the property upon which the first loan of the Oxford

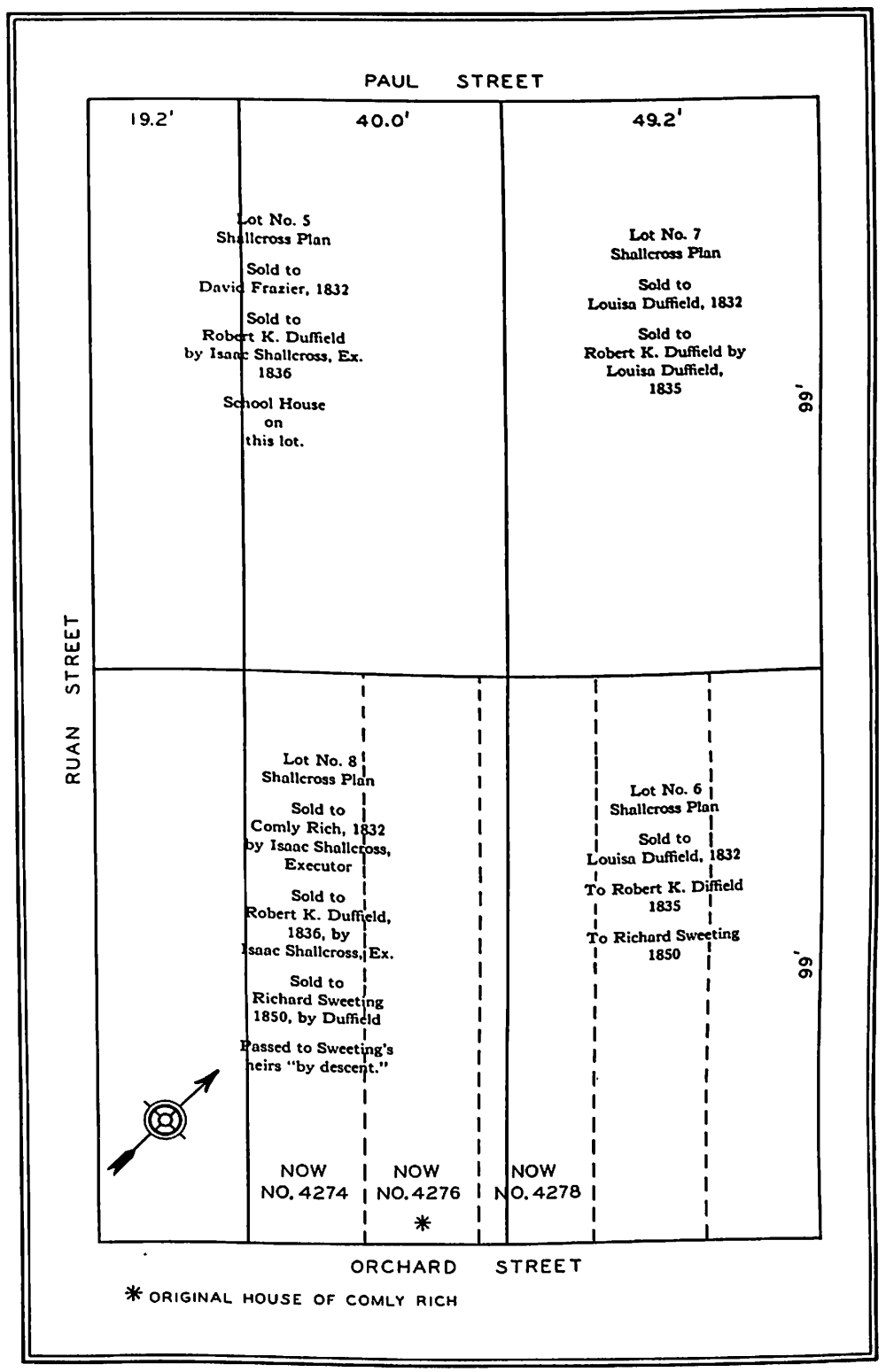
[14] This information concerning the history of the Comly Rich property was secured at the instigation of the United States League of Building and Loan Associations in connection with the centennial celebration on January 3, 1931, and for the purposes of this history. Very valuable assistance in tracing the title to this property was rendered by William P. Siegert of Philadelphia.

[15] Mortgage Book A. M. 9, page 174, Recorder of Deeds, Philadelphia.

[16] Deed recorded in Deed Book S H F 1, page 754, Recorder of Deeds Office, Philadelphia.

[17] Deed Book GWC 57, p. 324, Recorder of Deed's office, Philadelphia; *Ibid.*, p. 322.

[18] Deed Book AM 63, p. 399.



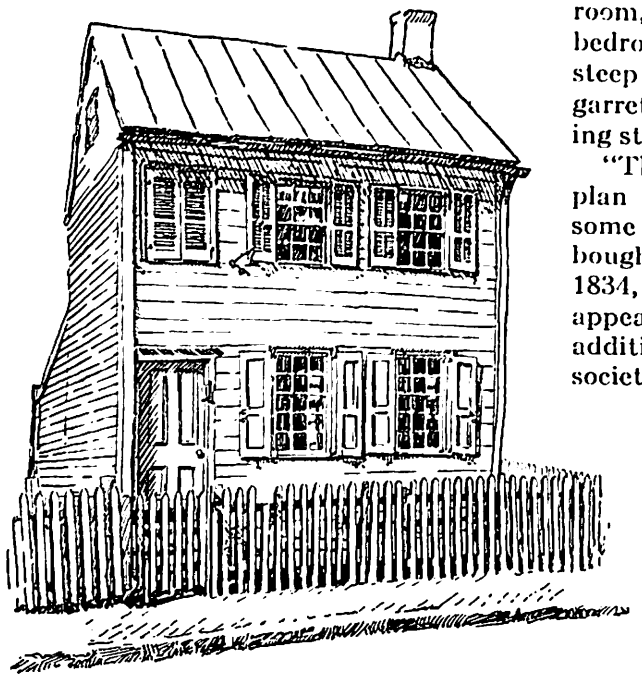
Plat showing site of the home of Comly Rich, on which the first loan of the Oxford Provident Building Association was placed.

Provident had been placed is No. 4276 Orchard Street,[19] Frankford. The house which is still standing merits some further description.[20]

"Despite the fact that Philadelphia has grown from a population of about 81,000 in 1831, to nearly two millions now, Orchard Street, in the neighborhood of Comly Rich's house, remains much as it did a century ago.

"Two aspects of this house struck me especially. One is the crude and inadequate (as judged by present day standards) accommodations for the dwellers. The other is the durability of the structure, because of the character of the materials and labor put into it.

"From the floor plans, you may see that it was practically a three-room house on a foundation fifteen feet by eleven. There was a living room, entered from the street, a bedroom above it, reached by steep stairs, and above that a garret bedroom, reached by winding stairs.



House of Comly Rich on which the first loan of the Oxford Provident Building Association was placed.

"The kitchen shown in the plan was built as a "lean-to" some years after Comly Rich bought the house, probably in 1834, because in that year, it appears that Rich borrowed an additional $125 from the building society. The house was built upon a plot approximately 99 feet in depth. The toilet was in the back-yard. The fence in front probably served the double purpose of keeping the children and chickens inside and the goats outside. The foundation walls are of rough stone, a foot in thickness. The yellow pine floor joists (2½in.x10in.) are laid on a sill of the same wood, hardened by age, and in good condition. The floors and exterior siding are of 10 in. yellow pine, tongued and grooved. The present tin roof, the neighbors say, covers the original roof of handmade cypress shingles. The closets on the first floor are neatly panelled, put together with small wooden dowel pins or pegs. Doors and windows are similarly pinned together. The

[19] Bureau of Surveys, Philadelphia, Book H-2.

[20] Donald E. Mitchell, "The House That Rich Built," 8 *The Franklin News* 2, (May, 1931), published by the Franklin Society for Home Building and Savings, New York City.

hardware is mostly modern, except that a handsome hand-wrought iron latch secures the cellar door.

"In 1836, it appears, Comly Rich disposed of his interest in the house to a man named Duffield. The property is now owned by Mrs. Justus R. Holme and her sister, residents of Frankford.

"I estimate the current value of the Comly Rich house at $1,200 representing a land value of $750, house value $450. The house is for sale. It is now tenanted by Mary Boardman, widow, an aged lady of Irish lineage, who has lived in it for thirty-five years. She pays a rental of $10 per month."

Recourse to the minutes and account books of the Oxford Provident Association revealed that the first building and loan association borrower experienced troubles which have ever since been familiar wherever there have been building and loan associations. From 1831 to 1836, Comly Rich was frequently fined for failure to pay his dues and interest.[21]

In July, 1836, the stock of Comly Rich was transferred to Robert K. Duffield[22] who at that time became owner of the property on which the Rich mortgage had been placed. Two items from the minutes are of interest in this connection.

"March 9, 1834—Order for the payment of $125 to Comly Rich, 'which completes his loan.'

"April 11, 1836—Comly Rich offered his check for $50 in part payment of his dues, which was ordered to be placed in the hands of the secretary until the next stated meeting with instructions to inform him that the whole must be paid at next meeting; his fines for this meeting are remitted."

It is thus evident that, since Rich was unable to carry the mortgage, an amicable arrangement was made to transfer the property to Duffield.[23] The fact that the deed to Rich never was recorded and apparently the title remained in the name of Isaac Shallcross, executor, heretofore frustrated attempts to locate the house on which the first building association mortgage was placed.

In the mortgage Comly Rich is described as "of the Town-

[21] The cash book of the Oxford Provident Building Association: shows that Comly Rich was fined 25 cents in May, 1831; 50 cents in July, August, October, November and December, 1831; and January, 1832; 75 cents in March, April, May, June and August, 1832; 50 cents in September, November and December, 1832; January, February, March, April, May, June, July, August, September, October, November and December, 1833; February, July, August, September, October, November and December, 1834; January, February, March, April, May, June, July, August, September, October, November, and December, 1835; January, February, March, June and July, 1836.

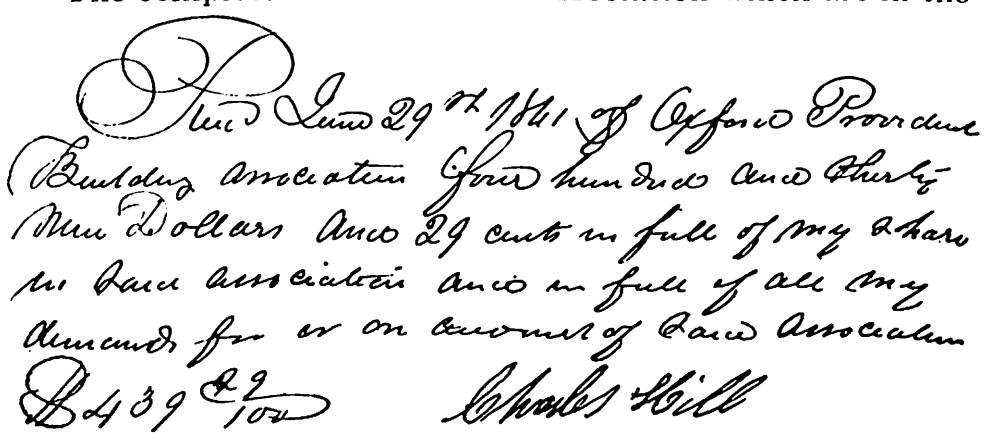
[22] Deed Book GWC 57, p. 324, Recorder of Deeds office, Philadelphia.

[23] Deed Record in Deed Book SHF 1, p. 754, Recorder of Deeds office, Philadelphia.

ship of the Northern Liberties, County of Philadelphia, State of Pennsylvania, combmaker." The Township of the Northern Liberties adjoined the borough of Frankford on the south. Minutes of the Borough Council of Frankford show that before this time Comly Rich was the borough lamplighter and was also at one time a member of the borough "watch," or police force.

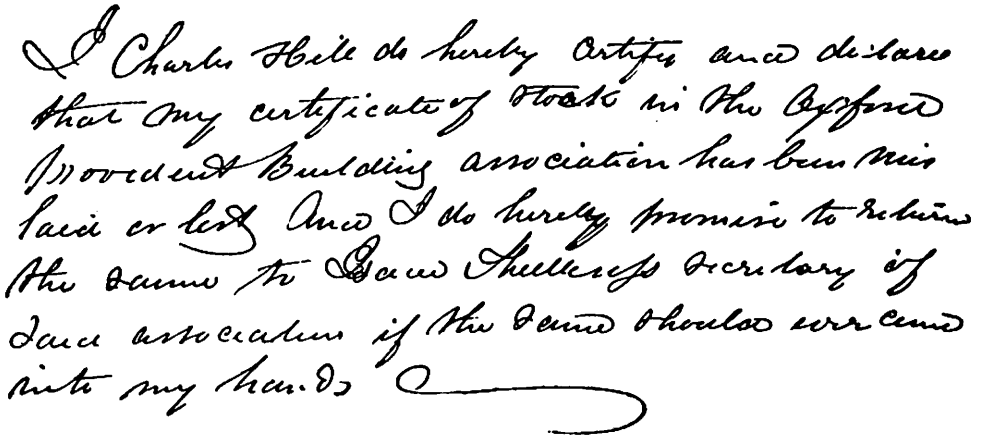
The Termination of the Oxford Provident

The complete minutes of this Association which are in the



Rec'd June 29th 1841 of Oxford Provident Building Association Four hundred and Thirty Nine Dollars and 29 cents in full of my share in said association and in full of all my demands for or on account of said Association

$439 29/100 Charles Hill



I Charles Hill do hereby certify and declare that my certificate of Stock in the Oxford Provident Building association has been mislaid or lost And I do hereby promise to return the same to Isaac Shallcross Secretary of said association if the said shares ever come into my hands

Charles Hill

Receipt for payment of a matured share in the Oxford Provident Building Association.
(The statement below appeared on the same sheet with the receipt.)
Charles Hill was the only member of the Association to receive full payment in cash, all other members had loans.

possession of the Frankford Historical Society run for 10 years very much like those quoted above. Then, on January 11, 1851, comes the announcement that the affairs of the Association are nearing completion. The funds on hand and due are sufficient to wind up the Association and certain items can be transferred to the new Association which is to be formed. The minutes of these last meetings are transcribed here exactly as they appear in the original minute book.

January 11, 1841

At a stated meeting of Oxford Provident Building Association held this day President in the Chair proceeded to business.

The stockholders paid their contributions fines and interest amounting to

Isaac Shalleross presented a bill for cash paid R B Knight attorneys fee 5 Dolls and 10 Dolls for 6 months services as secretary which was ordered to be paid.

The secretary reports that the amount in the Treasury and that due from individuals when paid is sufficient to close the association

Shares of funds paid to Francis Deal for Myers Deal share on Francis Deals note on demand.

On Motion resolved that a committee be approved to settle the concerns of the company

The chairman appointed Isaac Shallcross, J D Harper, Isaac Whitelock, John Johnson, and Wm. Overington.

On Motion Resolved that a committee be appointed for the purpose of endeavoring to raise an association to consist of three members: John D. Harper, Isaac Shallcross and Francis were appointed for that purpose.

Adjourned to meet the 2nd Monday in February next.

At a stated meeting of Oxford Provident Building Association held June 10th, 1841, President in the chair Proceeded to Business. The Treasurer reports having received from Isaac Shoch $263.16 and of Henry H. Shoch $235.62

Wm. Overington presented an amt of nine dollars for entering satisfaction on sixteen mortgages which was ordered to be paid.

Isaac Shallcross presented a bill of ten dollars for six months services as secretary which was ordered to be paid.

The Treasurer reports having received in payment a counterfeit note of ten dollars at a meeting of the association and claims an allowance for the same. It was on motion resolved that the Treasury be credited with Ten Dollars to the acct of profit and loss.

The committee to close the acct report that they have attended to the same and that there remains a balance due to the stockholders on each share of Two Dollars and sixty seven cents first deducting the arrearages and that Charles Hill not having drawn his share of the funds is entitled to five hundred dollars and four dollars and 56 cents interest together with the foregoing balance first deducting arrearages of sixty eight dollars—what leaves a

balance due Charles Hill of four hundred and thirty nine dollars and twenty nine cents.

Resolved that the blank orders be presented to the new Building Association.

On Motion resolved that the stockholders who have not received their dividends be requested to call upon the Treasurer and receive their respective dividends.

On motion resolved that upon the payment of the respective Dividends be exhonorated and discharged from all liabilities.

On motion resolved that the books and papers belonging to the association be left in the hands of the Secretary for safe keeping.

On Motion adjourned Sine Die

Isaac Shallcross, Secy.

This incident, apparently so final, was in reality the beginning of another stage in building and loan development for this first Oxford Provident Association. It was followed immediately by a second Association which included many of the guiding spirits of this first Oxford Provident Association.

CHAPTER IV

THE SPREAD OF THE BUILDING AND LOAN MOVEMENT IN THE UNITED STATES

THE best evidence to date indicates that the building and loan movement seems to have spread throughout the United States directly from the first seed which was sown in Philadelphia. For the most part subsequent associations seem to have taken their cues from the Oxford Provident Association, although in certain communities the founders of building and loan enterprises had had acquaintance with the English organizations and therefore drew on that experience in the formation of the local associations in their communities. But the dominating influence of the Oxford Provident Association, as well as of other subsequent associations in Philadelphia, recommend that the spread of the movement be described with Philadelphia as the starting point.

Other Frankford Associations

The shares of the Oxford Provident Association matured January 11, 1841, and the final meeting of the original Association was held June 10, 1841. The closing entry in the minutes is a resolution that the blank orders be presented to the new Building Association about to be organized. This second Oxford Provident Association held its first meeting January 30, 1841 in the tavern of Daniel Faunce, and its stock matured in March, 1852. It was succeeded by the third Oxford Provident Association, organized January 21, 1852.



Dr. Henry Taylor

Dr. Henry Taylor, one of the organizers of the first Association, was elected president of the second Association, with William Overington, treasurer, and Isaac Shallcross, secretary. The 79 stockholders included several of the original members of the first Association, and also eight women. The monthly dues were $1.00 and the par value of the shares $200.

A falling off in premiums occurred, in 1845, and at the meeting in January, 1846, it was reported that the last three loans were awarded for 10 cents each. A committee was appointed, consisting of Isaac Shallcross, Robert W. Harper, and Ezra Shallcross, to investigate the affairs of the Association. Its report, printed in the *Frankford Herald* for February 18, 1846, explains that the full number of shares (400) was not taken when the Association was opened. Three hundred and eighty-two shares were outstanding until 1843, when 17 shares were withdrawn and $467.85 paid out of the treasury to their holders. But in 1844 all the withdrawn stock was again taken at its full value, $804.20.

The expenses of the Association, according to the report, were $407.51 including the following: Counterfeit money, $30; discount on uncurrent money exchanged for par money, $30.22; stationery, printing and putting up notices of meeting, $41.31½; fireproof safe and porterage, $26.50; rent of room, $52; secretary's salary, $26; extra service at organization, $25. The report adds that "the Association at the commencement insured the property on which loans were secured, but the practice has been abandoned since the institution of the Frankford Mutual Fire Insurance Company."

The third Oxford Provident Association was organized in the Frankford Lyceum January 21, 1852, with the following officers; treasurer, Nathan Hilles; and directors, Henry Rigler, Thomas Thorn, John F. Lamb, Charles N. Emery, Samuel Sidebotham, Peter Castor, and Ezra Shallcross. The directors elected Peter Castor, president, and Isaac Shallcross, secretary. This Association, at its annual meeting on January 2, 1854, decided to issue series of stock, and the second series was opened one week later. Seventeen series were running in 1862 when the minutes of the Association stopped.

During the 10 years the first Oxford Provident Association was in existence there is little evidence to suggest interest in the project elsewhere in Philadelphia County. The minutes for June, 1836, tell of the appointment of a committee to establish a new building association in Frankford, and later this committee was instructed to call a meeting in Sidebotham's hotel on September 29 to consummate the purposes for which it had been appointed. Nothing further appears in the minutes as to this endeavor.

Two other Frankford associations—the Harmony and the Franklin—came into existence in 1845. While adhering to the general scheme of the Oxford Provident, the Harmony and the Franklin Associations made the maturity value of shares $200 and monthly dues $1 a share, which thereafter became the usual practice.

"Building clubs" have flourished ever since in Frankford. The oldest building association in continuous operation in the United States is the Decatur, of Frankford, whose constitution was adopted December 22, 1848, and whose books were opened January 10, 1849. Although organized as a terminating association, the by-laws of the Decatur were amended in 1852 to authorize issuance of four series a year and that system has been maintained to the present time. The Association was incorporated in 1855, reincorporated in 1866, and chartered perpetually in 1886. Colonel Mitchell Bomeisler and Francis Deal, early directors of the Decatur Association, had been members of the first Oxford Provident Association. S. Everett Pendlebury, President of the Decatur Association from 1888 until 1923, was a descendent of Thomas Pendlebury, a director of the Oxford Provident organization. Other officials of the Decatur Association whose ancestry includes officials of the Oxford Provident are: T. Elwood Castor and Harry L. Buckins, directors, and Robert T. Corson and his son, Rudolf Neff Corson, who in succession have filled the office of solicitor since 1886, and who are descended from the Deal family.[1]

Growth in the Philadelphia Area

Although in order to be strictly chronological one should take up the spread of the movement in successive years, it has seemed advisable in the present instance to round out the description of the early days of the movement in Philadelphia before passing on to the description of the movement outside of

[1] Arthur C. Singer, the present secretary of the Decatur Association, has held that office since 1909, when he succeeded his father, Charles A. Singer, who was secretary from 1898 until 1909. Charles A. Singer's predecessor as secretary was his uncle, Edgar A. Singer, whose term extended from 1877 until 1898.

The other officers of the Decatur Association at the present time are: president, David T. Hart; vice president, Charles A. Disney; treasurer, John Haslam; solicitor, Rudolf Neff Corson; assistant secretary, Howard Adshead; directors: David T. Hart, George Lockhart, Charles A. Disney, Rudolf Neff Corson, Howard Adshead, William J. Hill, Edward S. Gilmour, Frank T. Wilson and Samuel J. Murphy; conveyancers, Rudolf Neff Corson, Cassidy Brothers, Edwin Stearne, Robert E. Erwin, and O. Rodger Melling.

the Philadelphia area. Therefore at this point a brief synopsis of certain early associations in the vicinity of Philadelphia will be given.

Milestown,[2] Pennsylvania, seems to have been the first of the communities in the Philadelphia area, outside of Frankford, to take up the building and loan idea. In the *Germantown Telegraph* for April 1, 1848, appeared an announcement that the first installment was then due in the Milestown Union Provident Building Association No. 2. This suggests that the first Milestown Association was organized about 1838.

The movement then seems to have spread to Germantown where the Provident Association of Germantown was organized, February 18, 1845.[3] This Association was followed by two more, the Mutual and the Franklin, organized in Germantown in 1848.

In Philadelphia proper the first building and loan association seems to have been the Amerikanischer Darlehen and Bau Verein (American Loan and Building Association) which was organized in 1846.[4] Dr. Carl F. Haussmann, archivist of the German Society of Pennsylvania, has evidence of numerous other German building associations in Philadelphia.[5] The Kensington Building Association was founded January 7, 1847.[6] This was a terminating Association and went out of existence upon the maturity of its stock. The present Kensington Building Association is the direct successor of the organization of 1847 which was incorporated in 1884.

An interesting addition to the associations in the Philadelphia area was the Mutual Building Association of Germantown, formed in 1848. This organization was said to have been brought about as a protest to the custom then prevailing of restricting membership in building associations to "white males." According to the reminiscences of Horace F. McCann, for many years publisher of the *Germantown Independent*

[2] Milestown is now a suburb of Philadelphia, known as Oak Lane.

[3] Wyndham H. Stokes was president and Joshua R. Johnson, secretary of this pioneer Germantown Association.

[4] Statement from Gustav Korner, *Das Deutsche Element in der Vereinigten Staaten*, published in Cincinnati, Ohio, 1880.

[5] Jefferson Sparkassen Verein, 1849; Washington Arbeiter Bau Verein, 1849; Columbia, Sparkassen Verein, 1850; Philadelphia Duetsche Bau Verein, 1847.

[6] Its first officers were Abraham T. Eyre, president; H. A. Salter, secretary; Edward W. Gorgas, treasurer; and James Bennett, William Cramp, Jacob Jones, Ralph Lee, Joseph Smith, P. Hillman Troth, George W. Vaughan, Peter F. Wright, and Abraham P. Eyre, directors.

Gazette, a certain John Button, a manufacturer in Germantown and a foe of negro slavery, together with certain other Germantown citizens of like convictions, organized the Mutual Association, in which negroes as well as whites were eligible to hold shares. The Association was popularly known as the "Abolition Association," and it seems to have prospered although nothing is known of the extent to which negroes embraced the opportunity to become members.[7]

Other associations could be mentioned,[8] including those which used the title "homestead association" and which proposed to help members to secure for themselves homesteads at low prices and on convenient and accommodating terms.[9]

One project which might be mentioned is that of the Philadelphia Unitary Building Association of 1849 which undertook the erection of an apartment house which was strikingly modern in several respects.[10]

The Movement Outside of Philadelphia

Even before the second Oxford Provident Association had been established in Frankford in 1841, an Association had been started in Brooklyn, New York. In 1836 a group of Brooklyn citizens had visited Frankford to investigate the operations of the Oxford Provident Association. So impressed were they that on returning to Brooklyn, they organized the Brooklyn Building and Mutual Fund Loan Association. The monthly payments

[7] Jonathon Rittenhouse was president; John Button, treasurer, and Henry J. Squires, secretary.

[8] Seymour Dexter in *Cooperative Savings and Loan Associations*, p. 43, states that during the latter part of the decade 1840-50 "the organization of these associations in Philadelphia was very rapid" . . . and "fifty or more were organized between 1831 and 1849."

[9] One association bought a tract of land, subdivided it, and sold the lots to members on 20 monthly payments.

[10] The prospectus of this Association is in the library of the Philadelphia Historical Society of Pennsylvania.

Plans were drawn by John Sartain, celebrated artist, showing a Grecian building 396 feet long, five stories high in the center, with wings of four stories. It was to extend around a city block, leaving the center for a garden, playground, covered swimming bath and wash houses. The building was to be warmed by furnaces in the cellar and lighted by "solar gas" made on the premises. Each suite was to have hot and cold water and a bath. There was to be a hall for use as a library and reading room and for lectures and entertainments. Residents might prepare meals in their apartments or have meals in a central refectory. The capital stock was divided into 600 shares. For each share the holder was to pay $2 monthly until, with the profits, the shares would be worth $250 each. Apartments were to be rented to the highest bidders among the membership.

were $2.50 a share, and the Association matured its stock at $600 a share.

For a long time this Association was thought to be the oldest building and loan association in the United States. A book written in 1856 by William Franklin of New Haven, Connecticut,[11] says the first Association in America was organized in Brooklyn in 1836, and "has now closed."

The much quoted case of *Bibbs County Loan Association* v. *Richards*,[12] reviews the history of the building and loan association movement and says the first American association was the Brooklyn Building and Mutual Fund Association, organized in Brooklyn, N. Y., in 1836.

Judge Endlich, in his book on building and loan associations, made a like assertion in the first edition, but the error was corrected in following editions.

By this time Robert T. Corson and other Frankford writers began to direct attention to the prior claims of the Oxford Provident Associations of Frankford. In a paper, "The First Building Association in the United States," Robert T. Corson, printed in 1912 in "Frankford," a brochure issued by several Frankford organizations, the writer says:

> "It would not be thought that in so short a time the origin of building associations in this country could be a subject for dispute, but like the seven cities which disputed the honor of the birthplace of Homer, for the honor of being the birthplace of the building and loan association, the rivalry in our time has been nearly as keen. Most of the claimants were easily disposed of, but Philadelphia and Brooklyn had some old associations, Brooklyn's dating from 1836, but Brooklyn finally had to yield the palm, because it was proved that her society was not organized until after her leading citizens had made a trip to Frankford for the purpose of investigating the results of the experiment that had been there started."

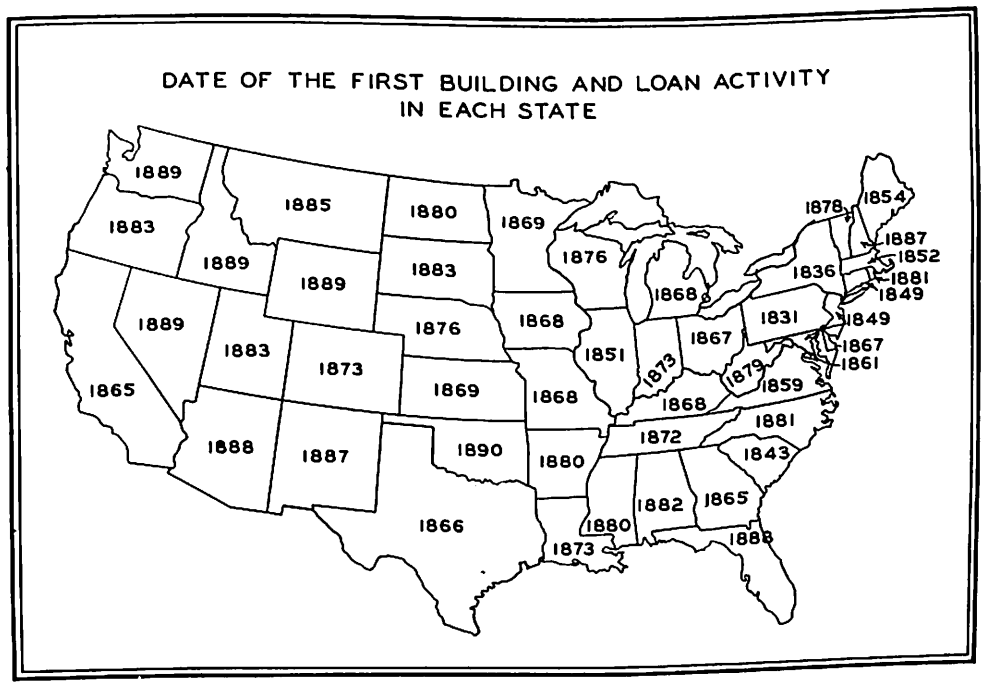
Since then the claims of the Frankford organization have been recognized and the Oxford Provident Association is now regarded as the predecessor of the Brooklyn organization and as probably the first building and loan association in the United States. The editor has found faint traces of a building club or fund society with building and loan characteristics predating the Oxford Provident. Possibly time and further research will set back several years the beginning of the thrift and home-building

[11] *Building Associations of Connecticut and Other States* (New Haven: 1856), 230 pp.
[12] 12 Ga. 592.

movement as was the case in England. For many years the Greenwich Union Building Association, "founded by a deed, and regulations, dated the 7th day of January, 1809,"[13] was regarded as the first modern building society. Mr. Harold Bellman's research, however, set the date in England back to December 3, 1781, and the place at Birmingham.

The Spread of Building and Loan Institutions

This chapter which describes the spread of building and loan associations throughout the United States has as its purpose the painting in broad outline of the movement of the idea across the country. The histories of building and loan in the several states which constitute Part II of this volume supply this picture in detail, but it seemed feasible to trace in summary



fashion the geographical spread of the movement and thus provide a more graphic picture of the expansion of the field of building and loan operations.

As a departure, therefore, for this broad picture, the map above has been prepared. In each state is written the date of the first association of record formed there. These dates

[13] See Endlich on *Building Associations*, 2nd edition, p. 3; also, Davis, *Law of Building Societies;* the early English case of *Pratt v. Hutchinson*, 15 East 511 (1812).

are taken from the statistics in the state histories which appear in Part II.

An explanation of the dates here used is necessary. In some states the date on the map represents the date at which the first building and loan association began operation. In others it represents the date at which the first charter was granted to a building and loan association. As the object of the map was to show actual beginnings of building and loan in each state, the very first date which indicated any building and loan activity whatsoever in that area was used.

Certain other qualifications concerning this map should also be noted. It is quite possible that future research may result in the finding of different beginnings than those recorded here. Two such instances have already been described, e. g., the rival claims of the Oxford Provident and the Brooklyn Association, and the rival claims of the two early English associations. In this connection two characteristics of the building and loan associations of these early years must be recalled. They were, first of all, voluntary, unincorporated organizations for the most part and, therefore, no account of their organization or activities was required to be kept for public record. Furthermore, these early associations were largely of the terminating type which went out of business when their shares matured and they frequently left no trace.

A glance at the map raises certain most interesting queries. Why for instance, did building and loan appear at a relatively early date in one state and at a considerably later date in its adjoining states which were apparently originally settled by the same type of pioneer? Various explanations may be offered.

In the first place it should be remembered that building and loan activity has expanded with an expanding nation. In other words, the spread of building and loan activity could proceed into new areas only as those new areas became populated. The settlers themselves were the medium of the spread of the building and loan cause. Again, it should be remembered that building and loan propaganda had to be spread largely by individuals who were familiar with building and loan practice and procedure in the communities from which they had come and who carried this knowledge into new regions which they settled. The literature on building and loan in those early days was scarce and the means for its transmission were equally meager.

Hence, one of the major explanations of why the building and loan movement spread, when it did, and where it did is to be found in an analysis of the movements of those people who had witnessed or experienced benefits of such institutions in eastern communities.

Certain more specific comments are suggested by a study of this map. It is to be noted that present evidence indicates that the movement spread from Philadelphia to New York. The query naturally comes to mind, why was the first jump so long, and does it not seem likely that a shorter jump may have taken the movement across the river into Camden or some other nearby New Jersey town? To date, no facts substantiate such a supposition but the prospects seem not unlikely that such an event was possible and even probable.

The next earliest date which is recorded is the year 1843 when the movement is said to have begun in South Carolina. Here apparently was an instance of the seed having come from England rather than having come from Philadelphia. The description of the building and loan pioneers in South Carolina shows that they were familiar with the idea as it had been developed in England up to that time and that they put into practice their acquaintance with similar English institutions.

The next evidence of the movement is found in the states of Maryland,[14] New Jersey,[15] and Connecticut, all of which are credited with having their first building and loan associations established in 1849. These states are followed in order by Massachusetts, 1852; Maine, 1854; Virginia, 1859; District of Columbia, 1861; Georgia and California, 1865; Texas, 1866, and Ohio and Delaware, 1867.

In the westward spread of the building and loan movement two stages should be noted. The westward migration of population carried the idea first to Buffalo where the first association was formed on August 6, 1851, followed by a second association in 1860.[16] The next stage took the idea to Illinois where the first building and loan association was organized at Chicago in 1849 as the Chicago Building Association. This is said to have been

[14] Other evidence (Dexter, *op. cit.*, p. 65) places the beginning in Maryland one year earlier—namely, in 1846—although an act authorizing their incorporation was passed in 1843.

[15] Dexter makes the statement (*op. cit.*, 49) that "the first association in New Jersey was organized prior to 1847," which was the year the Legislature passed the first act authorizing the incorporation of building and loan associations, but he does not give the exact of the first association.

[61] Dexter: *op. cit.*, p. 54.

the first association "in the West." The date of this Illinois beginning, which is taken from Judge Dexter's book, antedates by two years that given on the accompanying map because this association conducted business for two years before its charter was granted in 1851. It was followed by an association formed at Jerseyville in 1852 and by another at Chicago in 1857.[17]

The relatively early appearance of building and loan institutions in California is, of course, explainable by the large immigration of eastern people into the State during the gold rush of 1849. Somewhat less easy to explain is its comparatively early appearance in Texas. Here again quite likely eastern immigrants were probably responsible for transporting building and loan ideas to this State.

The suggested explanations for the spread of the movment which have just been put forth are, however, somewhat outside the scope of this chapter. So interesting, however, are the possibilities afforded by such a study of this map that one or two suggested explanations could not be foregone. The hope is that the reader's interest will be aroused with the result that further light will be shed on the expansion of the building and loan idea and the reasons for its successive appearance in various parts of the country.

For details, of course, the reader is directed to the state histories in Part II. Here he will find much of fact and possibly clues which will inspire him to start upon a historical tracing of his own.

[17] *Ibid.*, p. 58.

CHAPTER V
THE SERIAL ERA

ANY institution which has existed during a century of American life has met changing conditions to which it has had to conform even though this may have meant a modification of some of its major features. Building and loan associations are no exception to this rule.

During the 100 years of building and loan activity in the United States four major types of operating organization have been used. These include the terminating plan, the serial plan, the permanent plan—with or without the so-called Dayton features—and the permanent capital plan.[1]

These plans are listed here roughly according to the order in which they have appeared.

To assign exact dates of appearance or designate the period of domination of these several plans is not possible. Like any example of evolution, building and loan procedure has developed along several different lines at one time and one plan of operation may continue in general use after a new type of organization has been devised. For example, the serial plan is still in wide use in many states in the Union, while in those same states may often be found extensive use of the permanent plan. Furthermore, even a given association may be carrying upon its books serial as well as permanent shares.

Hence, although this division which makes separate chapters out of the serial plan, permanent plan, and the permanent capital plan may be in a sense arbitrary, it does indicate more or less clearly-defined stages in the evolution of the building and loan movement, and, furthermore, serves as a convenient organizing device. Before entering upon a description of the serial type of organization, it is convenient to recapitulate and consider what were the features of terminating associations which gave rise to the appearance of serial associations.

In Chapter III above, the Oxford Provident Building Association was described in detail, and it may be regarded as a typical

[1] Difference of opinion exists as to the grouping of these plans, for some writers treat various modifications of the several plans as separate types. But that problem is not of importance here.

example of the terminating type of organization. The terminating associations took their name from the fact that they terminated their existence when the object for which the members had become associated was accomplished. The original purpose of building societies was to afford means for a group of individuals to pool their resources and thus accumulate a fund from which each member might borrow a sum with which to purchase or build a home. Its life was therefore rather definitely fixed and when the shares of stock which were purchased in the process of repaying the loan had matured, the affairs of the association could be wound up, usually with a profit to the members.

All stock was issued as of the same date; new members could be taken in after organization, but they had to pay the back dues to the beginning, plus a bonus, in order to put them on the same footing as the original subscribers. As funds accumulated, they were loaned to members, and priority for a loan was determined by a premium bid at auction. As the associations progressed toward maturity of the shares, there was no longer a surplus of borrowers as in the earlier period of its existence. Since the funds of the association had to be lent to members, the names of those who had not received "advances" or loans were placed in a hat and drawing by lot determined who must take the money. If the member thus chosen was not ready to take the loan, he had to find some other non-borrowing member who would be willing to take his place; if he failed to find such a person, he must take the loan even though he did not want it.

The disadvantages inherent in this system are evident. This forcing of loans upon members was a particularly undesirable feature. Another disadvantage was that the maturing of the series automatically brought the affairs of the association to an end, and terminated its existence. Such a system is wasteful. The business accumulated during the 12 or 15 years of operation of such an association is completely dissipated at the end of that period. Time, money, and effort are required to carry a series of shares through to maturity, and this time, money, and effort, if wisely expended, result in a certain volume of good will toward the association. This good will is apt to be lost when the association is dissolved in spite of the attempt to salvage it by creating another association with a similar name.

Why should it not be retained for the benefit of the institution which has built it up? This question began to be asked at a very early period in the history of building associations in the United States.

Essential Features of Serial Operation

Thus in the early 1850's we find evidence of the beginning of a serial plan.[2] The most important distinction between the serial and terminating plans is that the former, instead of issuing only one series of stock, issues several series at stated intervals. Dues begin on each series when the stock is issued, and the shares, consequently, mature at different dates. The members of each series constitute practically a terminating association among themselves, hence the serial association is sometimes described as a collection of terminating units. This issuance of new series either quarterly, semi-annually, or annually assures the continued life of the association. New members are brought in with each new series, and those joining after a series is issued are compelled to pay back-dues only to the commencement of the last series. New capital and new borrowing members come in with each series, making it unnecessary to force members to take loans when they do not want them. Dues under the serial plan are required to be paid regularly, either weekly or monthly, and delinquent members are fined so that they may not have an advantage over those members who are punctual in their payments. The serial type of organization thus continues the emphasis on enforced saving which has always been one of its chief characteristics. Profits are distributed to the shares of each series in proportion to the amount of dues paid and the time the money has been with the association. When these profits added to the dues-payments on the shares bring their value up to par, the series is matured, the stock of the non-borrowing members is paid in full, and the mortgages of the borrowers are cancelled. To pay off the matured shares usually requires a considerable sum, but the event may be anticipated by accumulating funds through borrowing from banks or through other means.

The enforcement of systematic saving is one of the outstanding features of both the terminating and the serial plans. A variety of devices is used to promote regularity of payments

[2] The third Oxford Provident Association at its meeting on January 2, 1854, decided to issue series of stock. See Chapter 4.

and to induce members to continue their payments until the shares mature. Among these devices are membership fees, withdrawal fees, and fines. Membership fees are charged at the time a member joins an association and are used to cover a part of the association's operating expenses. Withdrawal fees are subtracted from the book value of the stock in case shares are withdrawn before they reach maturity. Fines are designed to promote promptness of payment, and are made necessary by the partnership plan of apportioning profits in order to prevent overpayments to the delinquent members.

This plan of operation remedies several of the disadvantages inherent in the terminating type of organization. Its primary advantage over its predecessor is that it conserves and capitalizes the good will which the association has built up in the process of maturing its shares. It also assures the continued life of the institution.

The Spread of the Serial Plan

This serial system attained great popularity throughout the country. Terminating associations were in many instances supplanted by or reorganized into the new serial form. In many states the terminating plan was never used at all, for the advantages of the serial system had become so established by the time building and loan activity in those states began that the serial form was adopted without question. The evolution of the building and loan movement in the separate states, which is detailed in Part II, supplies the facts about the form of organization first employed in these separate political divisions.

The generalization may be safely made that the serial form quite completely dominated the building and loan picture until the entrance, upon a wide scale,[3] of the permanent plan about 1880, but even the entrance of this new form did not remove the serial type of organization from the field. It continues today to dominate the field in many states and to have a wide useage generally throughout the country.

Specific Examples of Serial Operation

The serial plan of operation is for the most part relatively

[3] The early appearance of certain permanent features in South Carolina is an exception to this statement, although the influence of the "South Carolina plan" did not spread much beyond the borders of that State. See South Carolina History, in Part II of this volume.

simple, and, furthermore, it is practically uniform as it is used in the various parts of the country. What variations do obtain are chiefly matters of office practice.

The states in which the serial form of organization still has a dominating position are Illinois, Wisconsin, New Jersey, Pennsylvania, and Massachusetts, whose cooperative banks fall within the category of serial associations. Because of the importance and extent of the building and loan movement in these predominantly serial states, a few particulars concerning the operations of their associations are in point.

In Massachusetts cooperative banks issue serial shares and full-paid shares. Massachusetts methods include a charge for fines in case of default in the payment of monthly dues, interest, or premiums. Profits are distributed annually, semi-annually, or quarterly, in proportion to the value of the shares at the time and are computed on the basis of a single share fully paid to the date of such distribution. In Massachusetts

> "There is reserved at each distribution as a guaranty fund not less than 1 or more than 5% of the net earnings for the period until that fund amounts to 5% of the total liabilities. The fund thereafter is held available to meet any losses incurred in the business of the corporation from the depreciation of its securities or otherwise."[4]

Substantially the same provision for a guaranty or contingent fund is required by law in Illinois.

In New Jersey and Pennsylvania, which are strongholds of the serial plan, building and loan associations are for the most part relatively small organizations, with the exception of certain large associations in the northern part of New Jersey. These small associations have preserved in larger measure than most other organizations the original neighborhood character of building societies. They tend to retain the monthly or weekly meetings and the officers, with the exception of the secretary and solicitor, are honorary officials. Many associations frequently occupy the same office and one secretary handles the affairs of several associations. These Pennsylvania and New Jersey associations are thus probably the nearest approximation which we now have to the pure type of serial organization as it was originally developed, although the issuance of full-paid shares is now common among them.

[4] Ernest A. Hale, "Cooperative Banks in Massachusetts," 1924 *Proceedings of the United States League*, p. 128.

Serial associations customarily require borrowers to subscribe to shares the par value of which is equal to the amount of the loan. These shares are usually mentioned in the loan agreement and definitely pledged to be used to repay the loan upon their maturity. Thus the borrower's relationship to the association is a dual one. He is a debtor of the association, by virtue of the loan. He is part owner of the association, by virtue of his shares. The share subscription, and the association's belief that the borrower is able and willing to make the required payment on the shares are essential elements in each loan transaction. The borrower is also required to protect the association by a proper fire insurance policy, and must take care of all taxes, special assessments and the like. Each borrower therefore makes several payments to the association—usually three, viz., interest on the loans, dues on the shares, and whatever premium the association requires.

Premiums

Among the practices which characterized the activities of early associations and which continue to this day to be an integral part of the features of many associations is the use of the premium charge in connection with loans.

The premium was used at first as a means of determining priority in securing a loan. Money was offered for sale to members, and the one who at auction bid the highest premium was awarded the loan. Such was the nature of the premium charge in general. Specifically, however, a variety of plans were developed for its application. Judge Seymour Dexter, writing in the *Cooperative News* in 1890, listed four distinct types of premium plans plus a variation of one of these. These included the gross premium plan, the gross with rebate system, the net premium plan, the installment plan, and a variation of the latter. Of these the two most important are the gross premium plan and the net premium plan. Under the former the amount of the premium bid was deducted in advance from the face of the loan, and the borrower was required to repay, not only the sum borrowed, but the premium as well. According to the net premium plan, which was an outgrowth of the other, the borrower paid interest only on the sum actually received as a loan, but he continued his payments of dues until the full face value of the loan stock was matured; that is, until he had repaid the sum advanced plus the premium bid.

Under both of these plans, the borrower paid a high rate of interest, because the premium bid, which was usually a substantial sum, was simply added cost for the use of the money. The installment plan of premium, which was a still later development, required a definite sum per share to be paid either weekly or monthly with the dues and interest payments. The borrower, under this plan, received the full face value of the shares advanced and continued his payments until the maturity of the shares was reached.

An important reason for the survival of the lump sum premium collected when the loan is made is that this form of premium corresponds closely to the common practice of charging a commission for the placing of a mortgage. Borrowers who have had experience with ordinary mortgage brokers expect to be asked to pay such a commission. Consequently they make no objection to paying more real interest than the nominal rate to a building and loan association when the additional charge comes in this form, yet they do object to a proportionate increase in the nominal rate of interest.

Advantages of the Serial Plan

The serial plan is relatively simple and easy to operate if the association is a small one of two or three hundred thousand dollars of assets. The books are not excessively complicated or bulky, and loan applications do not come so frequently that much business is lost by deferring some of them a month or two until the opening of the next series. Moreover, a secretary who has not one but several associations in his office can usually arrange matters so that one or the other of his "string" will open a new series each month. Maturities, under the arrangement, do not come in such large blocks as to cause serious inconvenience to the secretary in making arrangements for payment to the shareholders. Thus the growth of serial associations has proceeded down to the present time in numerous states, the trend being toward a multiplicity of small associations rather than a great increase in the size of the individual unit. The building and loan people of these areas maintain that the serial plan still works excellently; they defend its simplicity and essential soundness and point to their own healthy activity and strong position as evidence that they are not in any sense "back numbers."

In certain communities, however, as far back as the late 1870's, considerable dissatisfaction arose with the serial plan. A good many executives wished to be able to sell shares or make loans at any time, and for this purpose kept their offices open for business every day in the week, instead of confining their business hours to a weekly or monthly "meeting." They also wished to stagger their maturities, so that instead of coming in four large blocks a year, as is the case with quarterly series, they would scatter in small amounts throughout the entire year, and could be paid off out of the regular collections, without the association having to borrow from banks or to accumulate large amounts of cash. Many of the larger associations also found the serial accounting system increasingly difficult to handle as they grew in size and number of accounts. It was as a result of the attempts made to overcome these three criticisms of the serial system that the permanent plan eventually came into prominence.

CHAPTER VI

THE ERA OF THE PERMANENT PLAN

Beginnings of the Permanent Plan

WHILE the permanent plan of building and loan organization is generally regarded as having been started about 1880, evidence has been discovered that a well-developed plan of operation for permanent associations had been perfected in some of the southern states in the days before the Civil War.[1]

The history of the building and loan movement in South Carolina (in Part II) describes what was known there as the "South Carolina plan" which anticipated the Civil War by several years. The leaders of the movement in that State had been familiar with English building and loan practice, and the English societies had developed permanent features some years prior to their appearance in this country. Mr. Denlinger of Iowa has also cited certain features of the permanent plan which were used in a few Iowa associations in the '70's, but these features never had more than a local recognition. It remained, therefore, for the real impetus to this type of organization to be supplied by a building and loan association of Dayton, Ohio. That association developed the first complete and well-rounded plan of operation for permanent associations.

Features of the Permanent Plan

Under this plan the issuance of stock at stated regular intervals in series is eliminated as is also the payment of a large sum upon maturity of a series, both of which features characterize the serial plan. The distinguishing features of the permanent plan, as contrasted with the serial form, are that it permits shares to be issued at any time and that the accounts of the individual members are kept separately; i. e., his shares start and are matured without reference to the status of other members in the association. Each member's payments are treated practically as a separate series. Net earnings are distributed as a dividend, usually semi-annually, to each member's

[1] See quotations in Chapter XV below, from book by Rev. Cox.

account, according to his balance, including previously credited dividends, and a separate ledger account is kept with each member. These are the essential elements of the permanent plan in general. Many associations which keep their books on this plan are similar in the terms and conditions of their shares to serial associations.

The Dayton Plan

Into this general framework of the permanent plan several very significant innovations were introduced by the Mutual Home and Savings Association of Dayton, Ohio, of which Judge A. A. Winters was the guiding spirit. He had made a visit to England and had become familiar with the permanent plan as it was practiced there. Thus, about 1880 he and Mr. Boyer, president of the Mutual Association, began the introduction of those innovations into the permanent type of organization which have subsequently come to be designated as the Dayton plan. The major innovations were the introduction of optional payment shares, of paid-up stock and the idea of permitting withdrawals without the heavy penalties generally attached thereto by the serial and regular permanent associations. Under the Dayton plan members may subscribe for shares upon which payments of dues may be made at any time and in any amount. These shares are generally withdrawable for the full amount of dues paid in and dividends credited. The issuance of paid-up stock permits payment in full for a share at one time, and dividends thereon are paid in cash after each periodical distribution of earnings. This paid-up stock is withdrawable the same as other stock. Although paid-up stock originated in Dayton, it is now in general use by associations of all types, and is therefore no longer identified especially with the Dayton plan. The Dayton plan also abolished the use of the premium charge in connection with loans.[2] Instead, the borrower was required to pay a fixed minimum sum per share per week or month out of which interest or other charges were deducted and the balance applied as dues on the maturity of the share. Since the minimum payment only was fixed the borrower might pay larger sums or even the whole balance due on the loan and then have it cancelled, thus paying interest

[2] Except for a small fee collected when the loan is made and practically identical with the charge still called "premium" by many associations, for example in Illinois. See Chapter VII for further discussion of the use of premiums under the permanent plan.

only to the date of cancellation. He might also at any time pay up one share or more and have the amount credited on his loan and his interest reduced proportionately.[3] This feature is also now in common use by serial and permanent, as well as Dayton associations. A further liberalization of the Dayton plan allows the borrower to apply directly on his notes that part of each loan payment not required for interest and advances for taxes, insurance, or assessments.

The Ohio law governing building and loan associations makes provision for the associations to accept deposits. This provision made available to the Ohio associations additional funds from which loans could be made. The use of deposits by Dayton plan associations has resulted in some confusion in terminology. In some sections of the country the designation, "Dayton Plan," is taken to refer to the deposit feature while in other places it refers to the optional payment shares and the liberal withdrawal policy. Thus, many associations which operate on the Dayton plan do not wish or are not permitted by law to accept deposits. A clearer understanding, therefore, of exactly what is meant by the Dayton plan will clarify discussions involving this type of organization.

A departure of the permanent plan from the serial type which deserves further comment is the distribution of profits. Under the serial plan profits were allocated to the series and not to the cash payments made on the shares. A member who held a certain number of shares and kept his payments up received his dividend. Another member who held an equal number of shares and did not keep his payments up received an equal dividend. In order that the delinquent might not profit by his delinquency, fines had to be charged for non-payment of the regular dues, and these fines were intended to reduce the profits of the delinquent member to the amount that was actually due him on the basis of the cash payments that he had made. Such fines were not intended as penalties but were an honest attempt to render substantial justice. The permanent plan, with its separate individual share accounts, and apportioned profits upon the balance in each account, removes this necessity for the serial system of fines. The individual account also makes possible, from an accounting standpoint the

[3] This practice, commonly known as the "cancel and endorse" system, has found some use among serial and regular permanent associations, especially in states where the direct-reduction loan contract is forbidden by law.

irregular payments which are the distinguishing feature of the Dayton plan.

Fines continue to be used by some permanent plan associations, as well as by serial associations, upon the theory that enforced saving is beneficial both to the association and to the member. With regard to the saving or depositing member, however, many associations take the view that his failure to pay his regular dues injures only himself. If he makes his full payments, he receives a full dividend. If he misses one of his payments, he also misses a proportionate share of his dividend.

In the case of borrowing members a considerably different situation arises. In the very nature of the business some borrowers will become delinquent and it takes time and effort to follow them up and make them pay, and if this time and effort do not bring results, foreclosure of the mortgage becomes necessary. All these are matters of expense to the association, and it is usually considered good business to have some fines or penalties whereby delinquent borrowers as a class may be compelled to meet the expenses of their own delinquency. This is sometimes accomplished by means of fines and sometimes by allowing a lower rate of interest to those who pay regularly.

Another point of departure from the practice of the original serial association was in the disposition of matured shares. Under the original serial plan, when the shares matured they were paid in cash and the member had to take the proceeds elsewhere to invest. This feature of the serial association was the subject of much controversy at some of the earlier meetings of the United States League. On behalf of the serial associations it was argued that the member had joined the association for the purpose of accumulating a specified sum—to-wit, the face value of his shares. Having accomplished this purpose his connection with the association naturally ceased and he could take his money and invest it elsewhere or use it as he saw fit. On behalf of the permanent association it was argued that the prime object of the association was to lend money to those who wanted to buy or build homes. If more money could be loaned, more homes would be built and the true policy of the association was to conserve and increase its resources and thus build more homes rather than dissipate its resources by paying money out as shares matured. It was for years obligatory in many states that matured shares should be retired, but gradually the argument in favor of retaining them has prevailed throughout the country and now in most states associations are allowed to retain these shares if the demand for loans justifies them in doing so. This feature has enabled both serial and permanent associations to increase their volume of business and occupy a position of greater dignity in the community and at the same time render service to a greater number of people.

From the retention of shares that had matured by monthly payments, it was an easy step to the issue of full-paid shares to those who had a sum of money to invest. By this means a new element became interested in the associations and more funds were made available for building homes. The issue of full-paid shares is now an ordinary feature of associations in practically every state in the Union.

Premiums Under the Permanent Plan

While in the early development of building association plans the premium in connection with loans was universal practice, in later years associations in increasing numbers have abandoned it, and soon it is likely to disappear entirely as a feature of a building association loan. The transition came largely with the advent of the permanent plan, for this type of organization attracted more money to the building associations and hence the necessity for a premium payment began to disappear. The decline of the premium, however, was not without protest. The proceedings of the United States League, particularly during the 1890's, contained numerous discussions of the premium problem and the different methods of handling it. The discussion culminated in a resolution of the United States League in 1901 which favored abandonment of the premium charge on loans.

> "Whereas, the premium, whether gross or installment, is simply an extra interest charge imposed upon the borrower, and
>
> "Whereas, its use heretofore has proved a stumbling block in the path of building associations, by complicating an otherwise simple plan and rendering it almost impossible of comprehension; be it
>
> "RESOLVED, that it is the sense of this United States League that all newly organized homestead associations should charge interest only, and that all old associations should so modify their by-laws as to do away entirely with the feature of premium.[4]

The resolution appears to have failed of passage at this

[4] 1901 *Proceedings of the United States League*, p. 160.

time, but in recent years the decline of the premium charge has been relatively rapid.

Contingent Reserve Fund

Another development which accompanied the growth and spread of the permanent plan of operation was that of the contingent reserve fund. Such funds, while frequently found in serial associations, are not so essential in that type of organization as in the permanent plan.

As long as all the profits were kept in a common fund, as in serial associations, any losses that occurred were charged against that fund, the effect of the losses being to delay the maturity of the shares. When the plan of crediting dividends directly to the individual accounts each six months was introduced, the advantage of a fund against which losses could be charged was so apparent that it was incorporated into the permanent plan almost from the very start, and at each dividend period a certain percentage of the profits was set aside in a reserve or contingent fund to meet such losses as might occur. In many states the law requires that up to 5% of the net profits be regularly placed in this fund. This feature has added greatly to the stability of the associations.

The question of the contingent fund, as of the premium problem, was dominant in the period 1890-1900. The convention proceedings of that decade are replete with the discussion of its advantages and its disadvantages. The battle raged over whether or not such funds constituted a violation of the much revered "mutuality" of building and loan associations. Another phase of the discussion centered about the method by which such funds should be set aside and what was the relationship of borrowers versus investors to such an accumulated fund. All of this discussion culminated in a resolution of the United States League passed at the convention in 1907.

> "Whereas, Several states provide by statute for a small reserve or contingent fund for building and loan associations, and this action meets the approval of this League; therefore be it
>
> "RESOLVED, That at each distribution of the profits, a certain amount not exceeding five per cent of the same should be set apart for the establishment of a reserve fund, until such fund shall have reached an amount not exceeding five percent of its total assets.[5]

[5] 1907 *Proceedings of the United States League*, pp. 166-167.

It is now generally agreed that such a fund is not only necessary for permanent plan associations, but wise for all associations. Hence it has been widely adopted.

Undivided Profits Fund

The most recent step in the development of the association has been the permission to establish and maintain an undivided profits fund. This question was brought to the front by the business depression of 1907-8. Unemployment was general and borrowers' payments were slow. If the depression had continued for some years, the customary rate of dividend on savings accounts might have been endangered and in various states laws were passed permitting the associations to carry a reasonable amount of undivided profits in order that the surplus earnings of a good year might be used to maintain the regular dividend in a year when current earnings were below normal. Where permitted by law, associations generally have established undivided profit funds, and the experience of 20 years has seen a tendency of such funds to increase in size. At the same time, by assuring a continuance of the current rate of dividend they have added to the stability of the associations.

Spread of the Permanent Plan

The foregoing features introduced by degrees during the early 80's spread from the Mutual Home to the other associations of Dayton, thence throughout Ohio and to other states. From the first they were favorably received and the simplicity and safety of the plan attracted new members and new money. Earlier efforts toward the permanent plan had been attended by little or no publicity, but Mr. Winters and his associates knew the value of newspaper space and it was not long until the Dayton plan was known among building and loan people from coast to coast. This gave rise to a quickened interest in loan associations throughout the United States and on the wave of this interest the so-called "national" associations were launched.

CHAPTER VII

THE RISE AND FALL OF THE "NATIONALS"

NO history of the building and loan movement would be adequate without reference to the "national" type of association which began in 1887 and culminated in 1897. The story of the "nationals," as of many other aspects of building and loan, has never been satisfactorily told. The literature of the period was filled with much heat and some light but hardly without prejudice on both sides of the case. Since then no one appears to have made an attempt to appraise the results of the rise and fall of the "nationals" on building and loan.

Certain it is, however, that the nationals played an important part in the subsequent building and loan development. Probably for a time they retarded its natural growth by bringing some disrepute on the whole building and loan idea, in spite of the local associations' disclaimers, by word and action, of any relationship with the "nationals." On the other hand, they forced on the consciousness of building and loan leadership certain fundamental principles which have materially aided subsequent growth.

What They Were and How They Began

The first "national" building and loan association appears to have been the National Building, Loan and Protective Union which began in Minnesota around 1887, although one date for its origin is given as 1885.[1] At the time this organization was started speculative activity appears to have been booming, accompanied by a number of saving and get-rich schemes most of which were designed primarily to make the promoters and their agents rich. For example, about this time the endowment companies were rampant, particularly in the middle west with Iowa as one of the centers for their activity. This fact is of some significance since the agents which had been spreading the light and taking the dollars for those companies soon flocked to the new scheme.

The National Building and Loan Protective Union issued shares of $100 par on which the dues were 85 cents monthly,

[1] *National Building and Loan Herald*, vol. 1, No. 1, p. 1, July 25, 1889.

10 cents of which went into an expense fund (as will be seen, the expense fund was an important part of the "national" movement), 15 cents into an insurance fund, and 60 cents for the so-called loan fund. The insurance fund was to provide for a clause in the contracts by which the association agreed to pay the par value of the shares to heirs of a deceased member at any time before the end of their term. The Union claimed that the shares were guaranteed to mature in five years. Since the company had neither capital nor reserve, the significance of this "guaranteed maturity date" is evident. There was no surrender or withdrawal value before maturity in this association. In other words, if the payments were not kept up a "member" might lose all that he had invested. Such forfeitures were calculated to enhance greatly the profits of those who held on to the end. This "tontine" plan was a feature of most of the "national" associations, although some of them modified it to give some withdrawal value after the lapse of a certain period of time, such as after 24 monthly payments had been made.

The shares carried a membership fee of $2.00 each which went to the agent. Since many agents were able to sell a hundred shares a week in small towns where times were good, it can be seen that the agencies were very attractive and the supply of high powered field men appeared to be unlimited. Within the first six months 100,000 shares were sold, mainly in the Dakotas and other northwestern states, and assets of $250,000 were accumulated. This meant that $200,000 had been paid to agents in the shape of membership fees and that the expense fund was rapidly attaining attractive proportions.[2]

Minnesota and particularly Minneapolis appears to have been the center of the "nationals" activity, so far as home office organizations was concerned, for some years and most of the earlier nationals sprang up there.

In 1887 the second and largest of the Minneapolis companies was formed—The American Building and Loan Association. This organization had a somewhat different plan which was used by many of the subsequent "nationals." This was the double stock premium loaning plan. The applicant for a loan of $1,000, for example, was obliged to take out 20 shares

[2] Much of this history of the national movement is taken from "National Installment Loan Companies," running serially in the *American Building Association News* in 1923.

of stock and to pay dues on the gross amount. Interest on the net amount loaned was charged at the rate of 6%.

> "In other words, a subscriber aiming to obtain a loan of $1,000 paid an entrance fee of $20 (for 20 shares) and a further payment of $12 monthly until his loan was granted; then $17 monthly. In case of his wishing to repay the loan at the end of two years his surrender value would amount to $127.20 on a stock payment of $308. In some of the companies a withdrawal fee of one dollar a share was charged, which would leave a credit of but $107.20, equivalent to an interest charge of around 33 per cent for the use of $1,000 for two years. Dues in the 'American' were 60 cents a share, of which 10 cents was diverted to expenses and 50 cents credited to the 'loan fund.' The maturity period was seven years, estimated. It required something like 28 per cent annual earnings to make the grade in 84 months, but the agents were fully equal to showing an earning power of 30 to 40 per cent from a starting point of 13.2%—due to the ramifications of compound interest, plus fines and forfeitures, aided by the mysterious force or fallacy of the company's dollars doing double duty from the periodical repayment of loans."[3]

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BETTER + THAN + AN INSURANCE + POLICY You need not die to get your profit. The withdrawal value is cash.

STOCKHOLDERS CAN WITHDRAW THEIR DEPOSITS AT ANY TIME. Borrowers do not decrease as the Society grows old.

$700,000 Of Stock Sold the First Four Months.
$1,400,000 Of Stock Sold the Last Four Months.

OFFICERS.

JOHN G. TAYLOR - - - President.
F. FREMONT REED - - Vice President
J. B. BUTIN - - - Secretary.
CHAS. E. COTTON - - Treasurer.
GEORGE F. GETTY - - Attorney.

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Fixed Interest and Premium.
Extra Assessments are Impossible.

Borrowers Share the Profits.
Shares are Non-Forfeitable.
Lowest Expenses Prevail.

Issues paid-up and pre-paid stock on most liberal terms. The plan is the most equitable yet devised for both BORROWER and INVESTOR. Agents wanted. For territory and terms apply to

NEWTON EDWARDS,
Supt. Agencies.

The expense fund, the agency fee, and the other factors of these organizations made them very attractive promotional vehicles. On the other hand, the rapidity of their growth indicated that the sales talk could be made attractive to investors.

The advertisement of the Railway Building and Loan Association which appeared in the *National Building and Loan Herald* for November 15, 1889 (p. 102) illustrates some of the sales arguments used and some of their features of operation. A calm analysis brings surprise that shares could be sold at all. However, Ponzi and other pyramiders of similar ilk show that in many respects the American public is still gullible. Apparently it was equally so in the 80's. Besides, building and loan associations had attained such a position of importance that most of the people were familiar with them and with their past success. The "nationals" were undoubtedly aided in their selling efforts by their trading on the good will of the local associations.

At any rate, within the first year of their history there were 12 of these companies in Minnesota. They established branches or local boards throughout the country. The method of expansion was somewhat as follows: A crew invaded a small town and established a branch with a local board, generally composed of persons of some prominence, including a banker and an attorney whose aid was enlisted by the promise that the local business would be thrown their way. It was announced that this "national organization" had come to the town to place a large sum of loans at once. This helped allay suspicion, so that the promises of large returns did not frighten away investors as much as might be supposed. In addition, many of the citizens were potential borrowers and so subscribed to shares in the hope of securing loans.

Soon "national" associations were formed in nearly every

[3] *American Building Association News*, 1923, p. 168.

part of the country. Observing the ease with which the thing seemed to be put over, ambitious crew managers were prone to secure a little assistance, establish their own associations, and settle down with the fat expense accounts and other sources of income found in the associations. Many prominent men, including bankers, congressmen, treasury officials and cabinet officers, and even one vice president of the United States, became associated with the movement. Often, of course, such responsible individuals were hoodwinked and did not know the real character of the organization with which they were connected. Even if they did know their consciences were stilled by the fact that their official position on the board took very little time and they secured handsome remuneration for the use of their names.

It must be understood that not all of the "nationals" were outright frauds. Many of them, of course, partook of this character. Others, however, were started by men of integrity who really believed that their organizations possessed the advantages which will be outlined a little later. While in the business for money some of them were sincere in their intention of carrying out a reputable home lending and investing business, not recognizing the inherent defect of the type of operation on which they embarked. In some cases even these defects were eliminated or kept to as small proportions as possible because the companies attempted to do only an interstate or fairly well restricted business. Some of these companies were able to retain most of the mutual features of the true building and loan association and because of their small territory were able to give supervision to loans and in other ways operate fairly successfully.

By 1893, 240 of these "nationals" were listed.[4] They were found in every state of the Union. The movement had started in Minnesota and had already waned there by 1893, when most of the companies had been forced to reorganize or liquidate. But from there the movement had spread and secured a foothold in many other parts of the country, particularly in New York and some of the southern states, as well as on the Pacific Coast. Thus in 1893 Illinois led in numbers with 38, New York was second with 28, and Kentucky, Missouri, and Tennessee followed with 17 each. Most of the other states had from one

[4] The statistics of the "national" associations are taken from Carroll D. Wright, Commissioner of Labor, *Ninth Annual Report*, Commissioner of Labor, 1893, pp. 280, 281.

to three. The average age of all such associations was two and a half years at that time. The average age of all local building and loan associations, of which there were then 5,598, was six and three-tenths years. In the period from 1887 to 1897 the "national" associations collected $250,000,000 and loaned $150,000,000.[5] It should be noted that during this period the assets of all local building and loan associations totaled about one billion dollars.

Strangely enough, in spite of their weaknesses, the panic of 1893 and the depression during subsequent years did not destroy the "nationals." This was largely attributable to the fact that the existing money stringency created an enormous number of potential borrowers, many of whom could be induced to subscribe to stock and pay at least some monthly installments before they learned that there were not enough loans to go around. Forfeitures and penalties aided in making profits for the associations although probably none of them paid the returns which the agents had used in their sales talks.

Opposition of the Local Associations

The leaders of the local building and loan associations were soon cognizant of the dangers to their movement found in the rapid growth of the "nationals." The new organizations took from their communities funds which the locals thought should have been invested with them, at the same time claiming to operate on the same fundamental principles. This identification, moreover, assured the locals that the crash of the "nationals" which they already foresaw would, when it came, prove disastrous to them as well. They began to attack the "nationals" in various ways and, of course, the latter retaliated. The controversy carried on in conventions, in the legislative halls, and in newspapers soon became acrimonious. The following quotation from the official publication of the "nationals" illustrates their claim to superiority over the local building and loan associations:

> "There is necessarily a good deal of friction between the national and local building associations, but the assumption by some of the more belligerent and clamorous of the local leaders that the nationals are infringing on their preserves is not sustained. We will concede for the movement that the building and loan or co-operative savings and loaning

[5] *The American Building Association News*, 1923, "National Installment Loan Companies," p. 460.

idea originated in this country, and also ignore the fact that the locals who are squealing the loudest are only four and five years old. But we must demand in return from the local partisans the admission that they do not enter the national field to any great extent. That the nationals will conflict with the locals in some instances is inevitable, but we have yet to hear of a case where the latter were not benefited. This, however, is a digression.

"The national associations aim to supply men of large means with a field for investment that is not afforded by the local societies.

"The nationals aim to supply loans of larger dimensions than the local societies could fill.

"The nationals aim to sell their stock mainly to business and professional men whom the locals cannot reach.

"The nationals aim to supply money to towns and villages which are not large enough to support a local association.

"The nationals aim to keep their money moving by selling stock in vicinities where money is plenty and loaning it where money is scarce, which the locals cannot depend upon doing.

"The nationals aim to spread the good work within one generation and not wait for remote posterity to appreciate the value of co-operation as the locals must do.

"This will suffice to describe the chief distinguishing points between nationals and locals. The argument might be extended indefinitely and hundreds of cases cited to sustain it in detail, but we think the intelligent reader may grasp the situation, and with what he may already know of the practical workings of the national plan, endorse the views we have presented. The nationals occupy a peculiar field and there is no good reason why either local building societies or local savings banks should oppose them. The mere fact that the locals are borrowing money of the banks in some cities to supply the demand for loans, and begging a market for their accumulations in others, is a most powerful argument in itself in favor of any effort in the direction of national distribution."[6]

The leaders of the local building and loan associations were not fooled by these plausible arguments. Unquestionably their feeling against the "nationals" helped to give them solidarity within their own ranks and assisted in the formation of the United States League of Local Building and Loan Associations whose first meeting was held in Chicago in April, 1893. Among the first resolutions passed at this meeting were four expressing their opposition to the so-called "national" associations.[7] During the 1904 convention at Buffalo, President Dexter pointed out that "the expenses for running the associations in Pennsylvania during the last year for handling the many

[6] Editorial, *The National Building and Loan Herald*, p. 16, November 15, 1889.

[7] One of these resolutions has been quoted in Chapter 9 on "The United States League."

millions were $100,000 less than the expenses of the "national" associations in New York State for handling $8,000,000."[8] During the same convention President Dexter also repeated part of an address which he had delivered three years previously before the American Economic Association:

"While these organizations have assumed the name of the true building and loan associations, they are no more entitled to use it as descriptive of their business than a western farm mortgage and trust company, or an investment and loan company. The name assumed is a misnomer except the word 'National.' While they have assumed some of the methods of the true building and loan associations, as a whole their manner of doing business is entirely unlike them, they have as a rule eliminated from their scheme the modes and principles by which the success of the building and loan association has been secured.

"They have been springing up during the last two years with a rapidity of growth equaling Jonah's gourd. Many of them advertise an authorized capital of $50,000,000, and establish agencies, and send forth solicitors for business into several states.

"The true building and loan association is a comparatively small affair; its operations are confined to the place where located, or the immediate vicinity; most of its officers serve without pay; each shareholder can know what the association is doing from month to month, and upon what securities his money is being invested. The shareholders can attend the annual meetings and vote in person for the officers of their choice. There are no official places with salaries of sufficient amount to entice the scheming and crafty, and no paid solicitors for business to mislead the ignorant and unwary.

"These elements of safety are eliminated in the National, the motive for their organization is to furnish business and gain to those who organize and conduct them. No capital is required to be invested in the business. Their operations spread in time over many States; the shareholders cannot know what the association is doing or how or where their money is being invested. They cannot attend the annual meetings and vote in person for officers; they simply intrust their money to strangers to handle upon a promise that it will be returned at some time in the future with large interest.

"Some of these associations will fall into the control of honest and capable men and be successful, but the greatest number will sooner or later come to failure and loss to the shareholders.

"Whenever so fine a field of operations presents itself to the scheming and dishonest as the present system of the National Building and Loan Association, we may rest assured that the scheming and dishonest will enter it and pluck their victims until restrained by proper legal restrictions."[9]

Another speaker said "one of the dangers which threaten

[8] 1894 *Proceedings of the United States League*, p. 16.

[9] *Ibid., pp. 34-5.*

our existence is the extensive ignorance that prevails among the people concerning building and loan associations, and this lamentable fact makes the so-called "national" associations possible and prosperous."[10]

The attack, of course, had been going on long before it reached the floors of the convention of the United States League. Three years before this the leading building and loan publication had carried an article saying, in part:[11]

> "It should be no objection to a building association that it does business all over the country. If the concern itself is founded on proper business principles and its aims appear to be open and honorable, it is entitled to fair consideration. We may not think the scheme to be a practicable one but we may be mistaken. It is only when an enterprise appears to be traveling under false colors or when its managers are making misstatements, or attempting to deceive the people for their own advantage, that the time for denunciation comes. If the so-called National Building Associations are really co-operative societies and differ only from our local ones in the fact that they do a national business, we should greet them as we would any other honorable business competitors. A building association is a society composed of borrowers and lenders for their mutual advantages. All the money is paid into one pot. Out of the earnings which the fund makes are first paid the expenses of conducting the business. The balance is then divided among all the members.
>
> "National associations, and they are all similar in form, are not on this plan. They differ from it fundamentally. They are not co-operative. They require the members to pay into two funds: the 'loan fund' and the 'expense fund.' The loan fund is the building association part of the scheme, and it is handled somewhat in the usual building association way, except that the fines are severe and the forfeitures are on the extreme tontine plan. In the expense fund, however, is to be found the real essence of the scheme, and the arrangements which are made to suck the life-blood out of the association through this expense fund are something diabolical. The whole plan becomes at once apparent. The only object in organizing or carrying on the association is to create and gobble up this expense fund. Their name should be changed.
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> * * *
>
> "Most of us have thought that about all that the depositors in an association could get in the way of profits was what the borrowers paid, in the way of interest, etc., less the expenses, but these magic workers think nothing of promising that the borrower shall only pay six per cent for his money (none of them admit more than six), six to eight per cent shall be deducted for expenses, and yet the depositor will realize from seventeen to fifty per cent on his investment. I have been curious enough to prepare the table found below from the literature which they put forth. The first column shows the per cent of all money received which goes into the 'expense fund' in the various associations named. The second column shows the rate per cent of profit which they each promise to depositors, and the last column the rate of interest which they 'estimate' borrowers will have to pay.

[10] E. H. Phelps, "The Dangers which the So-Called National Building and Loan Asiations threaten the Future of the Local Building and Loan Association Movement and How They May Be Averted." (1904 *Proceedings of the United States League*, p. 114). While this address shows in vivid terms the bitter feeling against the "nationals" on the part of the local men, it does bring out some of the results of the fraudulent or near fraudulent tactics employed by certain of the "nationals."

[11] A. A. Winters, "National Building Associations," 1 *Cooperative News* 6-7, February 1, 1890.

Names	Ratio of Expense to Money Handled	Rate of Profit Promised Depositors	Rate of Interest Charged Borrowers
American B. & L. A., Minneapolis	5 6–10 p. c.	28 p. c.	No Est'te
United States S. L. & B. Co., St. Paul	4 7–10 p. c.	27 p. c.	No Est'te
Peoples B.& L. Assn., Minneapolis	5 6–10 p. c.	55 1–2 p. c.	3 8–10 p. c.
Nat'l. B. L. & S. Prot'n Union, Minneapolis	7 9–10 p. c.	58 1–2 p. c.	(*)
National S. & L. Assn., Rochester, N. Y.	5 6–10 p. c.	17 1–2 p. c.	44–10 p. c.
Pacific State B. L. & Co., San Francisco	5 6–10 p. c.	27 1–2 p. c.	5 1–2 p. c.
National S. L. & B. Assn., St. Paul	5 6–10 p. c.	28 p. c.	6 1–5 p. c.
National S. L. & B. Assn., Indianapolis	7 p. c.	20 p. c.	5 3–9 p. c.
Inter State B. & L. Co., Sioux City, Iowa	7 p. c.	28 p. c.	1 3–4 p. c.
Lumbermen's Nat'l. B. & L. Assn., Chicago	7 p. c.	21 p. c.	6 p. c.

A year earlier, in 1889, the *National Building and Loan Herald* quoted as follows from an article by W. A. Linn, the president of an eastern local association, which appeared in the June number of *Scribner's Magazine.*

> "Attracted by the success of the honestly co-operative associations, corporations have been formed in several states to carry on the business on a 'national' plan, as it is styled; that is, to conduct a money-loaning scheme under the guise of a building and loan association, but to lend money in all parts of the country, and to secure profits to persons who are not contributors of dues. These 'national' associations are attracting much attention in the West, and the genuine building and loan associations, realizing that they must suffer from the unsatisfactory dealings of

such imitators, are moving against them. In Illinois an act is now before the legislature, and will doubtless be passed, prohibiting associations organized outside of the state from doing business in it, and the state associations from doing business outside of the state's limits. The savings' bank commissioners of Massachusetts have ruled that loans can be made by the co-operative banks only on real estate within the state."

In turn, the "nationals" replied:

"All this is really very uncharitable on Mr. Linn's part. The old style societies have had the field all to themselves for over a century and have evidently advanced as far as they can get. They must expect competition and competition that is successful is very apt to be progressive.

"Progress may be imitative in the sense that all improvements are copies but not counterfeits. Such imitation is commendable.

"If the national system, restricted by law and surrounded by every known safeguard, shall demonstrate its practical superiority to the parent system, the parent will be superseded by its more lusty offspring. All financial systems are a survival of the fittest.

"And if the Nationals should in time absorb the Locals who would be the sufferer?

"Surely not the local shareholders, who would gain by the transfer; and not the accountants, who would gain admittance to a broader field of usefulness! Would not borrower and investor alike gain by the wider market for their investments?

"As an expert authority on building and loan principles, Mr. Linn puts himself in a ridiculous position by speaking judicially without submitting his case. And if he has no case against the Nationals, he only delays the day of exposure by evading the issue. Mr. Linn certainly cannot mean to ignore the Nationals. He says naively that the 'genuine' building and loan associations are 'moving against' the Nationals. What a shocking collision he must anticipate! Does he not know that the Nationals 'moved against' the Minnesota legislature last winter and demanded legal safeguards and state protection for their members? He must also know that the Locals 'moved against' the Nationals at that time, and were retired with nine goose-eggs, to borrow a popular figure of speech from the great National game. The senate committee asked their officers what they wanted, and being unable to tell they were advised to run home.

"He says further that an act is now before the Illinois legislature to prohibit the Nationals from doing business in the state, and predicts that this bill will pass. The bill to which Mr. Linn refers was killed by a motion to strike out the enacting clause which prevailed by a large majority. And this occurred months before the date of Mr. Linn's paper in Scribner's and suggests to the most casual observer that Mr. Linn ought to be able to predict past events more accurately.[12]

The local associations always emphasized the large expenses

[12] *National Building and Loan Herald*, p. 5, July 25, 1889.

which the "nationals" apparently found necessary to do business. Thus one article in the locals' publication points out that the examiner in Minnesota found that for the American Building and Loan Association in Minneapolis there was a 6% expense fund per year, compared with the usual ½ to 1% of the local building and loan associations.[13] Again, it was pointed out that the financial statement of the United States Savings, Loan and Building Company of St. Paul had an expense item of 9% of receipts and dividends of 21.3% compared with the usual ¾% maximum expense and 7% to 8% dividends of the local associations.[14]

The literature of the period was filled with similar comparisons and with the difficulties of the national associations. On the other hand, the *National Building and Loan Herald* apparently took delight in pointing out where funds of local associations had been embezzled or runs and failures encountered. Their feeling toward the locals was expressed in several cartoons of which the one on page 112 is an example. It is reproduced from the *National Building and Loan Herald* of February 15, 1890.

In reply to the claim that the expense account cut down the returns to the investor the voice of the national movement said:

"The ready made oracles are still harping on the expense account of the national association and its relation to profits. The *Herald* is unable to see just what these two accounts have got to do with each other since they are separated in the first place and expenses are confined to the legal allowance of $1.00 a share."[15]

(It is stated that this is $1.00 per year.) The same article attempts to show that even where the legal limit of expense is $1.00 per annum, or $1.00 and $7.20, the true ratio of expense to profits is only about 2% during the life of a share. Considerable arithmetic and possibly some false assumptions were needed to prove this contention. Another paragraph states, "If the company charged 14% per annum for handling their receipts, the principal would be exhausted long before the profits could mature the stock."[16] It must be recalled that this was written in 1889. At this late date comment may be made on this statement to

[13] *Co-operative News*, vol. 1, No. 4, p. 1, February 15, 1890.
[14] *Co-operative News*, vol 1, No. 19, p. 6, October 1, 1890.
[15] Editorial, *National Building and Loan Herald*, p. 7, November 15, 1889.
[16] *Ibid.*

the extent that very few, if any, of the "nationals" did mature any stock.

Restrictive Legislation

The local building and loan leaders were not satisfied merely to criticize the nationals in their publications and con-



THE THREE ENEMIES OF THE NATIONAL SYSTEM.

The Blatherskite, the Philanthropist and the Endowment Crank.

Here we have on the left a member of the Salvation Army branch of the "truly mutual" and socially co-operative cranks, who has been trying to educate the Savings Bank impressario and the Life Insurance magnate on the virginal beauties of genuine co-operation, where the shareholders pocket all the profits and the officers pocket all the losses. His companions are somewhat dazed by what has been told them and by the heroic effort they have made to drink some very raw whiskey (when accustomed only to wine) in order to appear neighborly and truly co-operative.

ventions. They proceeded to secure legislation which would be more effective in curbing what they considered to be a threatening development. Among the leaders in this activity were Seymour Dexter, president of the Chemung Valley Association at Elmira, New York, and president of the United States League of Local Building and Loan Associations and the Honorable Charles O'Connor Hennessey, then city editor of the *Daily News* (not related to present *New York Daily News*) of New York. At that time the *Daily News* had the largest circulation of any paper in the country. Senator Hennessey's activities were particularly troublesome to the "nationals" as evidenced by the irritation against him expressed by the *National Building and Loan Herald* which dubbed this influential local building and loan leader "Cocky" Hennessey[17] and frequently attempted to criticize his actions. To the credit of the "nationals" be it said that some of them joined in the demand for restrictive or supervisory legislation. These activities soon bore fruit. Minnesota, Iowa, Nebraska, Illinois and a number of other states framed statutes to bring about state control or supervision of all building and loan associations.[18] Some phases of these laws controlled withdrawal fees, membership fees, expense funds, etc., and in addition curbed the wildcat "nationals" by causing regular examinations of their books. Other states went even farther in legislation which was aimed directly at the "nationals". Thus Ohio, Illinois, New York and Missouri in effect barred "nationals" of other states by requiring all the foreign associations to put up a cash deposit of $100,000 with some designated state office before they could transact business in the State. California and Wisconsin required a deposit of $100,000 in local mortgages, which was equally effective in prohibiting newly formed companies. In other states the agents whose go-getter tactics were the backbone of the "national" movement were required to give bonds to secure local citizens against possible fraud. The bond companies did not want the risk and this was an effective prohibition.

In California in 1891, the California State League of Building and Loan Associations induced the board of bank commissioners to make investigation of the "national" associations.

[17] Editorial Comments, *National Building and Loan Herald*, vol. I, No. 5, December 15, 1889, p. 8.

[18] For development of state supervision during this period see Chapter 9, "State Supervision of Building and Loan Associations."

This report[19] states several fundamental distinctions between local and national associations, including: that the locals employ no agents while the nationals do most of their business through solicitors; locals limit their business to the immediate vicinity while nationals seek business in other cities and states; locals take no part of the monthly payments for expenses while the nationals take from eight to ten cents out of every 60 cents paid in for an expense fund. The general tenor of the report is shown by the following statement:

> "While the so-called 'local' building and loan associations offer to their patrons the advantage of cooperation and benefits of economy and thrift, the so-called 'nationals,' although identical in purpose seem to deprive their patrons of the very objects for which building and loan associaions are organized. The strictly national building and loan associations of California are organized and conducted mainly for the benefit of managers whose promises to their patrons are very doubtful of fulfillment and whose methods are illegitimate to say the least."

The Fall of the "Nationals"

The "nationals" reached their peak in 1896. Their decline was spectacular after that. Several causes (some of which have already been mentioned) may be advanced. First of all, many were of a fraudulent or near fraudulent nature. Their stock was sold on misrepresentation, sometimes intentional and sometimes the result of over-optimism and lack of understanding of the true nature of compound interest, among other things. Even where the leaders were men of integrity they found it difficult to control their agents. When more and more associations were unable to carry out their promises as the "guaranteed maturity dates" came due, there was a general lack of confidence in the whole movement so that all were weakened.

There was another inherent weakness in the whole system. In attempting to make loans throughout the country they were assuming considerable risk which was accentuated by the fact that they did not make the best efforts to secure the ablest local supervision of loans. As a result, there was tendency to pick up loans rejected by other investors and to make higher and higher percentage loans.

The blow which shook down the whole house of cards came

[19] *Report on National Building and Loan Associations*, Board of Bank Commissioners, California, February 18, 1892, Sacramento State office, A. J. Johnson, Superintendent of State committee, 1892.

unexpectedly with the failure of the largest of all the "nationals," the Southern Building and Loan Association of Knoxville, Tennessee. Within a short time a number of other southern associations also crashed and none of the larger "nationals" remained after a period of two or three years.

Some of the near local or state-wide experiments remained because, as has been pointed out, if they had able and honest management, kept close supervision over their loans, which they were able to do because of the small territory which they covered, and retained some of the mutual features of a true building and loan association, they could weather the storm. Half a dozen or so of such companies did survive. Some of them are in existence and prospering to the present day.

The Results of the "National" Movement

The negative aspects of the national movement in shaking public confidence in all building and loan associations have already been pointed out. Something remains to be said on the positive side. Unquestionably the United States League of Building and Loan Associations would have been formed even without the "national" scare but it must be conceded that its formation was undoubtedly hastened by making more apparent the unity of interest of all local building and loan associations. They had a real menace to combat which could not be effectively met except through their full united strength. The "nationals" also hastened the development of state supervision and this has been a boon to the building and loan movement. Again, the example of the "nationals" brought out most forcefully the possibilities of aggressive development of business. Some of the "nationals" produced good accounting systems and aroused interest in the actuarial aspect of building and loan. Their failure emphasized the fact that building and loan associations are most successful when their operations are confined to a comparatively small area. They also showed that the cooperative element of a true building and loan association is one of its major sources of strength. In conclusion, the "national" movement was a real menace for a time but building and loan survived and has been strengthened as a result of it.

CHAPTER VIII

THE PERMANENT CAPITAL PLAN

By LEE C. STIDD

THE newest plan for organizing and operating a building and loan association may be most comprehensively described as the permanent capital plan. In slightly different forms this plan has reached a place of considerable significance in California, Kansas and Oregon, and is found in several other states.

Briefly stated, the basis of this plan is the issuance of a non-withdrawable class of stock subscribed and paid for by the founders of the association, which has definite contractual liabilities to the other classes of members of the association. This stock is known by various names such as guarantee, permanent, non-withdrawable, contingent-reserve, or reserve-fund stock.

The first reference to an association of this type is found in a prospectus of a South Brooklyn association founded around 1837. In some respects this association was not a true building and loan organization, since its purpose was "to procure building lots, erect homes, and sell or lease them." Apparently this early example had no influence on the later development of the building and loan movement, for not until 1884 do we find anything similar to it in building and loan literature. In that year the Northwestern Guaranty Loan Company was organized in Minneapolis with a non-withdrawable capital. At first it was included in the state report as a building and loan association, but later was excluded as not belonging to this type of organization. It is a matter of doubt as to when the first regular and duly recognized building and loan association was organized with a permanent or non-withdrawable capital. It is generally conceded, however, that the practice began in Minneapolis. From there it spread to Kansas, California and other states.

The California Guaranty Investment Company was the first regularly organized building and loan association in the state of California to use a guarantee capital. This Association was started on August 2, 1890, with a special class of shares designated as "guarantee capital stock shares" which were mostly held by the directors. These shares were non-withdrawable. The Renters Cooperative Investment Company had

a similar non-withdrawable stock and issued its first investment certificates in California in November, 1890.[1] Investment certificates were to become familiar features of many of the California permanent capital associations.

In the same year, 1890, the present Equitable Savings and Loan Association of Oregon was incorporated under the name of Oregon Building and Loan Association. Prior to 1899 it had operated only with the usual classes of installment and prepaid shares. Following the panic of 1894-5 the Equitable Association, like most savings and loan associations in the United States, found itself in possession of considerable real estate acquired under foreclosure. Realizing that such properties represented idle capital and that their disposal might ultimately lead to a direct loss, the leaders of this Association recognized the inequity of permitting members to withdraw or to receive payment of matured shares, since such accounts had not borne their share of the possible loss. They decided to attempt to obtain indemnity against such losses by application to several surety companies. The attempt failed, because such companies were unfamiliar with this type of risk, and even if it had succeeded the cost would have been greater than under the plan finally adopted.

Therefore, in 1899, the Equitable Association issued non-withdrawable, reserve-fund stock in the amount of $150,000. This stock was fully paid and received from the Association's members a premium for the assumption of the losses and the underwriting of the mortgage risks. This reserve fund stock was subscribed and paid for by individuals within the membership of the Association. From that date the shareholders of the Association suffered no loss of earnings on account of capital tied up in real estate. Each shareholder contributed his pro rata share toward the premium on the reserve-fund stock. Members were thenceforth permitted to withdraw without securing an undue advantage over others whereas previously those withdrawing had left the burden of foreclosed real estate to be sustained by the younger or more persistent members.

At about the same time a somewhat similar plan appeared in a New York City building society which was organized with full-paid shares issued to the founders in the sum of $100,000.

[1] Field's "History of California Building and Loan," State Commissioner's *Building and Loan Report*, 1926, p. 305.

This money was deposited with a trustee under "an agreement of guarantee" by which the founders were permitted through resolutions or by-laws to declare dividends on subsequently issued shares of stock at a definite guaranteed rate. All surplus earnings belonged to the holders of the full-paid shares held in trust.

In other states non-withdrawable or permanent capital shares were issued in one form or other at about this same time. The explanation advanced for the initiation of this type of building and loan association in Kansas was probably important elsewhere as well.

> "One of the reactions in Kansas against the old national association of the 90's was the lack of public confidence in the old indefinite mutual plan of the serial association. It was felt that these mutual associations could not be safe because they had no reserve, and hence could not pull themselves out of difficulties in case of loss. Members of the old nationals of this period had suffered many losses and, as is usual in such cases, the blame fell upon a feature of the business which had little or nothing to do with the real situation. Actually the cause of most of the failures was lax state laws and poor supervision.
>
> "It was thought advisable to inaugurate a plan that would restore confidence in the institutions; and since the criticisms were being directed against the lack of a reserve, the suggestion was made that a new kind of stock be introduced which would provide a serial association with a fund which would act as a reserve. This stock was to be sold to the public like any other stock. The purpose of the stock was to make it possible for an association to sell series of shares upon which a definite contract rate of dividends could be promised and which would mature at a definite date. The presence of the additional amount of capital was expected to make the earnings large enough to meet the contract requirements on the serial shares, and no dividends were to be paid upon the new stock until the dividends on the series were first cared for."[2]

Discussion of the manner in which the permanent capital plan is operated may well begin with the pertinent clause in the California law:

> "Guarantee stock shall be stock provided by the by-laws to be set apart and sold as a fixed permanent or guarantee capital, When any such stock has been once so set apart and sold and issued it shall thereafter remain as a fixed permanent and guarantee capital and shall be subject to all the conditions and liabilities attaching to the paid in capital stock of other classes of corporations. Such guarantee stock shall protect and guarantee all other stockholders and creditors against any loss and when once paid must be kept unimpaired."[3]

[2] Clark, Horace F., and Chase, Frank A., *Elements of the Modern Building and Loan Associations* (New York: Macmillan Company, 1930), pp. 50-51.

[3] R. Holtby Myers, "The California Guarantee Stock Plan," 41 *The American Building Association News* 552 (December, 1921).

> "If loss occurs, either by reason of excessive overhead expense, loans with insufficient security, defalcation, or other cause—the loss must be made good by the Capital Guarantee Stockholders. In consequence it is generally provided by the articles of incorporation that the majority of the directors shall always be selected from the capital guarantee stockholders. In practice, it is customary to select all of the Directors from those who by their subscription for this class of stock have assumed the responsibilities involved."[4]

Thus the permanent capital plan generally insures stability of management by linking the responsibility for proper conduct of the business with the obligation of providing a predetermined return to the general body of investors, and underwriting all losses.

With these shares as a basis, the form of the California associations using this class of stock may be of several different varieties. In some cases they may issue membership shares which are similar to the shares of the familiar type of association except that the guarantee fund is the basis of a contract to mature them within a definite time or to pay a definite dividend on prepaid stock. The permanent capital may also be combined with the issuance of investment certificates of one or two distinct types. One type is often termed "full pay" and is issued on a one-to-five or one-to-seven year basis, with an interest rate definitely determined. The other type is the installment certificate by which an account is opened by depositing $1.00, with the privilege of depositing further sums in any amount at any time and subject to withdrawal. The interest on these certificates is also definitely fixed.

A comparatively small number of associations combine the permanent capital with investment certificates alone. Others combine permanent capital, membership shares either serial or otherwise, and investment certificates. Obviously, an almost innumerable variety of forms is possible.[5]

Two permanent capital variations were used in Kansas. A small amount of "contingent reserve" stock may be issued with each series of regular installment stock and used to guar-

[4] 41 *American Building Association News* 553 (December, 1921).

[5] For further discussion of the California permanent capital plans, see R. Holtby Myers, "The Guarantee Capital Stock Plan," 1924 *Proceedings of the United States League*, p. 151; also, "The California Guarantee Stock Plan," 41 *American Building Association News*, p. 552 (December, 1921).

antee the earnings upon that series only or a larger amount may be issued to protect all the serial shares without being allocated to a given series.[6]

Several reasons in addition to those already indicated may be advanced for the development of the permanent capital type of association. In some of our newer and more rapidly growing states the personnel of the communities changes materially within a very few years. Interest in the prior types of building and loan association seemed hard to develop because of the uncertainty of directors continuing in office. Some people appeared to believe that there was an inherent lack of stability in those types in the rapidly changing community. Possibly because of the lack of fixed institutions unfortunate failures of the older types many years ago created a lack of confidence which the existence of the permanent capital tended to allay.[7]

Whatever the reason for their development and without regard to their possible merits or demerits as compared with other plans of organization, permanent capital institutions in some localities are playing their part in accumulating funds for financing home construction and purchases.

[6]For a fuller description of this plan see Clark and Chase, *op. cit.*, pp. 51-2.
[7] For a further discussion, see R. Holtby Myers, 41 *The American Building Association News* 552.

« « BIOGRAPHICAL SKETCH » »



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CHAPTER IX

STATE SUPERVISION OF BUILDING AND LOAN ASSOCIATIONS

FINANCIAL institutions have long been regarded as peculiarly subject to supervision by the state. Funds are held somewhat in a position of trust and, because of the nature of the institution, the results of dishonesty, carelessness, or ignorance may not be apparent to the uninformed for long periods of time until finally the structure comes down with a crash. " . . . we are not all honest; we are average citizens and average citizens are not all honest . . . ."[1]

Even when the officials are men of integrity, employees may sometimes conceal defalcations for long periods of time. Even where there is no question of dishonesty, such an institution may gradually suffer losses and become insolvent a long time before its true condition is apparent. By that time creditors and investors are certain to suffer large losses which might have been held to a minimum if the institution's affairs had been subject to careful supervision.

In some respects supervision is peculiarly vital to building and loan associations.

Perhaps more important than the possibility of dishonesty is that of carelessness or ignorance. Many of the early building and loan associations were in charge of officers who had little or no experience in operating financial institutions. It was certain, therefore, that unless carefully checked, they would make mistakes which might sometimes be vital. This checking might be taken care of partially at least by the directors, but often these directors were connected with the association largely because of prestige. Partly through carelessness and partly through confidence in appointed officers, their supervision was sometimes very superficial. Conditions in some associations were conducive to disaster although this possibility might be confined to only a few of them.

It was and is vital to the success of the building and loan movement that such possibilities be reduced to minimum pro-

[1] Mr. Tannehill's Discussion, 1927 *Proceedings of the United States League*, pp. 310-11.

portions " . . . the failure of one is disastrous not only to the shareholders and to the community round about but to all associations everywhere, just as the failure of one bank affects scores of other banks."[2] The failure of a building and loan association might be even more tragic than that of a bank of equal or greater size because

> ". . . the shareholders of our association are people who can least afford to run any risk or suffer any loss. The money these people put into building and loan is not accumulated from interest in investments or from rent on real estate holdings, but it is money earned by the sweat of their brows. The building and loan savings are generally the sole dependence of these people for the future, for their homes and for the necessities of life. If there is such a thing as 'sacred money,' it is this money that our people who labor in factory and mill and office entrust to the building and loan associations."[3]

The leaders of the building and loan movement have been the first to recognize the importance of adequate supervision. Investigation shows that in practically all states the state leagues of building and loan associations have been active in securing legislation to provide such supervision in the first instance and to make it more effective later.[4] Thus, back in 1890, one of the speakers at the convention of the Ohio League pointed out the necessity for state supervision of building and loan associations and recommended the form which it should take.[5]

Again, ". . . in 1925, the State League of Building and Loan Associations of Oklahoma . . . went to our Legislature . . . and told them we wanted a new law on the supervision of building and loan associations."[6]

The growth and importance of the building and loan move-

[2] Hon. Stacy W. Wade, Insurance Commissioner State of North Carolina, "The Attitude of the Supervising Official Toward the Individual Association as a Whole," 1927 *Proceedings of the United States League*, p. 296.

[3] *Ibid.*, p. 296.

[4] Examples of such activity are described in the chapters on state histories of building and loan. Thus in Florida, while waiting action by the State Legislature the League made an arrangement with the state comptroller by which it paid the salary and expenses of an examiner to inspect *all* associations in the State. (See section on "The State League" in Florida history in Part II of this volume.) The sections on "Work of the State League" and "The Building and Loan Board" in the Oklahoma history (Part II) show the part which the Oklahoma League has played in constantly improving the law as well as in furnishing men from its own group to oversee its enforcement. In the Oregon history (Part II) the section on "The New Code" shows the activity of building and loan men not only in securing the passage of a model law but also in its enforcement. Many other examples might be cited from this and other literature.

[5] *Cooperative News*, volume I, No. 17.

[6] John F. Mahr, 1927 *Proceedings of the United States League*, p. 298.

ment called for supervision and, in turn, adequate supervision has materially accelerated building and loan growth. By insuring safety of principal to all shareholders it has made building and loan association shares attractive investments for the savings of people to whom safety is all important.

Early Building and Loan Supervision

New York was the first state to require its building and loan associations to make annual reports of their condition and financial standing to its State Banking Department. This was in 1875.[7] Twelve years later, under a revision of the law these associations were subjected to the visitation and examination at all times by the Superintendent of Banks upon the application of three or more members of an association.[8] In 1892 annual inspection and supervision by the Superintendent of Banks became compulsory.

Supervision developed rapidly in other states prior to 1900. Michigan and Maine passed their laws in 1887 and Minnesota, Wisconsin, South Dakota, North Dakota, and Massachusetts, in 1889. During the 1890's a number of other states were added, including Illinois, Kansas, Missouri, Nebraska, New Jersey, Ohio, Washington, Vermont, New Hampshire, Tennessee, Pennsylvania, and Rhode Island, Montana, Wyoming, Indiana, and possibly others for whom the records are more difficult to secure.

Several reasons may be assigned for this development at that particular time. Most important was the very rapid growth of building and loan during the period just preceding. Another factor was the manner in which the rise and disastrous fall of the "nationals" brought to the public consciousness the vital importance of the building and loan business and the possibilities for hardship resulting from the abuse of its fundamentally sound principles.

Supervision over the manner in which building and loan associations were conducted, so far as reports and examinations are concerned, has been evolutionary, passing through stages of (a) reports to state officials, (b) permissive examination by state officials, and finally, (c) required periodic examination by state officials. This evolution is illustrated by the

[7] Chapter 564, Laws of 1875.

[8] Section 21, Chapter 556, Laws of 1887.

history of New York experience which has just been sketched.

In some states the stages were a little different; for example, in Michigan the 1887 law placing building and loan associations under the jurisdiction of the Secretary of State provided that when any statement filed with him indicated that the corporation was doing an unsafe or illegal business, he should cause an examination to be made into its affairs. Such an examination was also to be made upon petition of 50 or more shareholders, upon their claim that the institution was being operated contrary to law or that it was in an unsound condition or that they believed that any of its statements were incorrect. This latter provision, of course, was similar in principle to that already described in the New York law.

Another early variation is found in the requirement that at regular intervals the statement of the financial condition of each building and loan association be published in some newspaper in its home county. Such a provision is found in the 1895 law of Missouri which created a bureau of supervision and inspection for building and loan associations.[9]

Although a number of the states had fairly complete codes covering the supervision of building and loan associations as far back as 30 or more years ago, the actual supervision was not as complete as the codes might indicate. This was largely because the legislature did not make the proper provision for their enforcement. Frequently no arrangements were made for paying the expenses of examinations and often the work was placed under the jurisdiction of a state department or official already overworked, without supplying the necessary funds for adding to the personnel. The same condition is found in many states even at this late date, although a number of states have provided for very complete and adequate supervision.

The Present Status of State Supervision

At present 46 of the 48 states have laws providing for a greater or less degree of supervision of building and loan associations. These laws, of course, vary greatly in their provisions and in their effectiveness. The point which has been reached in some states and which should be the immediate goal of all may be best understood by examining the statutes of several

[9] Laws of Missouri 1895, p. 28.

of the states which are among the leaders in the adequacy of their supervision.

State Supervision in Ohio[10]

Ohio was among the early states providing supervision of building and loan associations. The first supervision law was passed in 1891 and by a revision in 1908 provision was first made for annual examinations by the Inspector of Building and Loan Associations.

The law has been changed in some respects several times since but it was placed practically in its present form in March, 1923, and no major enactments have been added since then. By the 1923 act the enforcement of the law is placed in the hands of the superintendent of building and loan associations who is head of the building and loan division of the Department of Commerce. His powers include the following:

(1) Examination of each association yearly or oftener if he considers it necessary,

(2) Investigation and scrutiny of proposed articles of incorporation of new building and loan associations and of the establishment of branch offices of associations already in existence,

(3) Giving or withholding formal approval of all amendments to constitutions and by-laws of building and loan associations.

(4) Transmittal of directions to the various associations on reports of examination,

(5) Giving or withholding approval to the pledging of mortgage assets, secured borrowed money, or to the sale of mortgages.

The law further provides for the charging of initiation and membership fees, and that sale of stock on a commission basis shall be illegal. All loans of building and loan associations must be secured by first mortgages on real estate, pledges of stock, or deposits of the association, or United States or State of Ohio bonds.

New associations in a city must have an authorized capital of at least $500,000 with at least $25,000 subscribed and paid in. New associations in a village must have an authorized capital of $300,000 with at least $15,000 paid in. The charter of a new association is to be defaulted if the association fails to begin business within one year after the charter is granted.

[10] Laws of Ohio Relating to Building and Loan Associations, 1928, Department of Commerce, Division of Building and Loan Associations.

Association employees having access to moneys or securities must be bonded.

The Ohio law also requires each association to pay an annual fee of $10.00 plus 1/80 of 1% of the assets. This fee is to cover the costs of examination and other aspects of supervision. Another provision of this law which was inaugurated many years ago is that at least 5% of the net earnings of the association must be placed in a contingent fund to provide against losses.

Some of the other provisions include the minimum and maximum length of term of officers and directors; prohibition of certain words in the name of a building and loan association; the opening of joint accounts; the right to assess and collect dues, fines, interests, premiums, none of which shall be deemed usury; withdrawal of stock or deposits; the right to borrow money up to an amount not exceeding 20% of the assets of the association, etc.

The Massachusetts Law[11]

Supervision of building and loan associations, or cooperative banks as they are known in Massachusetts, is placed in the hands of the Commissioner of Banks. The law provides rather minutely as to the manner in which these institutions may be organized, including a provision that the words "cooperative bank" shall be included in the name; it is required that some 13 items be covered in the by-laws; minimum number of directors and minimum and maximum terms of office are set forth. Provision is made for paid-up shares which shall not exceed 10% of the assets of the corporation, as well as for serial shares. Paid-up shares may not participate in the distribution of profits at a rate exceeding 5%. Shares may be withdrawn, if unpledged, upon 30 days' notice, but the board of directors may require that a member holding pledged matured shares give 90 days' written notice of his intention to withdraw. Non-borrowers' shares which continue in arrears more than six months may be transferred to a forfeited share account and will then cease to participate in any profits. Provision is also made for the retirement of shares under conditions which are set forth in detail.

[11] General Laws, 1923, ch. 167, 170, 266 and amendments. Cooperative Banks, Statutes of the Commonwealth of Massachusetts, Office of the Commissioner of Banks.

The methods of loaning funds or of investing surplus funds, as well as for repayment of loans, are minutely set forth. Fines and fees for those who have defaulted in payment of dues, interest, or premiums for the transferred shares are also permitted.

At each distribution of profits a guarantee fund of not less than 1% or more than 5% of the net profits shall be set aside until this fund amounts to 5% of the total liabilities of the association, at which point it is to be maintained. The general accounts shall be kept by double entry and a trial balance must be made at least monthly. Every cooperative bank must make an annual report to the commissioner in such a form as he prescribes.

The manner in which the examiner or the commissioner shall conduct his examination is set forth in some detail, and to pay for this examination and audit every association must pay a fee of 15 cents for each $1,000 of assets. The commissioner has the same powers and duties with regard to cooperative banks as he has toward savings banks.

The New York Law[12]

The New York Law, providing for the supervision of savings and loan associations, as these institutions are known in that State, is another which is well known for its completeness of detail. It provides very carefully for the manner in which an association may be formed and states the general powers which such an association may have, including those of charging an entrance or membership fee, as well as transcript fee. Associations are permitted to charge a premium or interest in excess of the legal rate upon loans to their members, and are allowed to fine members for failure to pay punctually any obligation due the association. The law specifically provides that associations in the state of New York may assign to the Land Bank of that state, bonds, mortgages, and other securities owned by the association as security for the payment of debenture bonds issued for its account. The law provides that every association shall be either permanent or serial in character. It sets forth six different kinds of shares which may be issued. These are: the installment shares, savings shares, accumulative prepaid shares, income shares, juvenile savings

[12] Savings and Loan Associations, *Bulletin* No. 6, New York State Banking Department, 1922.

shares, and national defense shares. The manner in which the association may loan or invest funds is carefully set forth. Three different kinds of premium plans are permitted. These are: the installment premium plan, the premium-interest plan, and the gross premium plan. The amount of the gross premium is restricted to 10% of the matured value of the shares transferred as collateral security. Any unearned or rebatable premium must be carried as a liability upon the books of the association. Associations may borrow money for a term not to exceed one year, but the manner and amount of such borrowing is carefully restricted.

Expenses for

> "salaries, commissions, fees, or other compensation to officers, directors, auditors, attorneys, agents, clerks, and all other employees and for rent, advertising, commissions, and all other operating expenses, shall not exceed 2½% of the total amount of the dues actually received and credited to its members, and the dividends duly declared and credited thereon on the first day of such calendar year, including dues and dividends credited to the holders of matured shares."[13]

Restrictions are set up as to entries which may be made in the books of the company. Every association must accumulate a guarantee fund to be equal to at least 5% of the accumulated capital, and to at least 50% of the book value of real estate owned by it. This fund is built up by setting aside 1/20 of the net earnings at the close of each dividend period until it has reached the stipulated amount at which it is to be maintained. An association may set forth in its by-laws that upon withdrawal of members some portions of dividends credited to their shares may be retained provided that the portion retained shall not exceed 40% of the dividends credited to such shares. A report of the condition of the association as of January 1 of each year must be made to the superintendent of banks before the first day of September of that year, and other reports may be required by the superintendent from time to time.

The laws of these states may be taken as being typical of those in which building and loan supervision has advanced the farthest. There are, of course, some additional states in which supervision is as adequate as in these. Some states have limitations or powers in addition to those discussed here, while others, of course, will omit some provisions found in these states.

[13] Savings and Loan Associations, sec. 30, *Bulletin* No. 9, New York State Banking Department.

A rather common power given to the state official in charge of the supervision of building and loan associations is that of refusing to grant charters where there does not seem to be a necessity for another building and loan association. This power is probably used only where the commissioner has reason to believe that a new association is a promotion designed largely for the benefit of the organizer rather than to be of real service to the community. Thus

> "at the last session of the legislature the commissioner of banking and insurance was given discretionary power in the incorporation of new associations which are now required to show need of their existence as a public benefit. This has already had a beneficial effect in stopping the organization of associations for whose existence there was no need."[14]

Supervision of Liquidation of Building and Loan Associations

Practically all states which provide supervision for building and loan associations give the supervising officer powers to liquidate such associations in event of insolvency. Frequently very detailed directions are given as to the manner in which such liquidation shall take place. In other cases, the same powers are granted as are given in the case of the liquidation of state banks. Financial institutions are peculiarly susceptible to unscrupulous attacks under the general bankruptcy laws of the Federal Government. For this reason, some of them have been taken out of the jurisdiction of such laws where the statutes of the various states have provided other means for their liquidation, as in the case of commercial or savings banks.

Administration of Building and Loan Supervision

As the supervision of building and loan associations gradually evolved in the different states, the administration of the laws providing for such supervision was generally added to the duties of state officials already provided for. Very often they were placed in the same department with the regulation of state banks, but sometimes were tacked on to the security commissions, insurance commissions, etc. In many states, they have been changed from time to time, and in a number of them, separate building and loan departments are now found. At present, 12 states have distinct building and loan commissioners. Twenty-six have placed the supervision of build-

[14] A. J. Thompson, Chief, Building and Loan Bureau, State of New Jersey, "Some Danger Signals and Some Other Matters, 1914 *Proceedings of the United States League*, p. 116.

ing and loan associations under the jurisdiction of bank examiners or similar departments, while the remainder have placed them under other miscellaneous officials.

Many states are still suffering from a lack of sufficient personnel to carry out adequately provisions of the law, but in others there is a well-organized and sufficiently large force of examiners, clerks, stenographers, etc. Thus Illinois has a staff of 29 persons, with some assistance from other people in the Auditor's office, of which the building and loan department is a part. Michigan employs five examiners, and is able to make examinations more than once each year. Minnesota has one bank examiner and one assistant examiner detailed to building and loan examinations. They go over each building and loan association twice annually and are assisted by other bank examiners and clerks. There are more than 10 clerks available when the larger associations are checked. A new law in Missouri, to be effective September 14, 1931, authorizes the appointment of nine examiners. Ohio has 30 examiners and New Jersey 75, while those in New York are not detailed to any particular branch of the banking department. These figures are largely from the states where building and loan associations have reached their fullest development so far as assets and membership are concerned. Perhaps two or three examiners or auditors would be more typical, for many of the smaller states and, unfortunately, this number is not adequate for some of them.

Cost of Supervision

Several different plans have been evolved to defray the costs of examination by state officials, as well as the other expenses connected with supervising of building and loan associations. In a few states, there are no fees, the expenses being borne by the general revenue of the state. In others, the actual expense of examining an association is assessed against it, based upon the salary paid the inspector, his traveling costs, etc. In still other cases, a percentage of the assets of the association is charged. In a few states, again, the examination charge is on a per diem basis, ranging from $7.00 to $25.00 per day. In Washington and California, an annual license fee is levied, which answers the same purpose.

A rather general tendency is evident toward the fee based upon a percentage of the assets. Possibly one of the advantages of the fees based on expenses or a per diem basis for the inspector is that it brings home most forcibly to the associations the disadvantages of a poor and antiquated bookkeeping system. When the inspector must take a great deal of time to unravel the accounts, his expenses are higher and the association has to pay for these objectionable features.

Supplementary Benefits of State Supervision

Possibly the most substantial benefits which supervision has conferred on the building and loan movement have been benefits which were not even considered when the idea was first advanced. In the majority of cases, the officials in charge of the supervising of the associations have had the interests of the whole movement at heart, and have done everything in their power to advance this interest. As one of them said,

> "As to the building and loan movement as a whole, I feel that the supervising officials' attitude should be one of never-failing interest and enthusiasm. Personally, I have never let slip an opportunity of attending a state or local building and loan meeting, or of having a representative of my department there. If there is need of a building and loan association anywhere, and I can help to get it going, I let nothing short of serious illness stand between me and active participation in the movement."[15]

Supervisors have often been helpful in promoting better practices through means which are not definitely stated in the law. They may call to the attention of directors certain activities on the parts of the appointed officers of the association which would probably not have come to these directors' attention through any other source, at least until it was too late to repair the damage. They may advocate the payment of salaries to secretaries, rather than leave them depending on fees or other sources of remuneration. They sometimes insist on reserve funds; attempt to limit interest and premium rates; require the printing of regulations as to withdrawals, etc., on certificates; suggest standard systems of bookkeeping methods, and improvements in such methods, show their disapproval of loans to realty firms for speculative purposes or for purposes not strictly within the building and loan field, which is the financing of single-family residences; and promote better practices in many other ways. They may not have the power to enforce directly some of their ideas, but their other powers are likely to

[15] Wade, *op. cit.*, p. 297.

lead to action along the lines they suggest. It is true that sometimes their opinions are not conclusive as to just what the best practice is, but on the whole, their influence has been in the right direction.

The building and loan movement has also benefited where supervisory authorities have fostered mergers and consolidations whereby weak associations are weeded out and their contracts taken over by strong and well-managed institutions.

The *Building and Loan Bulletin* issued monthly by the Building and Loan Department of the Auditor of Public Accounts in Illinois may be mentioned as an example of activity on the part of supervisory duties. This *Bulletin* contains interpretations of the law, statistics, and other educational material. It is sent to the directors of all associations in Illinois. Outside of the helpfulness of the information which it contains, it has greatly added to the respect of association men for the supervising department and has made that department's admonitions more effective.

For a number of years, an organization of building and loan supervisors has convened in connection with the annual convention at the United States League of Building and Loan Associations. Here they are able to discuss the best methods of examination, take up such problems as checking pass books and mortgages, etc., and cooperate with leaders in the building and loan movement for the furtherance of best interests of the movement.

Supervision of building and loan associations has made great advances since its inception in the latter part of the 19th century. It has undoubtedly been one of the important factors in the great growth of building and loan since that time. Some states have developed supervision to a very high degree. In others, it is still rather superficial largely because of the lack of understanding, on the part of the respective legislatures, of the problems involved. Recognizing the importance of adequate supervision, building and loan leaders in every state are working to improve such regulation and to make it more rigorous. No other matter is so much the subject of discussion at state conventions. It would be difficult to find any other business which is so anxious to restrict itself in the interests of the public welfare.

CHAPTER X

THE FINANCIAL GROWTH OF BUILDING AND LOAN

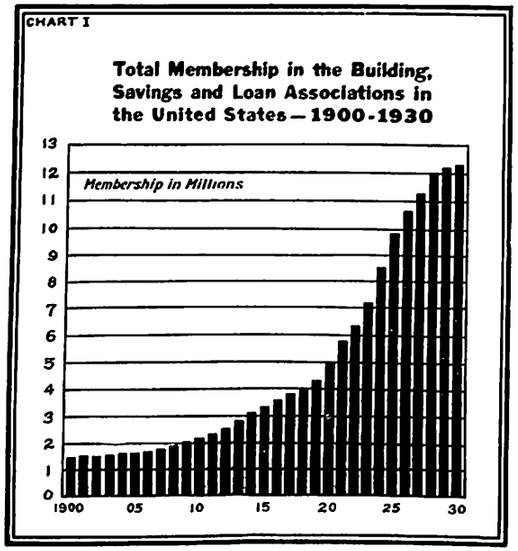
By H. F. CELLARIUS

THE development and growth of the building and loan association movement in the United States during its hundred years of existence is an interesting and fascinating story. From a humble beginning it has spread throughout the length and breadth of our country, has been a most potent influence in developing the savings habit, particularly among the working classes, and has provided homes for millions of people. The popularity and usefulness of the building and loan associations have become generally recognized, not only by the public, but also by both State and National Governments which have enacted favorable laws under which they have been enabled to grow and prosper. This encouragement has been given them on the theory that they are aids to good citizenship because the savings which they accumulate are invested in homes which build stable, substantial, law-abiding communities.

The past century has been a period of marked progress and advancement in all lines of human endeavor, and the building and loan associations have kept pace with the times. They have grown and expanded, have improved their methods and plans of operation, and have made most amazing strides in increasing their membership, now numbering over twelve millions, and in accumulating resources which now amount to almost nine billions of dollars. Building and loan associations have become firmly established as important factors in the financial system, and have won the confidence and trust of the investing public for wisely and safely caring for the vast sums of money entrusted to their care.

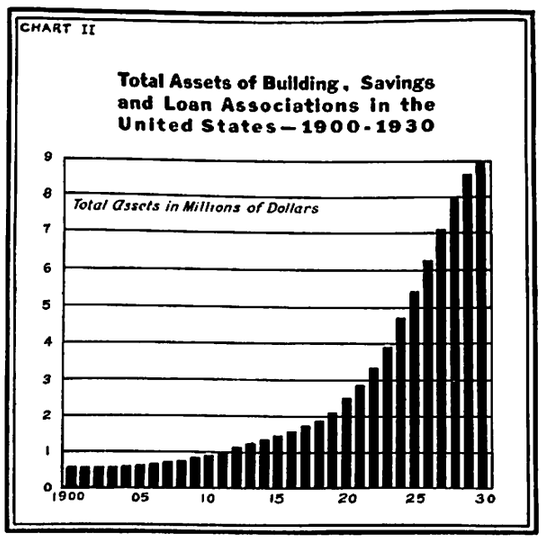
Other portions of this volume have detailed the geographical spread of building and loan institutions and the conditions and events which have fostered the physical growth and increasing usefulness of these organizations. The purpose of this chapter, therefore, is to describe the expansion of the business in terms of number of associations, total membership, and total assets and to measure its usefulness to the country in terms of

number of homes financed and the amount of its mortgage loans.



Financial Growth

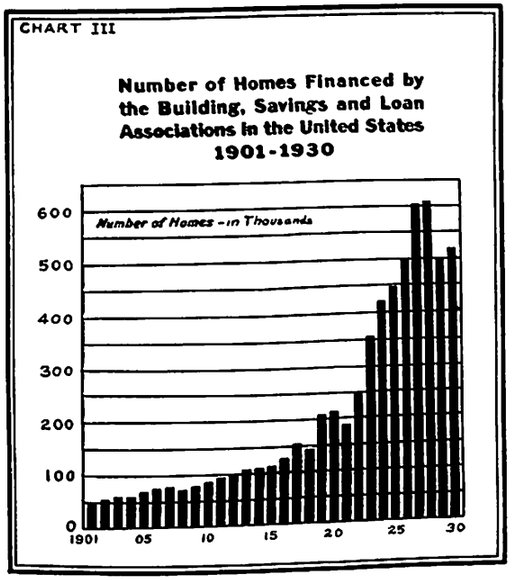
During the first half century that building and loan associations existed in the United States no reliable information was available as to the extent or magnitude of the movement. In certain states like Pennsylvania, New Jersey and Ohio a large number of associations were known to be in active business, but just what their investments were or how many such associations actually existed was a mere conjecture. In 1888, Mr. F. B. Sanborn, Secretary of the Special Committee on Provident Institutions of the American Social Science Association made the first study of these associations and at that time estimated their number at from 3,000 to 3,500 with assets of approximately $300,000,000.[1]



The first accurate figures were not obtainable until 1893, when Carroll D. Wright, United States Commissioner of Labor, made a comprehensive survey the result of which was published

[1] "Cooperative Building Associations," *Publications of the American Social Science Association*, report at Saratoga, September 7, 1888.

in the ninth annual report of his department.[2] This report showed that building and loan associations were doing business in every state of the Union, the total number of local associations at the time being 5,598, with a membership of 1,349,437 and assets amounting to $473,137,454. There were also at that time 240 so-called "national" associations with a membership of 362,803 and assets aggregating $55,715,431, but they were not recognized as true building associations. With the complete data which Mr. Wright obtained from the different states as a basis, and using the figures compiled by the state supervisors, and for a time estimating others, the Secretary of the United States League has, since 1895, been able to present annually fairly accurate and complete figures showing the progress of the movement. Since then the states which exercised no control over these associations have, from time to time, brought them under the supervision of some state department, so that now there are only two states in which accurate figures relating to building and loan associations are not available.[3]



From 1880 to 1897 the building associations of the United States enjoyed their first extended period of prosperity and growth. There were at that time (1897) 5,872 local associations with a membership of 1,642,179 and assets of $601,130,037. Commencing in 1897 and for four years thereafter their number membership, and assets declined steadily. This is the only time in their history they have retrograded, but their experience was no different from that of other financial institutions

[2] *Ninth Annual Report*, Commissioner of Labor, 1893 (Washington, D. C.: Government Printing Office, 1894).

[3] Maryland and South Carolina.

TABLE I. GROWTH IN NUMBER OF ASSOCIATIONS, TOTAL MEMBERSHIP, AND TOTAL ASSETS OF BUILDING AND LOAN ASSOCIATIONS IN THE UNITED STATES, 1893-1930.

Year	Number of Associations	Total Membership	Total Assets
1893	5,598	1,349,437	$ 473,137,451
1895	5,770	1,545,129	579,627,765
1896	5,776	1,610,300	598,388,695
1897	5,872	1,642,179	601,130,037
1898	5,576	1,617,837	600,135,739
1899	5,485	1,512,685	581,866,170
1900	5,356	1,495,136	571,366,628
1901	5,302	1,539,593	565,387,966
1902	5,299	1,530,707	577,228,014
1903	5,308	1,566,700	579,556,112
1904	5,265	1,631,046	600,342,386
1905	5,264	1,642,127	629,344,257
1906	5,316	1,699,714	673,129,198
1907	5,424	1,839,119	731,508,446
1908	5,599	1,920,257	784,175,753
1909	5,713	2,016,651	856,332,719
1910	5,869	2,169,893	931,867,175
1911	6,099	2,332,829	1,030,687,031
1912	6,273	2,516,936	1,137,600,648
1913	6,429	2,836,433	1,248,479,139
1914	6,616	3,103,935	1,357,707,900
1915	6,806	3,334,899	1,484,205,875
1916	7,072	3,568,432	1,598,628,136
1917	7,269	3,838,612	1,769,142,175
1918	7,484	4,011,401	1,898,344,346
1919	7,788	4,289,326	2,126,620,390
1920	8,633	4,962,919	2,519,914,971
1921	9,255	5,809,888	2,890,764,621
1922	10,009	6,364,144	3,342,530,953
1923	10,744	7,202,880	5,942,939,880
1924	11,844	8,554,352	4,765,937,197
1925	12,403	9,886,997	5,509,176,154
1926	12,626	10,665,705	6,334,103,807
1927	12,804	11,326,261	7,178,562,451
1928	12,666	11,995,905	8,016,034,327
1929	12,342	12,111,209	8,695,154,220
1930	11,777	12,343,254	8,828,611,925

doing business during that period. The widespread business depression which followed the panic of 1893, with its attending shrinkages in values, particularly of real estate, was the direct cause. The associations, however, emerged from this slump without any serious losses and during the next three years regained practically all their lost ground.[4] Since 1904, with accelerated speed, they have increased in influence, in power, and resources, without interruption to the present time.

In 1911 the building and loan associations of the United States passed the billion dollar mark in assets, just 80 years

[4] *Editorial Note:* In the process of collecting materials for this History many comments were discovered concerning the effect of the depression of 1893 on building and loan associations. A particularly interesting example of this type of comment is contained in the following paragraphs from the *New York Post*.

"Now that the air has cleared, so to speak, it will be interesting to set down the effect of the financial crisis of late last year on the co-operative savings (or building) and loan associations, especially those in the metropolitan district, where several banks and trust companies temporarily closed their doors. There are only a few of the larger associations that have offices open every day, and these were the first to have an unusual number of withdrawals. One association had about $50,000 on deposit in one of the closed banks, and the first thing done was to call a meeting of the board of directors, one resolution unanimously passed being that no director could withdraw any money which he had on deposit until all other members who wished their money were paid off. Another resolution was passed, that the directors pledge themselves to lend their association all the money they could raise. This was not a great deal, as most of the board were 'tied up' either in the association or some other bank. It was resolved to try to get the $50,000 out of the closed bank under the law which makes these associations preferred creditors of state banks and trust companies. A lawyer was engaged, and after two hearings the court ordered that it be paid immediately, with interest at the rate of 6% per annum. The bank deposit, current receipts and loans from directors enabled the association to pay off all the frightened members in a short time (before January 1), the amount required being more than $200,000. This association increased its assets $30,000 during the year. The reason for the large number of with-drawals was the peculiar character of its membership, many of these being quite unfamiliar with financial affairs, and easily taken in by rumors that had no foundation.

"Another association, the largest in the city, had only a few more than the average number of withdrawals, and these were paid practically 'over the counter.' It was able to boast in its annual report that it had made a gain in assets and membership for the year, and that it had not one dollar of unpaid withdrawals on file. A large association in Brooklyn, which meets one night in the week, was prepared to meet an unusual number of demands, as it borrowed some money from its banks and other sources. In the intervals between meeting nights many members calmed down and withdrew their applications and those who were still afraid received their money from current receipts. One pleasant feature at this time was that several men and women who had paid for their homes were induced to save money through these associations, voluntarily came forward and offered to lend them money if it was needed. It was a remarkable tribute to the associations' good work.

"Other associations in the district did not feel the panic in any way, and most of the withdrawals filed were from members who could not get money anywhere else, and came to their associations for the purpose of being helped out. On the other hand, tight money gave many small borrowers an opportunity to keep their homes, as they were compelled to turn to these associations when they could not get it from any other source. Those organizations that had money on hand were glad to get it out on equity that was gilt-edged and it gave two or three that were quite inactive a new lease of life

(*Footnote 4, continued on p. 138.*)

TABLE II. ESTIMATED AMOUNT OF MORTGAGE LOANS MADE BY BUILDING AND LOAN ASSOCIATIONS AND ESTIMATED NUMBER OF HOMES FINANCED, 1901-1930.

Year	Number of Homes Financed	Amount of Mortgage Loans Made
1901	50,000	$ 124,334,000
1902	55,000	137,482,000
1903	60,000	150,689,000
1904	60,500	151,537,000
1905	69,500	173,923,000
1906	76,000	197,244,000
1907	78,000	209,925,000
1908	73,000	195,017,000
1909	80,000	224,350,000
1910	87,000	260,642,000
1911	95,000	283,252,000
1912	99,700	299,133,000
1913	109,000	327,831,000
1914	112,000	341,637,000
1915	114,000	351,820,000
1916	129,000	413,289,000
1917	154,000	492,095,000
1918	145,000	480,292,000
1919	210,000	693,000.000
1920	215,000	770,000,000
1921	190,000	693,000,000
1922	250,000	900,000,000
1923	360,000	1,206,000,000
1924	425,000	1,460,000,000
1925	503,000	1,760,000,000
1926	550,000	1,945,000,000
1927	603,000	2,110,600,000
1928	615,000	2,153,000,000
1929	500,000	1,850,000,000
1930	350,000	1,300,000,000

(*Footnote 4, continued from p. 137.*)

As a matter of fact, strange as it may seem, the result of the panic will be to increase the influence of these associations, and it has already shown their stability. It should be remembered that these organizations, under the law, are not required to pay out more than ⅓ of receipts, and that the payment of all withdrawals as quickly as possible is a voluntary act. The small amounts taken out show that members are well aware of the fact that they are partners, that their moneys are invested in the best security—first mortgages on small homes, and that a single mortgage rarely exceeds $5,000." (Reprinted in 27 *American Building Association News* 202, November, 1908).

after the first association had been organized. It took only eight years thereafter for them to accumulate the next billion, and less than three years for the third billion dollars. The assets in 1922 amounted to $3,342,530,953. In the five-year period from 1922 to 1927 they more than doubled their assets, and at the present time they have under their control the stupendous sum of nine billions of dollars.

The data on growth in number, membership, and assets are presented in Table I on page 136 and in graphic form on Charts I and II inserted in the text.

Further evidence not only of the growth of these institutions but also of their usefulness to the communities which they serve is to be found in the record of number of homes they have financed (Chart III) and the amount of the mortgage loans they have made. The figures in Table II describe the steady growth in both of these measures of building and loan service to community building.

Similar facts for the separate states are presented in the statistical appendix which constitutes Part III of this volume. The background for the interpretation of these figures is to be found in the state histories (Part II). In those chapters are recited the events and general conditions which are responsible in large measure for the growth and evolution of building and loan in the various political divisions of the United States.

CHAPTER XI

THE UNITED STATES LEAGUE; ITS ORGANIZATION AND OTHER HISTORICAL DATA

By H. F. CELLARIUS

THE United States League was organized at a meeting held at the Grand Pacific Hotel in Chicago on April 14 and 15, 1893, and was attended by representatives of state leagues, who had gathered in response to an invitation extended by Judge Seymour Dexter, of Elmira, New York,

> "for the purpose of forming a provisional organization of a United States League of Local Building and Loan Associations and arranging a program and issuing a call for a meeting of duly accredited representatives of the several state leagues on some date during the Columbian Exposition, and to consider such other matters relating to the formation of such league and the work thereof as shall deem wise to those assembled at such meeting."

The state leagues represented by delegates at the organization meeting were as follows:

Arkansas: Thomas Essex and George R. Brown.

California: Judge Seymour Dexter, by proxy.

Illinois: G. W. Penfield, B. G. Vasen, Julius Stern, J. N. C. Shumway and E. L. Stoker (absent).

Indiana: R. C. Kelsey, Judge I. H. C. Royse, George Hathaway, E. F. Harris, and W. A. Rhodes.

Iowa: J. D. Ferre.

Massachusetts: M. J. Brown, by D. Eldredge, proxy.

Michigan: Edward B. Linsley and Clarence H. Leonard.

Minnesota: Theodore Sanders and W. A. Hemphill.

Missouri: George W. Davis, J. N. Bergfeld, M. T. Bogard, P. M. Manning and A. R. Schollinger.

New Jersey: Judge E. A. Armstrong (absent), entitled to representation.

New York: Judge Seymour Dexter.

Ohio: Josiah E. Boyer, Henry S. Rosenthal, and H. F. Cellarius.

Pennsylvania: M. J. Brown, by D. Eldredge, proxy.

Judge Seymour Dexter called the meeting to order and was unanimously selected as temporary chairman with Henry S.

Rosenthal, of Ohio, as temporary secretary. It was agreed that each state be entitled to two votes. Upon recommendation of a committee of seven on order of business, it was resolved that the organization shall be known as the United States League of Local Building and Loan Associations to be composed of the several state leagues of local co-operative savings, building and loan associations. The following committees were authorized:

Committee on Resolutions: D. Eldredge, Josiah E. Boyer, G. F. Penfield, Theodore Sanders, and E. B. Lindsey.

Committee on Consitution and By-Laws: Judge I. H. C. Royse, Julius Stern, Henry S. Rosenthal, G. W. Davis, and Thomas Essex.

Committee of Co-operation: Julius Stern, I. H. C. Royse, George R. Brown, Charles G. French, E. B. Linsley, G. W. Davis, and H. S. Rosenthal.

Committee on Finance: W. A. Hemphill, H. F. Cellarius, B. G. Vasen, Clarence Leonard, and J. D. Ferre.

A minimum assessment of $1.00 for each association belonging to each state league was levied to be paid within 60 days and if not paid before the 1893 convention, such league was not to be entitled to representation at such meeting. A special assessment of $10.00 was also made upon each league to cover immediate expenses.

Resolutions Adopted at the First Meeting

Among the resolutions adopted were the following:

1. "That a Congress of the Local Savings, Loan and Building Associations of the United States represented in the Leagues of the several states, be held at Chicago during the year 1893, under the auspices of the World's Congress Auxiliary of the World's Columbian Exposition. That a Committee of Arrangements consisting of seven members, be appointed, such committee having power to increase their members to seventeen. It shall be the duty of said Committee to make all necessary arrangements for holding the meeting of the United States League in the city of Chicago in 1893. Such committee shall also be the Committee of Co-operation from said League to co-operate with the Directors of Board of Control of the World's Congress, Auxiliary of the World's Columbian Exposition. The president, vice president, secretary, assistant secretary, and treasurer of this League shall be ex-officio members of such committee.

2. "That this convention denounces all forms of alleged Co-operative Financial Institutions, which seek the earnings of the working classes, by promising enormous profits, or by selling bonds based upon no actual or valuable assets.

3. "That this convention is unalterably opposed to the system and

motives of so-called Co-operative Financial Institutions, operating under the name of National Building and Loan Associations, which transact business in every and any state where they may be able to find customers, and promising much larger profits than are consistent with safety.

4. "That this convention asserts for the information of working people everywhere that a genuine building association is local in operation and purely co-operative in its character, and these in contrast distract from the so-called Nationals, which operate without limit of territory, and are not co-operative either in spirit or fact.

5. "That it is the sense of this convention that local building and loan associations everywhere should warn the people against every kind of investment in whatsoever name it may be known, which offers something for nothing."

6. "That the secretary be instructed to request the several compilers and publishers of statistics to include in their next and future publications, statistics concerning building and loan associations everywhere. That the president and secretary be instructed to join in a request on behalf of the League to the Hon. Carroll D. Wright, Chief of the Bureau of Statistics of Labor of the United States, to cause a compilation of statistics of building and loan associations for publication and distribution."

The first officers elected were: President, Judge Seymour Dexter, Elmira, N. Y.; First vice president, Davis H. Stewart, St. Louis, Mo.; Second vice president, I. H. C. Royse, Terre Haute, Ind.; Third vice president, D. Eldredge, Boston, Mass.; Secretary, B. G. Vasen, Quincy, Ill.; Assistant Secretary, J. D. Ferre, Ottumwa, Iowa; Treasurer, E. B. Linsley, Three Rivers, Mich.; Executive Committee, Marcellus Coggan, Walden, Mass.; E. A. Armstrong, Camden, N. J.; M. J. Brown, Philadelphia; A. A. Winters, Dayton, Ohio; Julius Stern, Chicago, Ill.; George Ross Brown, Little Rock, Ark.; Judge Denney, Washington, Iowa; Theodore Sanders, St. Paul, Minn.; C. H. Leonard, Detroit, Mich.; J. W. Bergfield, St. Louis, Mo.; W. K. Durack, Brooklyn, New York; R. W. Kelsey, Indianapolis; J. J. Tobin, San Francisco, Calif.

The proceedings of this first meeting of the League were not printed in book or pamphlet form, but may be found reported in the April 15 and May 2, 1892, issues of the *Co-operative News*, of Cincinnati, Ohio, as well as in the *Bulletin No. 1* issued by the League, which also contains a recital of the action taken by its organizers at the initial meeting. All subsequent annual conventions of the League have been fully reported and the proceedings issued in book or pamphlet form, which make a most valuable compendium of building and loan literature.

The First Annual Convention and World's Congress

The first annual convention, held in connection with the

[1] See 1923 *Proceedings of the United States League*, p. 166.

World's Columbian Exposition, was known also as the World's Congress of Building and Loan Associations. It convened at Chicago June 27 to June 30, 1893, and brought together the most prominent men in the movement. The program of prepared addresses and papers covered the entire building and loan field. Judge Seymour Dexter in his opening address referred to the fact that the convention, while not so large in numbers, yet represented a great constituency and was one of the most important movements which has developed in our country in the last half of the nineteenth century—a movement which stands in close relation to the future destinies of the Republic. He briefly reviewed the influences which culminated in the holding of the convention, emphasized the responsibilities that rested upon their deliberations, and pointed out some of the possibilities in the future of the building and loan movement. He also cited the great good it may accomplish for our people, if properly directed and fostered by the philanthropic and patriotic.

During the course of his address he suggested a motto for the League which, by resolution, was later formally adopted, and has since been in continuous use:

"THE AMERICAN HOME, THE SAFEGUARD OF AMERICAN LIBERTIES"

As indicating the broad field which was covered by the papers and discussions at this first convention, a recital of the topics on the program will serve the purpose. There was an address upon "The best scheme upon which to organize and conduct building and loan associations to insure the simplicity of their business methods, the safety of their funds and an equality of benefits between borrowing and non-borrowing shareholders and depositors" by James H. Paine, of Cleveland, Ohio.

William Fries, of Chicago, discussed "The benefits of auditors and how to audit the accounts of Building and Loan Associations."

A symposium upon "What is the true basis for the division of profits and the best method to be pursued in making the division," was participated in by George F. Penfield, of Rockford, Illinois, and J. R. Morgan, of Kokomo, Indiana, both of whom submitted carefully prepared papers.

Hon. Charles R. Hall, of the New York Banking Depart-



Third Annual Convention of the United States Building and Loan League, Cleveland, 1895.

K. V. Haymaker, Defiance, Ohio (1x1⅝)
D. H. Kimberly, Cleveland, O. (1⅝x1⅝)
E. R. Hiett, Toledo, Ohio (2½x1⅝)
W. L. Finch, Cincinnati, Ohio (3⅛x1½)
George W. Smith, New Albany, Ind. (3⅞x1¾)
Jos. H. Paist, Philadelphia, Pa. (4½x1¾)
L. M. Studevant, Sidney, Ohio (5⅜x1¾)
H. M. Farnsworth, Cleveland, O. ¾x2⅛)
C. F. Kolb, Philadelphia, Pa. (2⅝x2⅛)
G. M. Nattinger, Omaha, Neb. (3⅛x2)
H. S. Rosenthal, Cincinnati, Ohio (3⅛x2¼)
H. F. Cellarius, Cincinnati, Ohio (4½x2¼)
Seymour Dexter, Elmira, N. Y. (4¾x2⅛)
Mrs. H. F. Cellarius, Cincinnati, O. (5⅜x2⅛)
Mrs. S. Rufus Jones, Dayton, Ohio (6x2)
S. Rufus Jones, Dayton, Ohio (6¼x1¾)
D. Eldredge, Boston, Mass. (1¼x3)
M. J. Brown, Philadelphia, Pa. (1⅝x3⅛)
Lake W. Sanborn, Golesburg, Ill. (2⅝x3⅛)
James H. Paine, Cleveland, Ohio (3x3⅛)
Joseph K. Gamble, Philadelphia, Pa. (4⅜x3)
James Clarence, Philadelphia, Pa. (4⅝x3)
James M. McKay, Youngstown, O. (4⅞x3⅛)
Josiah E. Boyer, Dayton, Ohio—president Mutual Home and Savings Assn. (6¼x3)

KEY FOR CONVENTION PHOTOGRAPHS—To locate individuals listed on these photographs measure *along the base line* of the picture from the left edge, the distance given in the first figure in the parenthesis and from this point measure vertically the distance which is the second figure in the parenthesis. E. g., H. F. Cellarius (4½x2¼) is located by measuring 4½ inches from the left edge of the picture along the base and from that point 2¼ inches vertically.

ment which supervises building and loan associations in that State, ably discussed the subject of state supervisions and in what manner and to what extent such supervisory powers should be exercised.

A review of the evolution of the various premium and non-premium plans employed in the making of building association loans was exhaustively presented by Charles K. Clark, of San Francisco.

Marcellus Coggan, of Malden, Massachusetts, read a paper upon the "Benefits to be secured to the building and loan association movement from State and United States Leagues and the best method to make them more effective."

"The growth, methods, failures and manners of the so-called National Building and Loan Associations" were reviewed by Judge Ambrose A. Winters, of Dayton, Ohio.

Daniel Eldredge, the secretary of the Massachusetts Co-operative Bank League of Boston, Massachusetts, had for the subject of his paper: "The Best Method to be Pursued in advertising building and loan associations and bring them to the attention of the Public in localities where they exist."

A history of the Minnesota Building Associations, with statistical data, was presented by Theodore Sander, of St. Paul, Minnesota.

"The approved methods of issuing shares, and a discussion of what are the best methods, also the advisability of issuing 'Paid Up Shares' and the limitations of Free Share holdings and the best method of paying off matured shares," was discussed by William E. Dodsworth, New Orleans, Louisiana.

"Desirability of a uniformity in the laws of the several states, relating to Building and Loan Associations and How to secure the same" was discussed by W. E. Fisse, St. Louis, Missouri.

T. A. Reed, editor of the *Building Societies Gazette*, London, England, read a paper on "English Building Societies," reviewing their history and legislation, referring also to some unhappy experiences they encountered about that time.

Henry W. Brabook, Esq., of London, England, chief registrar of the British Societies, presented "Statistics of Building Societies" in England, Scotland and Wales. He asserted that



Sixth Annual Convention of the United States Building and Loan League, Omaha, Neb., 1898.

To identify individuals in this picture, see Key for Convention Photographs on Page 144

David Jones, Philadelphia, Pa. (½x1⅞)
Joseph H. Paist, Philadelphia, Pa. (1⅛x1⅞)
Jos. K. Gamble, Philadelphia, Pa. (1⅛x1⅞)
Seymour Dexter, Elmira, N. Y. (2⅜x1⅞)
H. F. Cellarius, Cincinnati, Ohio (3¼x1⅞)
Lake W. Sanborn, Galesburg, Ill. (3⅞x1⅞)
Daniel Eldredge, Boston, Mass. (4½x1⅞)
T. R. Foster, Vicksburg, Miss. (5½x1⅞)
G. W. Smith, New Albany, Ind. (5¾x1⅞(
B. G. Vasen, Quincy, Illinois (6½x1⅞)
Judge L. J. Wolcott, Albion, Mich. (½x2⅜)
Judge E. G. Henry, New Albany, Ind. (1⅛x 2⅜)
Philadelphia, Pa. (2⅛x2½)
, Dexter, Elmira, N. Y. (2⅝x 2⅜)
Cellarius, Cincinnati, O. (3⅛x2⅛)
Chicago, Illinois (3⅝x2½)
Philadelphia, Pa. (4⅛x2⅜)
Jerseyville, Ill. (4¾x2½)
Norwalk, Ohio(1⅞x2¾)
Cincinnati, Ohio (1⅝x3)
New Iveria, La. (1¾x2¾)
H. S. Rosenthal, Cincinnati, Ohio (2⅛x2¾)
Wm. G. Bell, Austin, Texas (2⅜x2⅞)
C. S. Hartough, Leavenworth, Kan. (2⅝x3⅛)
C. F. Bentley, Grand Island, Neb. (2⅞x3⅜)
W. L. Finch, Cincinnati, Ohio (3⅛x3⅝)
J. W. Bailey, Somerville, Mass. (3¼ 2¾)
C. F. Kolb, Philadelphia, Pa. (4⅛x2¾)
Paul Kraemer, Chicago, Illinois (5⅛x2⅝)
Thos. J. Fitzmorris, Omaha, Neb. (4⅝x3⅜)
G. N. Nattinger, Omaha, Neb. (4⅛x3⅛)
Elmer E. Bryron, Omaha, Neb. (4¾x3½)
James Clarency, Philadelphia (3¾x3½)

since building societies were first specially legalized in 1836, more than £100,000,000 of money has been raised by this means in the United Kingdom and applied toward the acquiring of homes by their members and that a half million of persons have been assisted to buy their own homes.

Addison B. Burke, of Philadelphia, on the subject "Building Societies in the United States," prepared a philosophical essay on the genesis of these associations and their principles.

"The Building and Loan Association System; its principles, possibilities and limitations" was the topic of an able address by Judge W. T. Dunmore, of Utica, New York.

Charles N. Thompson, of Indianapolis, Indiana, author of *A Treatise of Building Associations*, discussed "The Building and Loan Association as an 'Institution for Savings' for the Industrial Classes vs. The Savings Bank—A comparison of the benefits to be derived from them."

"The Economic Benefits of Co-operative Building and Loan Associations to the community as a whole, and to what extent should the state supervise them and foster their growth?" was the topic of a paper by Hon. Horace G. Wadlin, Chief of the Massachusetts Bureau of Statistics and Labor.

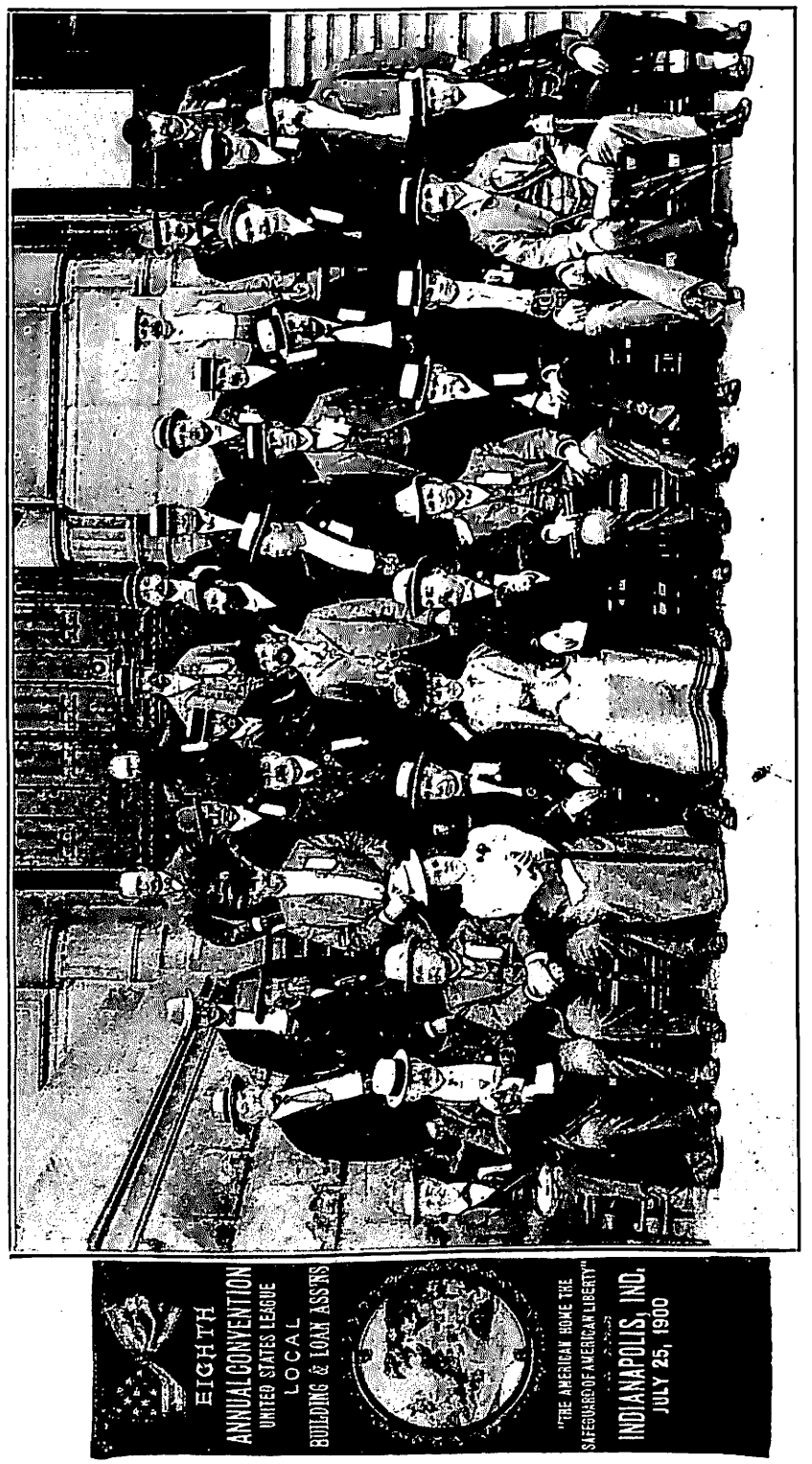
"Women's place in the Building Association Movement" was discussed by Mrs. Mary B. Murrell, of Little Rock, Arkansas.

Building and Loan Statistics

Hon. Carroll D. Wright, Commissioner of Labor, was also on the program and discoursed on "The Statistics of Building and Loan Associations in the United States." He began by saying, "The title of this paper should really be 'The NEED of Statistics of Building and Loan Association', for no very complete statistical report upon this subject has yet been made."

Proceeding with his address Mr. Wright referred to the several efforts that had been made to gather statistics of building and loan associations in the United States. He referred first to the report rendered by Mr. Frank B. Sanborn, secretary of the special committee on provident institutions appointed by the American Social Science Association at Saratoga, New York, in September, 1888.[2] Mr. Sanborn, in making up his

[2] Published in *Proceedings of the American Social Science Association*, for 1888, pp. 112-124.



Eighth Annual Convention of the United States Building and Loan League, Indianapolis, 1900.

To identify individuals in this picture, see Key for Convention Photographs on Page 144

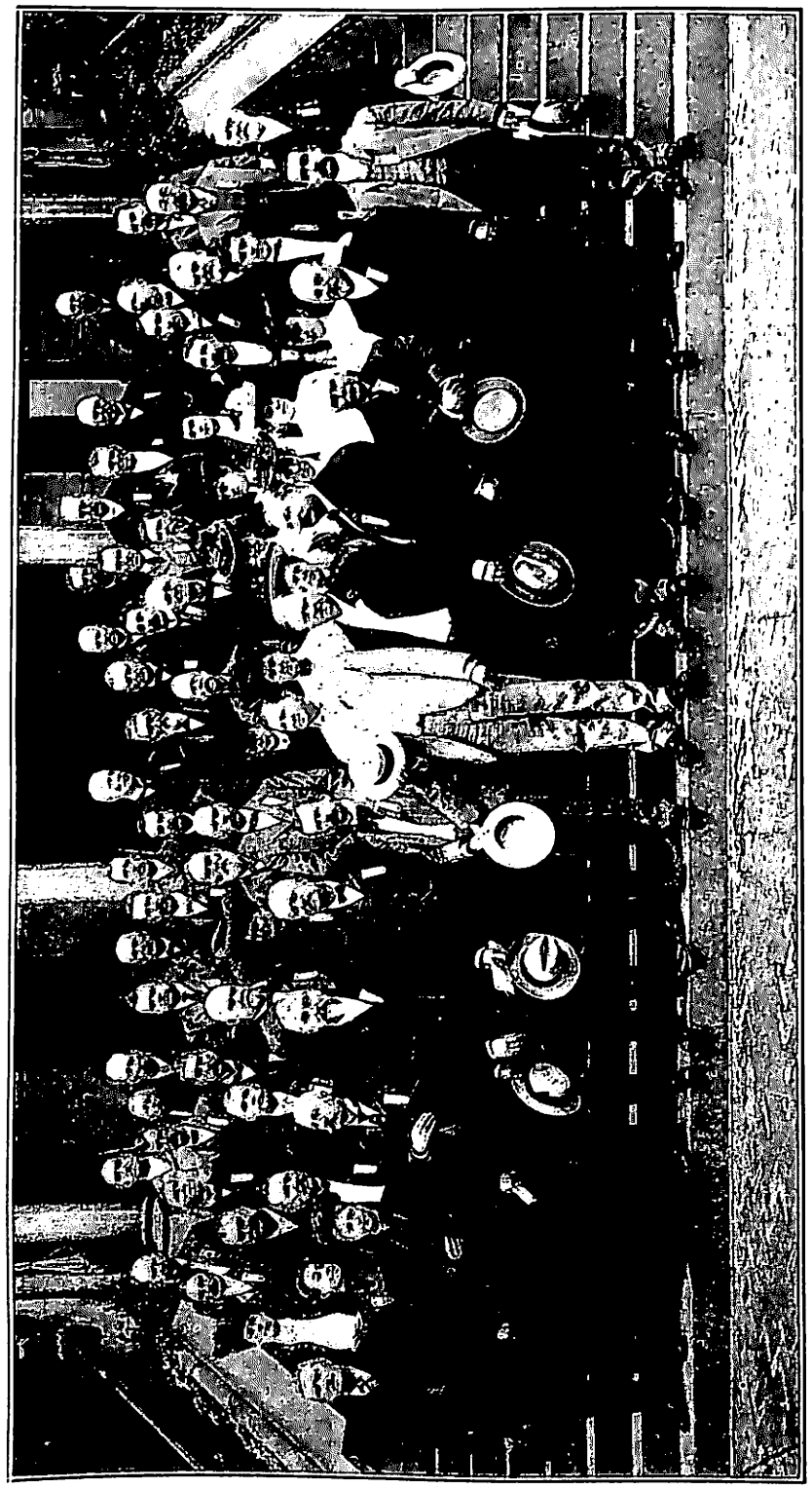
G. W. Smith, New Albany, Ind. (¼x1⅝)
Lake W. Sanborn, Galesburg, Ill. (ex-president) (⅞x1⅝)
Seymour Dexter, Elmira, N. Y. (1⅜x1⅝)
Mrs. H. F. Cellarius, Cincinnati, O. (1⅞x1⅝)
Julius Stern, Chicago, Ill. (ex-president) (2¼x1⅝)
Mrs. R. T. Corson, Philadelphia, (2¾x1⅝)
Thos. J. Fitzmorris, Omaha, Neb. (ex-president) (3⅛x1⅝)
H. F. Cellarius, Cincinnati, Ohio (3⅝x1⅝)
J. W. Bailey, Somerville, Mass. (ex-president) (4⅛x1⅝)
Geo. H. Kostmayer, New Orleans, La. (ex-president) (4⅝x1⅝)
A. L. Guthell, Indianapolis, Ind. (ex-president) (5⅛x1⅝)
Benj. H. Jones, Boston, Mass. (⅜x2¼)
J. G. Medlenka, Crowley, La. (3½x2¼)
J. J. Purinton, East Liverpool, O. (3⅞x2¼)
M. J. Brown, Philadelphia, Pa. (ex-president) (5⅛x2¼)
Abe Rosenthal, Cincinnati, Ohio (1⅛x2⅝)
G. M. Nattinger, Omaha, Neb. (2⅛x2⅝)
B. G. Vasen, Quincy, Illinois (3⅛x2¼)
Gerald Fitz Gerald, Grand Rapids Mich. (ex-president) (5⅜x2¼)
R. T. Corson, Philadelphia, Pa. (2¾x2⅞)
S. F. Marks, New Orleans, La. (3¼x2⅞)
Chas. Bookwalter, Indianapolis, Ind. (ex-mayor) (3½x2¾)
I. H. S. Royse, Terre Haute, Ind. (4x2¾)
H. S. Rosenthal, Cincinnati, Ohio (4½x2⅞)
James Clarency, Philadelphia, Pa. (expresident) (5⅜x2⅞)

estimates, had the benefit of the inquiries and investigations of Michael J. Brown, editor of the *Building Association and Home Journal*, published at Philadelphia, also the report of the Bureau of Statistics of Labor of the State of New Jersey, and a few other publications, but mainly his results were taken from correspondence and wide inquiries on the part of himself and his associates.

"In 1889 in the Annual Report of the Bureau of Industrial Statistics of Pennsylvania, Professor Bolles, the Chief, made what was at that time the most exhaustive report yet published, under the title of 'The History and Statistics of Building and Loan Associations,' the facts contained in the report having been gathered and prepared by Michael J. Brown, assisted by Joseph H. Paist."

Mr. Wright's address also made reference to a supplementary report made by Mr. Sanborn the following year, 1889. It is quite significant, however, that the reports of Mr. Sanborn were based on the practical work done by Michael J. Brown of Philadelphia. Mr. Wright also stated that the Bureau of Labor, of which he was Commissioner, undertook an investigation which should cover all associations in the country, using as a starting point the reports and records already referred to. He also called attention to the fact that at that time the secretary of state or some other official makes a record of these associations at the time they are organized in 12 of the states which he named, while in California, Illinois, Indiana, Massachusetts, New Jersey, New York, and Ohio such records were not only kept, but public reports were made regarding all the building associations in these states. He also remarked that at that time Pennsylvania, the state having the largest number of such associations, had no control of and made no regulations concerning them. "Charters are issued and facts relative to the issuing of charters can be ascertained from the officers of the state, but after that the government knows nothing of the associations themselves."

It can easily be understood how difficult a task it would be to compile accurate statistics in from 40 to 45 states, while official reports were available from only 7 of them and from only 15 other states was information available as to the number of associations existing therein and with no statistics available concerning them. At the time this address was delivered the



Eleventh Annual Convention of the United States Building and Loan League, Boston, 1903.

To identify individuals in this picture, see Key for Convention Photographs on Page 144

Mrs. J. K. Gamble, Philadelphia, Pa. (1¼x2)
J. K. Gamble, Philadelphia, Pa. (1¾x2⅛)
M. J. Brown, Philadelphia, Pa. (2¼x2⅛)
Joseph H. Paist, Philadelphia, Pa. (2¾x2¼)
F. E. Burbank, Boston, Mass. (3⅛x2⅛)
H. F. Cellarius, Cincinnati, Ohio (3⅝x2¼)
G. Fitzgerald, Grand Rapids, Mich. (4⅛x2⅛)
Lake W. Sanborn, Galesburg, Ill. (4⅝x2¼)
G. M. Nattinger, Omaha, Nebraska (5¼x2)
C. F. Bentley, Grand Island, Neb. (5¾x2⅛)
W. G. Weeks, New Iberia, La. (6¼x2⅛)

Mrs. M. H. Stutsbach, Philadelphia, (1x2⅛)
M. H. Stutzbach, Philadelphia, Pa. (1¾x2⅛)
J. W. Bailey, Philadelphia, Pa. (2¼x2⅛)
Mrs. J. Warren Bailey, Somerville, Mass. (2⅜x2¾)
Robert T. 'Corson, Philadelphia, (3⅛x2⅝)
Mrs. R. T. Corson, Philadelphia, (3¼x2⅜)
Mrs. H. F. Cellarius, Cincinnati, (3⅞x2¼)
Miss A. E. Kinder, Miamisburg, O. (4⅜x2¼)
Miss B. E. Kinder, Miamisburg, O. (4¾x2¼)
Daniel Eldredge, Boston, Mass. (6⅜x2½)

Mrs. C. O'C. Hennessy, N. Y. City. (¾x2⅜)
C. O'C. Hennessy, N. Y. City. (⅞x2⅜)
James M. McKay, Youngstown, O. (1x2⅞)
Jules Dryfuss, Shreveport, La. (1¼x2¼)
J. J. Purinton, East Liverpool, O. (1⅜x2¼)
Irving B. Rich, Jackson, Michigan (2x3)
John J. Stoddard, Columbus, Ohio (3¼x3)
Judge O. P. Sperra, Ravenna, Ohio (4x3⅛)
James Clarency, Philadelphia, Pa. (5⅛x3¼)
Thos. J. Fitzmorris, Omaha, Neb. (5⅝x3)
Benj. H. Jones, Boston, Mass. (5¾x2⅝)

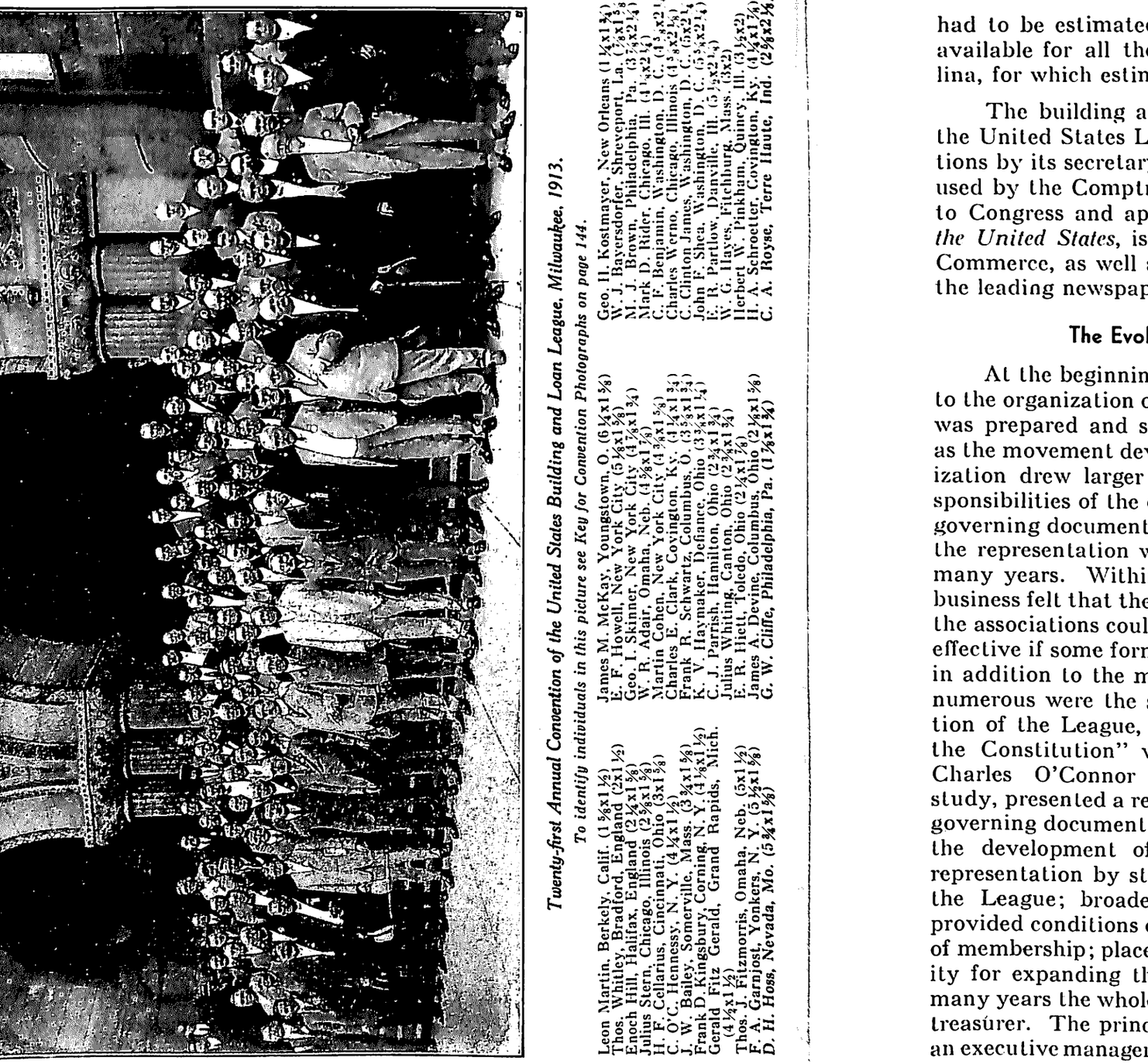
field work being done by the representatives of Mr. Wright's Bureau had not been completed; "but the field work is so far done that I feel warranted in giving to the public, through this Congress, a tabulated statement showing the number of associations, the number of shareholders, and the net assets of the building and loan associations of the United States." Notes attached to this table disclose that it was compiled in part from official reports from four states and that the other figures were estimates, and he explained how the estimates were made:

> "having the number of share holders for 3,503 separate associations from which it is ascertained that the average number for each association is 282½, it is perfectly fair, statistically, to project this average over the number of associations for which the number of shareholders have not been given; and having the net assets for 3,382 associations showing an average of $85,051.55 as the net assets of each association, it is perfectly fair to project this average to cover those associations for which net assets have not yet been secured."

This report submitted by Mr. Wright gave statistics for 30 States and covered the number of associations in each, the number of shareholders, and the net assets. For the additional states not named he put in an estimate covering those items. This was the beginning of official statistics in the United States concerning building associations.

Herman F. Cellarius of Cincinnati, secretary of the United States League, in his annual report to the Detroit Convention in 1897 began the presentation of statistical data of the building associations, making a compilation for the years 1895-96 and 1896-97. These statements covered the business done by these associations in 14 states, compiled from official state reports of states whose laws required returns to be made by building and loan associations to some state department. To these official figures were appended estimated figures for "other states" from which official figures could not be obtained. In making the estimates, Commissioner Wright's data were used as a basis, resulting in fairly accurate results.

Each year, as state after state passed laws requiring their associations to make detailed reports to some state official, these were added to the list of the building association statistics. Not until the Convention at Asheville, North Carolina, in 1927 could the statistics for the year 1926 list the entire number of states and the District of Columbia, although five states still



Twenty-first Annual Convention of the United States Building and Loan League, Milwaukee, 1913.

To identify individuals in this picture see Key for Convention Photographs on page 144.

Leon Martin, Berkely, Calif. (1⅝x1½)
Thos. Whitley, Bradford, England (2x1½)
Enoch Hill, Halifax, England (2¼x1⅝)
Julius Stern, Chicago, Illinois (2⅝x1⅝)
H. F. Cellarius, Cincinnati, Ohio (3x1⅜)
C. O'C. Hennessy, N. Y. (4¼x1½)
J. W. Bailey, Somerville, Mass. (3¾x1⅝)
Frank D. Kingsbury, Corning, N. Y. (4⅞x1½)
Gerald Fitz Gerald, Grand Rapids, Mich. (4¼x1½)
Thos. J. Fitzmorris, Omaha, Neb. (5x1½)
F. A. Garnjost, Yonkers, N. Y. (5½x1⅝)
D. H. Hoss, Nevada, Mo. (5¾x1⅝)
James M. McKay, Youngstown, O. (6¼x1⅝)
E. F. Howell, New York City (5⅛x1⅝)
Geo. I. Skinner, New York City (4⅞x1¾)
W. R. Adair, Omaha, Neb. (4⅜x1⅝)
Martin Cohen, New York City (4¾x1⅝)
Charles E. Clark, Covington, Ky. (4¼x1¾)
Frank R. Schwartz, Columbus, O. (3⅝x1¾)
K. V. Haymaker, Defiance, Ohio (3¾x1¾)
C. J. Parrish, Hamilton, Ohio (2¾x1¾)
Julius Whiting, Canton, Ohio (2¾x1¾)
E. R. Hiett, Toledo, Ohio (2¼x1⅞)
James A. Devine, Columbus, Ohio (2⅛x1⅝)
G. W. Cliffe, Philadelphia, Pa. (1⅞x1¾)
Geo. H. Kostmayer, New Orleans (1¼x1¾)
W. J. Bayersdorfer, Shreveport, La. (1⅝x1⅝)
M. J. Brown, Philadelphia, Pa. (3⅝x2¼)
Mark D. Rider, Chicago, Ill. (4⅛x2¼)
C. F. Benjamin, Washington, D. C. (4⅝x2¼)
Charles Werno, Chicago, Illinois (4⅝x2¼)
C. Clinton James, Washington, D. C. (5x2¼)
John F. Shea, Washington, D. C. (5⅝x2¼)
E. R. Partlow, Danville, Ill. (5⅛x2¼)
W. G. Hayes, Fitchburg, Mass. (3x2)
Herbert W. Pinkham, Quincy, Ill. (3½x2)
H. A. Schroeter, Covington, Ky. (4¾x1⅞)
C. A. Royse, Terre Haute, Ind. (2⅝x2⅛)

had to be estimated. At the present time official figures are available for all the states except Maryland and South Carolina, for which estimates are furnished.

The building and loan association statistics compiled for the United States League and submitted to its annual conventions by its secretary have for over 30 years been accepted and used by the Comptroller of the Currency in his official reports to Congress and appear annually *in the Statistical Abstract of the United States*, issued by the United States Department of Commerce, as well as in annual almanacs issued by several of the leading newspapers of the country.

The Evolution of the Plan of Organization

At the beginning of this chapter, some reference was made to the organization of the United States League. A constitution was prepared and served adequately for many years. Later, as the movement developed, the meetings of the national organization drew larger and larger numbers. The increasing responsibilities of the officers necessitated constant change in the governing document and by-laws of the League. At the outset, the representation was entirely by states and remained so for many years. Within the last several years the leaders of the business felt that the influence of the national organization upon the associations could be more intimate and its leadership more effective if some form of individual membership was developed, in addition to the membership by the state organizations. So numerous were the suggested changes in the formal organization of the League, that in 1928 a "committee on revision of the Constitution" was appointed, headed by past president Charles O'Connor Hennessy. This Committee, after wide study, presented a revised Constitution which is now the formal governing document of the League. This Constitution included the development of district representation, in addition to representation by states, on the principal governing bodies of the League; broadened use of the individual membership; provided conditions of admission and procedure for termination of membership; placed upon the Board of Directors responsibility for expanding the full-time staff of the League, since for many years the whole responsibility had fallen on the secretary-treasurer. The principal new administrative officer added was an executive manager to direct the business affairs of the League.

The principal governing body of the League became an executive committee which consisted of the officers, directors, a state vice president from each state, the past presidents of the League, and the president of the American Savings, Building and Loan Institute, together with the chairman of such divisions as might be established within the League. Later amendments to the Constitution provided that the American Savings, Building and Loan Institute become the department of research and education of the League, to be administered by the executive manager of the League; that divisions within the League through which state supervisors, those interested in accounting, appraising, or advertising, and business development might have an organized unit and recognition within the national organization.

Presidents and Annual Conventions of the United States League*

To present for historical record the roster of those who have been presidents of the United States League, the following table has been prepared showing the name of the president, the year that he was the titular head, and the place where the convention of that year was held.

Date	*President*	*Convention City*
1893	Judge Seymour Dexter, Elmira, N. Y.	Chicago
1894	Judge Seymour Dexter, Elmira, N. Y.	Buffalo
1895	D. Eldredge, Boston, Mass.	Cleveland
1896	Julius Stern, Chicago, Ill.	Philadelphia
1897	Michael J. Brown, Philadelphia, Pa.	Detroit
1898	Lake W. Sanborn, Galesburg, Ill.	Omaha
1899	Fred Bader, Cincinnati, Ohio	Niagara Falls
1900	Thomas J. Fitzmorris, Omaha, Neb.	Indianapolis
1901	J. Warren Bailey, Somerville, Mass.	New Orleans
1902	George H. Kostmayer, New Orleans, La.	Put-in-Bay
1903	Gerald Fitzgerald, Grand Rapids, Mich.	Boston
1904	James Clarency, Philadelphia, Pa.	Sault Ste. Marie
1905	A. L. Gutheil, Shelbyville, Ind.	New York
1906	Frank D. Kingsbury, Corning, N. Y.	Cincinnati
1907	Charles F. Bentley, Grand Island, Neb.	Chicago
1908	J. N. C. Shumway, Taylorville, Ill.	New Orleans
1909	W. G. Weeks, New Iberia, La.	Philadelphia
1910	Jay W. Sutton, Sault Ste. Marie, Mich.	Charlotte, N. C.
1911	James M. McKay, Youngstown, Ohio	Grand Rapids
1912	Addison B. Burke, Philadelphia, Pa.	Atlantic City
1913	Charles O'Connor Hennessy, New York, N. Y.	Milwaukee
1914	W. J. Bayersdorffer, Shreveport, La.	Washington
1915	Charles Eugene Clark, Covington, Ky.	San Francisco
1916	Herbert W. Pinkham, Wollaston, Mass.	St. Louis
1917	George F. Gilmore, Omaha, Neb.	Boston
1918	L. L. Rankin, Columbus, Ohio	Newark, N. J.
1919	E. L. Keesler, Charlotte, N. C.	Detroit
1920	Mark D. Rider, Chicago, Ill.	Chicago
1921	Phil G. Ricks, New Orleans, La.	New Orleans
1922	Alexander M. Linnett, Newark, N. J.	Portland, Me.
1923	J. E. Kinney, Columbus, Ohio	Tacoma, Wash.
1924	Ann E. Rae, Niagara Falls, N. Y.	Cleveland
1925	Wm. R. Adair, Omaha, Neb.	Kansas City
1926	C. Clinton James, Washington, D. C.	Minneapolis, Minn.
1927	George E. McKinnis, Shawnee, Okla.	Asheville, N. C.
1928	Otto T. Salick, Milwaukee, Wis.	Dallas, Texas
1929	Walter F. McDowell, Tacoma, Wash.	Salt Lake City, Utah
1930	Ernest A. Hale, Boston, Mass.	Grand Rapids, Mich.
1931	R. Holtby Myers, Los Angeles, Cal.	Philadelphia

*In this chapter brief mention is given of the work of the past presidents of the United States League who are no longer living. A photograph of Judge Dexter is to be found in the chapter devoted to him and a photograph of Daniel Eldredge is to be found in the chapter on "Building and Loan Literature." The presidents of the national organization who are still living receive mention in the history of the state from which they came. Readers are also referred to the state histories for additional comment on the work of all these leaders.

Outstanding Persons and Events at United States League Conventions

A leading feature of nearly all meetings of the United States League since its organization has been the presence of one or more men of prominence in the business or official life of the Nation, as well as notable visitors from abroad, who have delivered addresses or taken part in its proceedings. While space will not permit a reference to all the distinguished men who have at various times appeared on the League programs, some few may be mentioned.

United States Senator J. B. Foraker, of Ohio

When the United States League met in the city of Detroit in 1897, it was a happy coincidence and not by prearrangement that Senator J. B. Foraker chanced to be in that City at the time the convention met. Congress had shortly before enacted a revenue bill. While that bill was pending it was discovered that some of its provisions would have inflicted heavy burdens on building and loan associations, had it passed in the form in which it was introduced, but by proper amendments the interests of building associations were fully protected. In introducing the Senator to the Convention, Michael J. Brown, then

president of the United States League, said, "We have with us today Senator J. B. Foraker who recently did such loyal work in the Senate of the United States for building and loan associations, and I now take pleasure in introducing him." The Senator was enthusiastically received, and in the course of his remarks referring to the kind introduction by the President, said,

> "He has done me over-credit. It was not myself nor any other Senator who was entitled to the highest need of praise for that which was done but to President Fred Bader, of Cincinnati, who started the good work. When I received his telegram I had only to present it to the Finance Committee and Senator Lodge, of Massachusetts, who had the amendment prepared in order that your wishes and his might be complied with. You are a popular organization with the Senate of the United States, as well as with everybody else."

The Senator then proceeded to tell a little of the inside history of that revenue law and how as final result of the effort to relieve building associations from taxation, the elaborate stamp tax provisions contained in the bill were stricken out entirely, "and therefore the result was, the whole stamp business was abandoned and I guess you did a great deal better than you knew when you brought that about."

Honorable Charles E. Townsend, of Michigan

In 1909 the United States League held its 17th annual meeting in the Hotel Majestic, in the city of Philadelphia. On the program of that meeting was an address by the Honorable Charles E. Townsend, then a member of Congress from the second Michigan district. The subject of his paper was "The American Home," in which was eloquently expressed his admiration for building and loan associations. Afterward when Mr. Townsend became a United States Senator from the State of Michigan his consistent course in that position confirmed the sentiments expressed in this paper.

Visit of Dr. Charles Pranard of Paris

The visit of Dr. Charles Pranard, of Paris, France, to America and his attendance at the Grand Rapids Convention in 1911 was one of the important events in building and loan history of this country. Dr. Pranard was connected with the Section of Assurance and Providence in the Department of Labor of the French Republic and had for a number of years

prior to his visit been a close student of American building associations. Upon his arrival in New York in the latter part of July, 1911, special courtesies were extended to him. He was met at quarantine by a committee of the New York State and Metropolitan Leagues abroad a revenue cutter. This committee, consisting of Thomas J. Skuse, Charles O'Connor Hennessy, Archibald W. McEwan, and Martin Cohan, escorted him to the City of New York, where for several days he was royally entertained. He was also the guest of honor at the New Jersey State League meeting held at Asbury Park and then visited Philadelphia, Washington, Chicago, Cincinnati, and Dayton, Ohio, in each of which cities he made interesting addresses.



Dr. Charles Pranard

After a tour of the Great Lakes, he proceeded to Grand Rapids, and attended the United States League convention. There he delivered his principal address on "Co-operating as Applied to Home Purposes." He reviewed the history of the legislation enacted in Germany, Austria, England, France, and Italy dealing with the housing question, which he regarded as highest in importance of all social questions. Its solution, he maintained, required a persistent fight against the slums of the great cities and the providing of healthy homes for persons of small means. He regarded the building associations—agencies based upon self-help—as of the greatest moral and educational value in the solution of the problem. Dr. Pranard was the guest of honor at a banquet the League held in the Pantlind Hotel at Grand Rapids, and in his address he made an earnest plea for the convening of an International Congress of Building Societies. Dr. Pranard has prepared many valuable and instructive papers which have been read at various United States League meetings, and are an important contribution to building and loan literature. After his return to France he wrote a book on the American building associations.

Sir Thomas Whitely and Mr. Enoch Hill, of England

At the 1913 meeting held in the Hotel Pfister in the City of Milwaukee, Wisconsin, with President Charles O'Connor

Hennessy presiding, the convention was honored by the presence of two prominent English visitors, Sir Thomas Whitely and Mr. Enoch Hill, respectively the president and secretary of the Halifax Permanent Building Society of Halifax, England. At that time the Halifax Permanent Building Society was the largest building association in the world, and it still retains that distinction. Its assets at that time were $15,521,808 and now exceed $300,000,000. These gentlemen had before coming to the meeting traveled quite extensively through the eastern and central part of the United States visiting and making a somewhat careful study of building and loan plans and conditions in various cities. The address delivered by Mr. Enoch Hill on this occasion was very instructive and intensely interesting. It gave the convention a clear picture of the close similarity between English building societies and American associations as to their plans, methods of operation, and the aims and purposes for which they were conducted. The practice of the English societies at that time was not to do business through branch offices, which has been a later development.

In the years that have elapsed since that meeting at Milwaukee, Sir Thomas Whitely has been called from his earthly labors, and Mr. Enoch Hill is now "Sir Enoch Hill", King George V having recognized his services and abilities by conferring upon him the honor of knighthood. Sir Enoch will again visit America and renew his acquaintance among building association men of this country when the Convention convenes in Philadelphia in 1931 to celebrate the centennial anniversary of the organization of the first building association in America, to which event he has been especially invited by resolution of the League passed at its Kansas City Convention in 1925.

A Tribute to George Washington

The United States League Convention for 1914 was held in the Nation's Capital. In connection with that meeting a very impressive event occurred. The local committee had arranged for a visit to Mt. Vernon, and several hundred who were in attendance made the pilgrimage to Washington's Tomb, where appropriate exercises were held under the League's auspices. At their conclusion the iron doors of the tomb were opened, and President Bayersdorffer and Secretary Cellarius entered and placed upon the sarcophagus containing the mortal

remains of George Washington, a large gallic wreath, expressive of the love and respect of the United States League for our first president.

Honorable Woodrow Wilson

Of all the men prominent in public life who have addressed the League conventions, it is doubtful if any address ever attracted more attention from the public or received as much publicity in the press of the country as did the address delivered by Woodrow Wilson before the Convention of the United States League at its meeting in Atlantic City, New Jersey, in 1912.

Many circumstances combined to make the occasion of that address one of special interest to the public at large. Woodrow Wilson was at that time Governor of New Jersey, and very shortly before had received the nomination by the National Democratic Convention as the candidate of that party for the office of President of the United States. That convention had been a heated and bitterly contested struggle, on which the public mind had been intently focused. The address before the United States League was the first public utterance of the candidate after his nomination. Mr. Wilson was not then so well known to the public at large as he was destined shortly to become. There was a keen anxiety all over the country to learn as much as possible about the new political star which had arisen. When it became known that Mr. Wilson was to deliver an address before the League every newspaper of any prominence in the country had a representative there to keep his paper fully informed as to everything that took place or was said.

At that time Honorable Charles O'Connor Hennessy was first vice president, and acting president of the League, owing to the then recent death of President Addison B. Burke. Mr. Hennessy had been for some time a member of the New Jersey Senate, and one of the Democratic leaders of that body, and as such had been in close personal and official touch with Mr. Wilson during his administration as Governor of New Jersey. It was upon the invitation of Mr. Hennessy that Governor Wilson made the engagement to address the United States League meeting, that appointment having been made prior to the action of the National Democratic Convention in nominating him as a candidate for President. Some facts regard-

ing that occasion which have never appeared in print are well worth recording.

President Hennessy was very anxious that Governor Wilson be well supplied with facts and figures which he might find useful in formulating his address. Accordingly he requested Secretary Cellarius to prepare some statistical data for him which he embodied in an elaborate memorandum containing the salient facts relating to the origin, work and important position to which building associations had attained, and this Mr. Hennessy submitted to Mr. Wilson for his information and use.

On account of the extraordinary demand from representatives of the press for copies of the Governor's speech, Secretary Cellarius sought an advanced copy at as early a date as it was possible to provide it; but Governor Wilson indicated that he would have no manuscript of his address; that it was his custom to have only stenographic notes of the main points to which he intended to refer, and that he trusted to the inspiration of the moment and to the audience before him to suggest the language in which his ideas would be clothed. Instead of furnishing a copy of what he intended to say, he requested Secretary Cellarius to deliver to him 45 copies of his address, for use of the press, within 15 minutes after its delivery. Without cluttering up this narrative with the details of how the stenographers were marshaled in successive relays and the speech taken and transcribed, the fragments gathered and the completed speech reproduced, suffice it to say that the requested 45 copies were placed in the hands of Governor Wilson within the specified time. They needed practically no alteration or amendment, and each newspaper representative with a copy in his hand rushed to the telegraph wires especially installed in a side room on the Million Dollar Pier where that session of the convention met, and the speech was flashed all over America. For the first time in history, the United States Building and Loan League appeared on the front page of every newspaper of any prominence in the entire country.

And now to complete the picture. President Hennessy felt somewhat chagrined that Governor Wilson in his address to the Convention had not used or even referred to the elaborately prepared statistics or other facts he had furnished him; but he was highly gratified that the master mind and keen

intellect of his friend had, with uncanny accuracy, grasped the real romance that underlies the building and loan movement, and had seized upon its real value and importance to society and to the nation. In eloquent phrase and unanswerable logic, he had drawn an inspiring picture of the important position to which the movement had already attained, and the high destiny toward which it was moving.

Honorable David I. Walsh, of Massachusetts

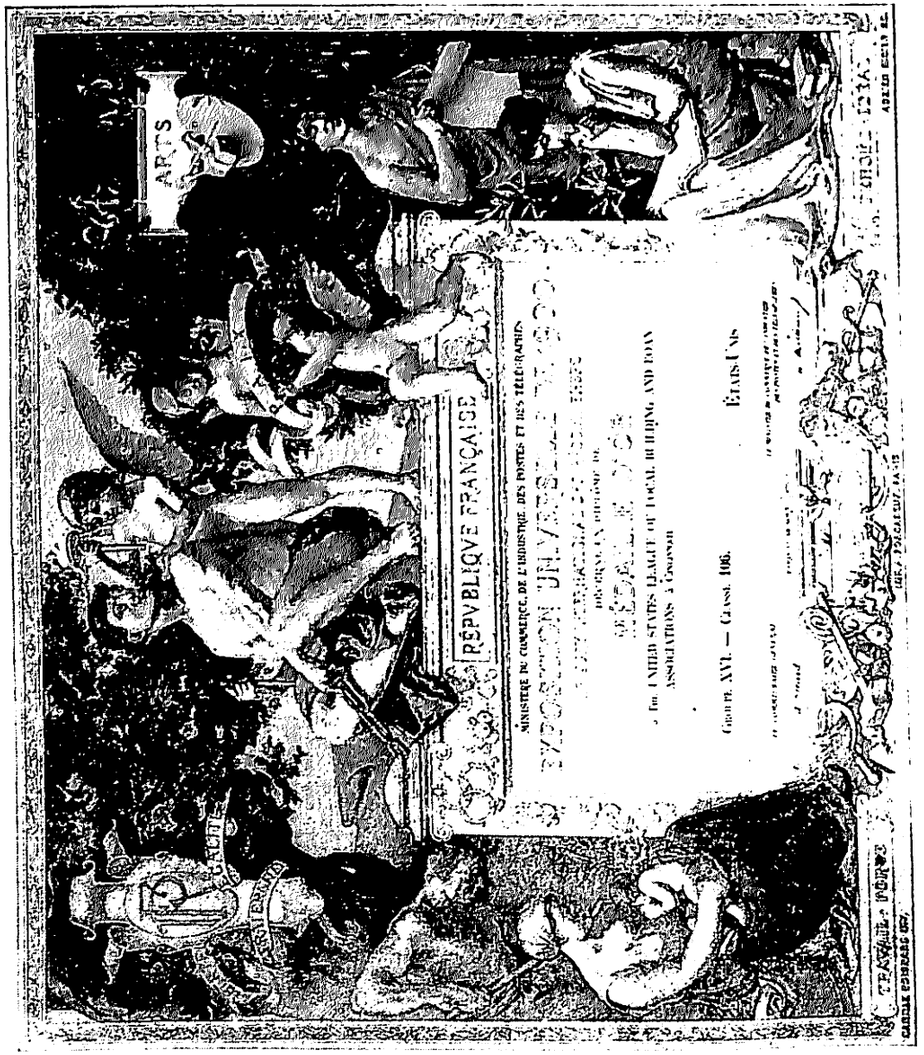
The meeting of the United States League in the year 1917 was held in the City of Boston. Among the addresses of welcome extended to the league on that occasion was one by Honorable David I. Walsh, who was ex-governor of the State of Massachusetts, and was then president of the Massachusetts Co-operative Bank League, which is the name by which building associations are designated in that State. The relations of President Walsh to the Co-operative Bank movement had given him a clear conception of the value and benefits of those institutions and had won his profound confidence and admiration. His high estimate of the merits and value of these institutions and the work they were doing for society and the Nation was clearly and eloquently expressed in his address on that occasion. After Mr. Walsh had been elected to represent his State in the United States Senate, which position he still occupies, he never failed on proper occasions to express these sentiments in that high station and has been at all times an eloquent advocate of all proper measures for their protection and advancement.

Senator Gilbert M. Hitchcock of Nebraska

This same convention, held in Boston in 1917, was presided over by George F. Gilmore, of Omaha, Nebraska. Upon the invitation of President Gilmore, the Honorable Gilbert M. Hitchcock, then United States Senator from Nebraska, delivered a notable address on the subject "The American Home Is the Bulwark of American Society," in which he paid a high tribute to the services rendered by the building associations of America in aiding to make it a nation of home owners.

Honorable Herbert Hoover

An encouraging message from the Honorable Herbert Hoover, then Secretary of Commerce, was received by and read



Diploma awarded to the United States League of Local Building and Loan Associations for its exhibit at the World's Fair at Paris in 1900.

to the New Orleans meeting of the League in 1921. The sentiments expressed in that letter were so clearly and logically put, stating in such a forcible manner the merits and helpfulness of the building association movement to society and to the Nation, that it was reproduced in large quantities and was widely distributed by hundreds of local associations throughout the Country.[3]

A striking feature of the Minneapolis Convention of 1926 was the address delivered before it by Secretary of Commerce Herbert Hoover, whose presence and winning personality, together with the practical familiarity which his address displayed regarding the merits and character of building associations, deeply impressed all those present with the fact that in Herbert Hoover and in the Department of Commerce under his leadership, the building associations of America had helpful, devoted friends.[4]

Displays Made by the United States League at Various Expositions

The United States League made a very creditable display at the Columbian Exposition at Chicago in 1893 which attracted considerable attention and was given much valuable publicity.

A still more elaborate display, however, was made at the World's Fair in the year 1900 held at Paris, France. This consisted of a history of the United States League, prepared by Daniel Eldredge, of Massachusetts, a past president of the League, and numerous charts and tables displaying the growth and development of the building and loan movement prepared by Secretary Cellarius. This display at the Paris World's Fair attracted much attention and was awarded a medal in bronze, very beautifully and artistically executed, as well as a handsome engraved diploma (p.162). The medal and diploma were displayed at the eleventh annual meeting of the United States League held at Boston in 1903, where they were greatly admired by everyone in attendance. Among the resolutions adopted by that meeting of the League was the following:

> "That the medal and diploma awarded to the United States League at the Paris Exposition for its creditable exhibit of Building Association work be placed in the keeping of our present Secretary, H. F. Cellarius, who labored so efficiently in preparing said exhibit."[5]

[3] 1921 *Proceedings of the United States League*, p. 27.
[4] *Ibid.*, p. 23.
[5] 1903 *Proceedings of the United States League*, p. 169.

The history of the United States League, prepared by Daniel Eldredge for the Paris Exposition, was incorporated in the proceedings of the United States League.[6] It is a document of interest and value to every student interested in the early history of the building and loan movement.

The display presented by the United States League in 1915 at the Panama-Pacific International Exposition held at San Francisco was also a very creditable and attractive work much along the line of the previous exhibits. It was also awarded a bronze medal by the Exposition officials. (p. 165).

Prominent Leaders in the Building and Loan Movement

It is fitting that brief mention be made of some of the prominent and distinguished men who have been outstanding leaders in the building and loan movement and who have passed to their reward. Without attempting any extended eulogy of any of these we shall merely mention their names and give brief references to their work and to the volumes of United States League proceedings where more extended information regarding them may be found.

Judge Seymour Dexter, of New York

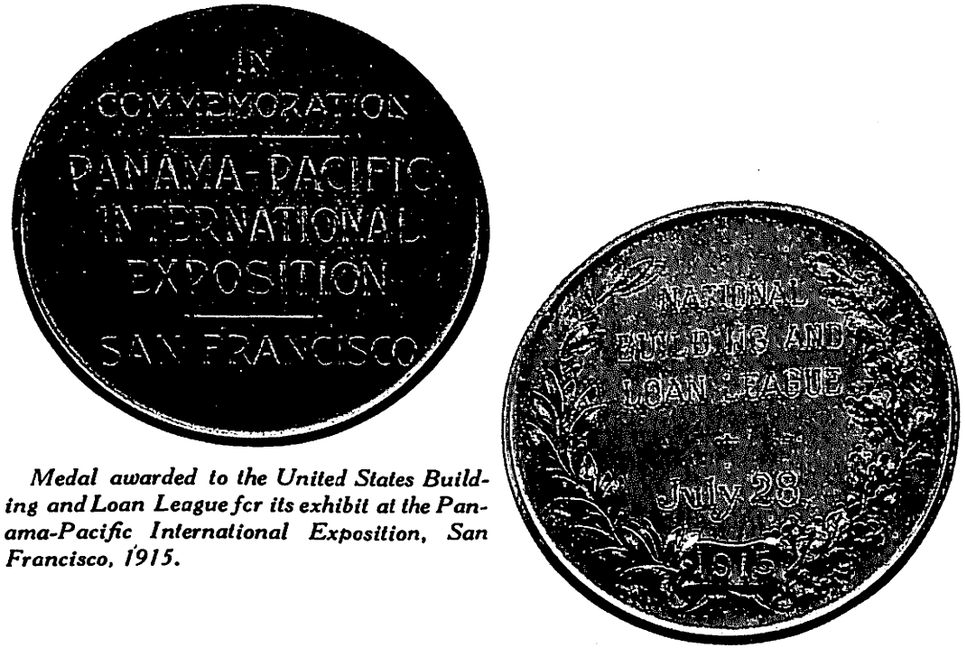
Any story of the United States League, its origin and early progress must begin with Judge Seymour Dexter. Upon the call issued by him the first meeting was held at Chicago in 1893, which led to the organization of the United States League. He was made its first president and served two years, presiding at the Chicago Convention in 1893 and the Buffalo Convention in 1894. Had he not declined re-election he would doubtless have been continued in that office. During the following years of his life he missed very few conventions and at the Indianapolis Convention in the year 1900 the League presented him with a beautiful gold lined, silver loving cup with an appropriate inscription engraved thereon: "In Grateful Recognition of Years of Faithful and Devoted Service in the Cause of Home Building and Home Owning."[7]

The League *Proceedings* for the year 1904[8] contain a very fitting eulogy on the life and services of the late Judge Seymour Dexter by Michael J. Brown, of Philadelphia. Practically every

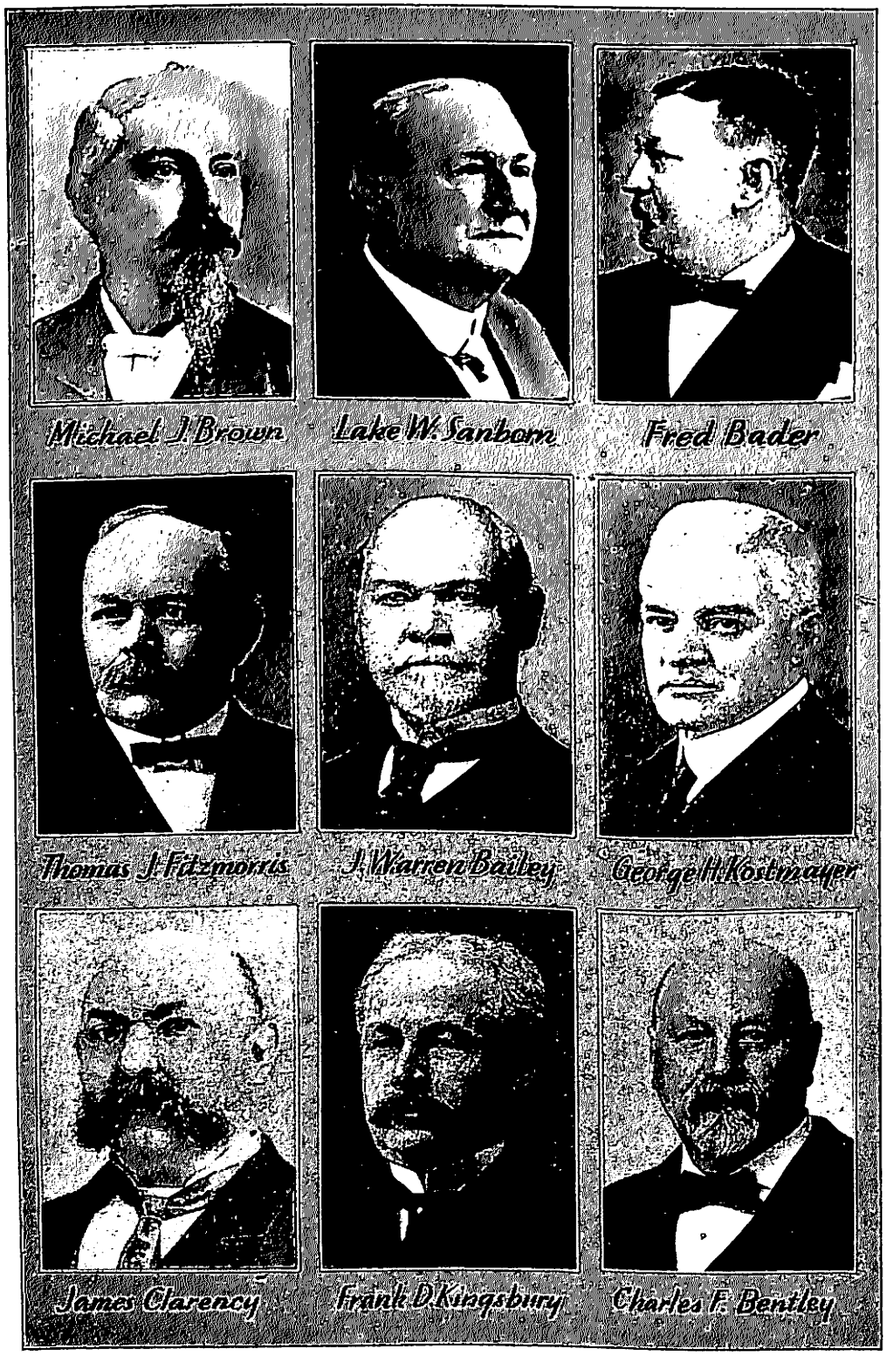
[6] Pp. 59-73.
[7] See chapter following for further facts about Judge Dexter.
[8] P. 45.



Medal awarded to the United States League of Local Building and Loan Associations for its exhibits at the World's Fair at Paris in 1900.



Medal awarded to the United States Building and Loan League for its exhibit at the Panama-Pacific International Exposition, San Francisco, 1915.



one of the *Proceedings* for the years previous to 1903 discloses his active participation in the work of the League and from the papers presented by him and the discussion in which he participated on the floor of the convention one can gather a clear picture of the important part which he played in the building and loan movement.

Judge Ambrose A. Winters, of Dayton, Ohio

Judge Ambrose A. Winters, of Dayton, Ohio, was in attendance at the first meeting called at Chicago which resulted in the organization of the United States League. He was a member of the Executive Committee of the League from his State, and at the first meeting of the League in 1893 read an important paper on the "national" building and loan movement. He was largely instrumental in organizing the Ohio Building Association League and served as its president for a number of years.



Judge A. A. Winters

It was, however, because of his great work in developing what is known as the permanent "Dayton plan" building and loan association that he became best known and that was perhaps his greatest service to the building and loan cause. The wonderful success and popularity which came to his Association after the adoption of that plan soon made it the largest in America at that time and the features of the plan he devised were widely followed and successfully introduced in many parts of the country. This plan was a powerful factor in spreading and popularizing the building and loan movement through the central and central western states.

Unfortunately Judge Winters passed away about two years after the League was formed. In the League *Proceedings* for 1895,[9] will be found an address in memoriam, presented by S. Rufus Jones, who succeeded him as the executive head of the Mutual Home Association at Dayton, Ohio.

Honorable J. N. C. Shumway, of Taylorville, Ill.

J. N. C. Shumway was elected President of the United States League in 1907 at the meeting held at Chicago that

[9] P. 137.

year to serve for the ensuing year, but he died during his term of office. At the meeting of the League at New Orleans in February, 1908, B. G. Vasen, of Quincy, Illinois, presented an eloquent tribute and detailed the history of his valuable services to the building and loan cause.[10]

Honorable Charles F. Bentley and Judge I. H. C. Royse

At the convention in 1909 the League was called upon to mourn the loss of two of its outstanding leaders. Charles F. Bentley who had been president of the League in 1907 and Judge I. H. C. Royse of Terre Haute, Indiana, who had been a frequent attendant and an active participant in League proceedings for a number of years. Appropriate resolutions were passed in tribute to these two eminent men.[11]

Addison B. Burke and Daniel Eldredge

Addison B. Burke, then president of the United States League, and Daniel Eldredge, a past president of the League and the second incumbent in that office, both passed away in the year 1912. These men had each been outstanding leaders for many years in the building and loan movement. Both were men of culture and refinement; both of them had made frequent contributions to the literature of building and loan in papers prepared for League meetings and in their able discussions of subjects presented at these conventions. A study of the work of these two men as disclosed in the *Proceedings* of the United States League gives a vivid picture of the development of many important phases of building association problems.[12]

F. D. Kingsbury, B. G. Vasen, Joseph K. Gamble, and C. S. Hartough

In the year 1917 the United States League was called upon to mourn the passing of four leaders who had rendered outstanding service in its behalf and for the movement in general. Frank D. Kingsbury, of Corning, New York, a past president of the League, an ex-president of the New York State League, and a gentleman of philanthropic impulses, who gave generously of his time and substance for the betterment of his fellowmen; Benjamin G. Vasen, of Quincy, Illinois, who was the first secretary of the League and for many years prior to his death secretary of the Illinois State League and an ardent and effective worker in the building association field; Joseph K. Gamble, of Philadelphia, who at the time of his death was treasurer of the United States League, a position which he had held continuously since his election in 1898; and C. S. Hartough, of Leavenworth, Kansas, for 15 years a member of the executive committee of the League representing Kansas. Mr. Hartough was one of the founders and first president of the Kansas State League and secretary of the Citizens Mutual Building and Loan Association, of Leavenworth, for 31 years.[13]

[10] 1908 *Proceedings of the United States League*, p. 31.
[11] 1909 *Proceedings of the United States League*, p. 130.
[12] 1912 *Proceedings of the United States League*, pp. 165, and 47-60.

J. Warren Bailey, of Massachusetts, and George F. Gilmore, of Nebraska

The League Convention for 1918 with appropriate resolutions marked the death of two well-known and much-beloved past presidents of the League: J. Warren Bailey, of Somerville, Massachusetts and George F. Gilmore of Omaha, Nebraska.[14]

Michael J. Brown of Philadelphia

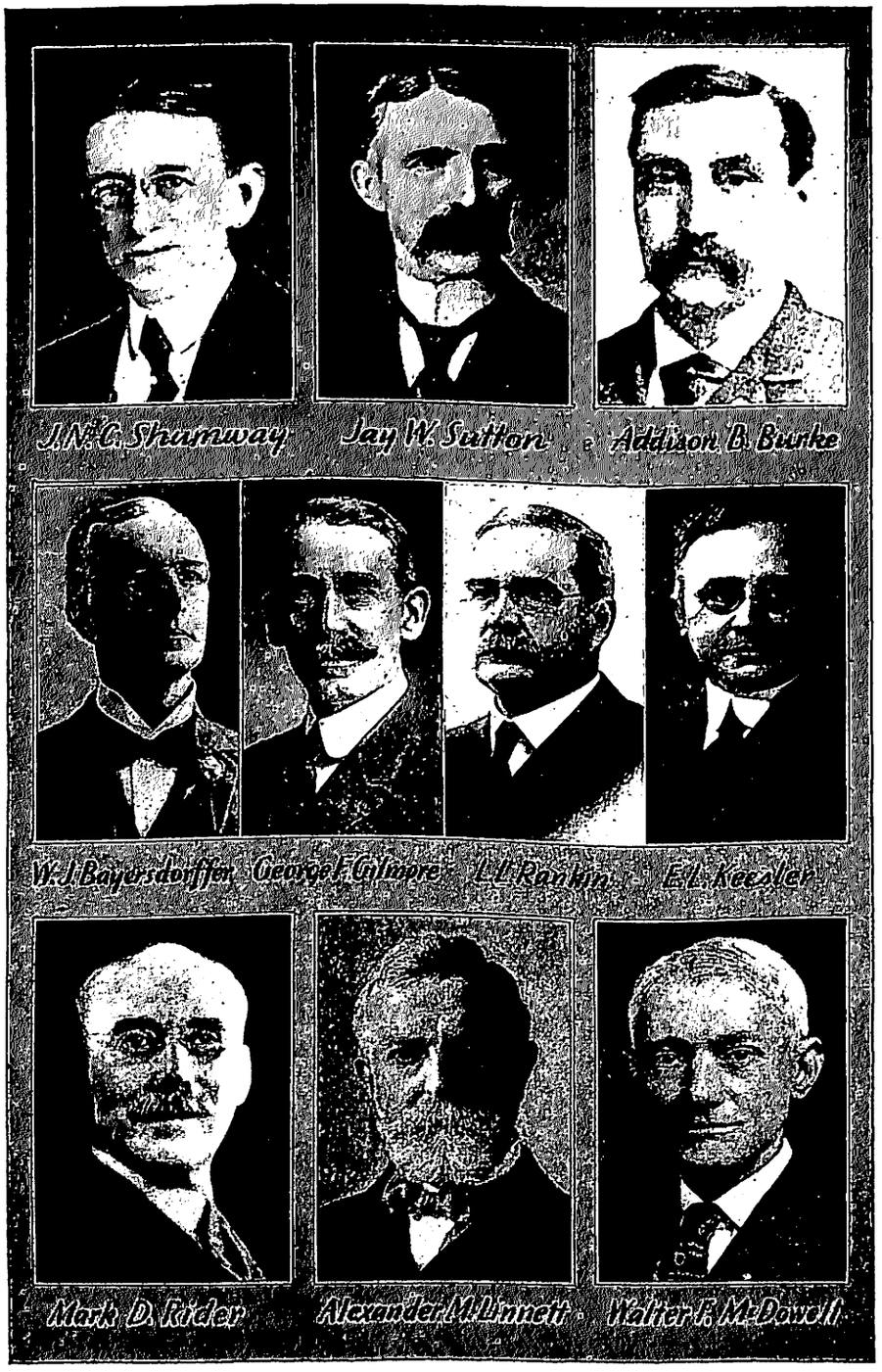
The United States League meeting in Detroit in 1919 was saddened by the announcement that since its last meeting four of its past presidents had passed away.

The first of these in term of service was Michael J. Brown of Philadelphia, who was the fourth president of the United States League serving in the year 1897. Ex-president Brown seldom missed a meeting of the United States League and was always a striking figure in its proceedings. A frequent contributor of valuable papers to its literature, an active and instructive participant in all its discussions and debates, he was a personality who could not easily be forgotten. He had been secretary of the Building Association League of Pennsylvania for 33 years.[15]

Lake W. Sanborn, of Illinois

Lake W. Sanborn of Galesburg, Illinois, was the fifth president of the United States League, elected in 1898. He was one of the organizers of the Illinois State League, serving as its treasurer from the beginning and for many years a prominent

[13] 1917 *Proceedings of the United States League*, p. 155.
[14] 1918 *Proceedings of the United States League*, p. 159.
[15] 1919 *Proceedings of the United States League*, p. 148.



and well-known and much respected leader in building and loan affairs.[16]

William J. Bayersdorffer of Louisiana

William J. Bayersdorffer, of Shreveport, Louisiana, was the 21st president of the United States League serving at the Washington meeting in 1914. He had also been president of his State League, was eminent both locally and nationally as a successful banker and business man, and was president of the largest building association in the South.[17]

Lewis L. Rankin, of Ohio

Lewis L. Rankin, of Columbus, Ohio, was the 25th president of the United States League serving in 1918. He was one of the foremost building and loan men not only in this country but in the English speaking world. In 1913 Mr. Rankin was elected president of the International Congress of Building and Loan Associations and in August, 1914, presided in London at the first meeting of that organization. He had founded and built up the Buckeye State Building and Loan Company of Columbus, Ohio, which ranks high among the institutions in the United States.[18]

At the United States League convention in Portland, Maine, in 1922, the names of two outstanding figures in league activities were reported to the convention as having passed away during the preceding year.

Honorable James Clarency and Robert T. Corson, of Philadelphia

Honorable James Clarency, of Philadelphia, was the eleventh president of the United States League. He was a regular attendant of its conventions contributing many papers and addresses and was especially active also in the affairs of his State League.[19]

Another prominent leader in these affairs who had passed away the previous year was Robert T. Corson, of Philadelphia, who protected and preserved the minute book of the Frankford Oxford Provident Association.

At the time of his death he was treasurer of the United

[16] *Ibid.*, pp. 147-8.
[17] *Ibid.*, pp. 148-9.
[18] 1919 *Proceedings of the United States League*, p. 149.
[19] 1922 *Proceedings of the United States League*, p. 227.

States League, having served in that office since his election in 1918.[20]

George J. Kostmayer, of Louisiana

The 1924 convention at Cleveland was informed of the death during previous year of two of its past presidents.

George J. Kostmayer, of New Orleans, was the 9th president of the United States League, serving in the year 1902. He was active and prominent in the State League of Louisiana, and one of the best known building association workers in the South.[21]

Edward L. Keesler, of North Carolina

The tragic death of Edward L. Keesler, of North Carolina, the 26th president of the United States League, in an automobile accident came with a great shock to his hosts of friends in the building and loan movement. Few leaders in the United States League had so completely won the love and admiration of all with whom he came in contact. He had the happy faculty of winning friends. His genial and cheerful disposition seemed always unruffled. He was a ready debater on the many questions that arose for discussion and his eloquence and happy wit always made his addresses a pleasure and a delight to all who heard them.[22]

Joseph H. Paist, of Philadelphia

Perhaps no event at any league convention ever produced so great a shock as the announcement at the morning session of the last day of the 1924 convention at Cleveland of the sudden death of Joseph H. Paist in his room in the hotel early that morning. On the previous day the local committee had provided an all day lake trip on the great passenger steamer "See-and-Bee" on Lake Erie. The weather was beautiful, the lake was calm, and the trip was one continual delight. That afternoon Mr. Paist with a company of many of his old friends had gathered on one of the decks in a most enjoyable social conversation which will long be remembered by its participants. He seemed in unusual health and spirits and none of the group seemed to enjoy the occasion more heartily than he. Hence the

[20] *Ibid.*, p. 225.
[21] 1924 *Proceedings of the United States League*, p. 208.
[22] 1924 *Proceedings of the United States League*, p. 208.

announcement of his passing when given to the opening session next morning struck a chill to every heart.

Mr. Paist had been especially prominent in United States League matters, seldom missing a meeting, frequently contributing valuable papers to the program, occasionally taking part in discussions, always with weighty utterances but never at great length. He was one of the organizers and leading spirits in the Pennsylvania State League, was made its first president, and continued in that office until the time of his death, a period of more than 47 years.[23]

Mark D. Rider, of Chicago, Ill.

For many years Mr. Mark D. Rider of Chicago was a regular attendant at the United States League meetings, a frequent contributor to the program, and an active worker in the cause. He was president of the Illinois State League from 1913 to 1919, when he was elected president of the United States League at the Detroit meeting and presided at the sessions of 1920 at Chicago. Resolutions in his memory were adopted at Asheville, North Carolina, in 1927.[24]

Thos. J. Fitzmorris, of Omaha, Neb.

Thomas J. Fitzmorris, of Omaha, Nebraska, for many years connected with the staff of the *Omaha Bee*, was the seventh president of the United States League, presiding over the convention in Indianapolis, Indiana, in 1900. He was president of the Nebraska League of Savings and Loan Associations 1892-1893 and its secretary for 10 years prior to his death in the fall of 1930. Mr. Fitzmorris was a frequent contributor and writer on building and loan topics, a regular attendant at United States League meetings, and active in its affairs for over 33 years.

Jay W. Sutton and Alexander M. Linnett

Jay W. Sutton, of Sault Ste. Marie, Michigan, was president of the Michigan State League in 1907, and in 1909 was elected to the presidency of the United States League, functioning in that capacity at the convention which met at Charlotte, N. C., in 1910. Mr. Sutton studied law and was admitted to the bar in 1881. He located in Sault Ste. Marie

[23] 1924 *Proceedings of the United States League*, pp. 158-61, and 210.
[24] 1927 *Proceedings of the United States League*, pp. 364.

in 1887 and in the following year organized the Soo Mutual Building and Loan Association. As the Association grew in size and importance, he gradually abandoned the practice of the law and gave his entire time and attention to the Soo Mutual. In 1894 he took up insurance and real estate in connection with his building and loan duties. He was a zealous building and loan worker, devoted to his state league and the United States League. He died in 1921.

Alexander M. Linnett was president of the United States League during the year 1921 to 1922, officiating in that capacity at the convention held at Portland, Maine. He was prominently connected with and interested in the building and loan associations of Newark, N. J., was one of the organizers of the Fourteenth Ward Building and Loan Association of that City in 1885, served as its secretary from the beginning until 1900, when he became president, which position he held until his death, March 11, 1923. Mr. Linnett's long connection with the Fourteenth Ward Association, which he had built up to be one of the leading associations of the City, gave him an intimate knowledge of the business and a thorough grasp of its fundamental principles. He was modest and retiring but his counsel and advice was always valuable and sound.

Honorable Fred Bader

Hon. Fred Bader, of Cincinnati, Ohio, was elected as the sixth president of the United States League at Omaha in 1898. He had not sought office nor had Ohio asked for it. It was entirely through the influence of Judge Seymour Dexter that Mr. Bader was so honored. M-. Dexter recognized his great ability, his unselfish interest in and devotion to the building association cause, and himself placed him in nomination for the presidency. His choice was unanimously ratified by the convention. To Mr. Bader is due much of the credit for securing from Congress the early exemption of building associations from taxation. He had a distinguished and honorable public career. He served as member and president of the council of the City of Cincinnati, was County Commissioner, County Auditor, County Recorder, and at different times, represented his City and County in both branches of the State Legislature. Mr. Bader was a devoted friend of building and loan associations, had a full knowledge of their underlying principles, and worked unceasingly in their behalf. Mr. Bader was for over 20 years the president of the

Hamilton County League and from 1895 up until the time of his death in December, 1913, was Ohio's representative on the Executive Committee of the United States League.

Biographical Sketch



Herman F. Cellarius

Editor's Note: There is a most significant omission from the chapter on "The United States League: Its Organization and Other Historical Data." It is hardly to be expected that the author of the chapter, no matter how militantly persuaded or threatened, would record properly his own participation in the organization which his chapter describes. This statement is particularly true of Herman F. Cellarius, and the editor is, therefore, adding some biographical notes to this chapter which appears under the pen of Mr. Cellarius. As the table of contents indicates, there are several other chapters which are his work and still others have profited greatly from his memory, scholarship, and excellent collection of source materials and statistics which is unrivaled in the building and loan field. With all due respect to the founders and to building and loan leaders in the past and present, no doubt exists in the mind of the editor that the effective work of the United States League in federal legislative matters, in tax controversy, in state legislation, in the conservative, sound, judicious guidance of our organization, there is none whose zeal and capacity and whose cooperative and non-acquisitive service approaches that of this gentleman who is at present secretary-treasurer of the United States League. In point of service, his participation is most significant. He was one of the Ohio delegates to the organization meeting of the United States League, at Chicago in 1892. In 1896, he became secretary of the League, and has served in that capacity ever since.

His boyhood home was in Dayton where his father was active in early building association activities. As a boy, he attended the meetings of several terminating associations of which his father was secretary and as a young man participated actively in building association work himself.

Early he came into contact with Judge A. A. Winters of the Mutual Home Association of Dayton. Mr. Winters, in his building and loan activities, had organized the Dayton associations into a local league of which Mr. Cellarius was made secretary. In 1889 the Ohio League was formed, Mr. Winters and the Dayton League taking the initiative, and Mr. Cellarius participating actively in the organization work and in its early activities.

The first achievement of the Ohio League was the enactment of a new law for building and loan associations. This was accomplished early in 1891, the law being familiarly known as the Corcoran Law. The details concerning its enactment appear in the Ohio section of this History. This law provided for a bureau of building and loan associations as a branch of the insurance department of the State. The head of this bureau was known as the inspector of building and loan associations, and Mr. Cellarius was the first man appointed to this position and continued as its head for several years. He has been a member of the executive committee of the Ohio Building Association League for many years. His natural genius for statistical and organizational work and his capacity to deal with the perplexing problems of an initial venture in the supervision of these predominately small and local institutions soon manifested itself and he laid the foundation upon which the Ohio building and loan supervisory department has operated ever since. Shortly thereafter, Mr. Cellarius became associated with the Revenue Department of the United States Government with headquarters in Cincinnati, in which work he continued for a number of years. His work in the Revenue Department gave him an acquaintance with public officials and a familiarity with government

procedure which has been invaluable to the League and its leaders as he has guided or assisted with the various legislative activities. He has enjoyed the friendship and respect of all with whom he came in contact, and for many years was an intimate friend of the late Honorable Nicholas Longworth. Mr. Cellarius has been trustee of the Hamilton County League for many years, and since 1898 has been president of the San Marco Building and Loan Association of Cincinnati. His activities, other than building and loan, have involved several successful business enterprises, including newspaper work, and official connection with the Board of Education and the Board of Trade in Dayton prior to his removal to Cincinnati. He was born on January 26, 1864.

The United States League was not a large organization when Mr. Cellarius became its secretary, and its revenues were not adequate for extensive research work, but he developed a system of nation-wide statistics on building and loan, covering their growth, state legislation, and other useful information which at once became an outstanding feature of the annual meetings of the League as well as the principal source of all published statistics concerning the business, including even those that appear in the report of the Comptroller of the Currency. His work for the United States League and the building and loan association cause is too well-known to need further comment. I am indebted to Mr. James M. McKay of Youngstown for assistance in preparing this all-too-brief statement.

Herman F. Cellarius has been the guiding personality of the United States League for 30 years. No history of the League would be half complete without emphatic recognition of his leadership and service.

H. Morton Bodfish.

CHAPTER XII

SEYMOUR DEXTER[1]

A HISTORY of the building and loan movement in the United States should include not only a recognition of the services of the man who brought about the union of building and loan interests in the United States for their mutual advantage but also some statement about the man himself, his career, and the ideas and purposes he had in mind which prompted him to take this significant step of forming the United States League. Generous space should, therefore, be accorded to the work of Seymour Dexter, founder and first president of the United States League, who laid the foundation for united action on the part of the building and loan business of the country.



Seymour Dexter

Seymour Dexter was born in Independence, Allegheny County, New York, on March 20, 1841. His ancestry is traced back to the Reverend Gregory Dexter who came over to the Providence Plantations with Roger Williams. His father, Daniel Dexter, was a successful farmer and man of unusual intellectual powers. His mother was Angeline Briggs, daughter of William Briggs, also of Independence.

Judge Dexter took eager advantage of the opportunities available to him to secure an education. After attendance at the district schools until he was 14 years old he began study in Alfred Academy in his native county in the winter of 1855-56, and continued there during winter terms until he was able to enter Alfred University, where he continued as a student until the spring of 1861. On April 26, directly after the firing on Fort Sumpter, his patriotism overcame his immediate desire for education and he enlisted at Elmira as a private in Company K,

[1] *Editorial Note:* In constructing this chapter the editor has drawn heavily upon two sources: a pamphlet by Michael J. Brown, of Philadelphia, published in 1904, and entitled "Eulogy on the Life and Services of the late Judge Seymour Dexter," and an address by Daniel Eldredge, "The United States League of Local Building and Loan Associations—a History," 1900 *Proceedings of the United States League*, pp. 59-73

23rd New York Volunteers. It was a two years' regiment and Judge Dexter served his time with credit, returning to the University at the close of his term of enlistment for his last year of study. He graduated in 1864 from the classical course, well equipped for his future career in the study of law. In the fall of 1864 Judge Dexter came again to Elmira, this time to enter the law office of the late James L. Woods, where he pursued his studies until May, 1866, when he was admitted to the bar before the old general term at Binghamton. The following year he spent in the office of George M. Diven as managing clerk, at the end of which period he formed a partnership with Hon. Robert T. Turner. The late E. C. Van Duzer was subsequently admitted to the firm. The partnership was a most congenial one in every way and the firm soon commanded a large practice.

In the spring of 1872 Judge Dexter was appointed city attorney and successfully discharged the duties of the office for one year. In the fall he was nominated for member of Assembly and was elected, being the only Republican elected to this office in Chemung County from 1866 to 1883. He declined a unanimous tender of renomination. He had long ere this acquired a high professional standing among the ablest lawyers in this section of the State and gained the confidence of the people of the county and this led to his nomination, in the fall of 1877, for the office of county judge and surrogate on the Republican ticket, to which he was elected.

The partnership of Turner, Dexter and Van Duzer was thereupon dissolved on January 1, 1878. Judge Dexter served six years with such credit that at the end of his term he was reelected and served until August, 1889, when he resigned to accept the presidency of the Second National Bank, a post which he held until his death. A banquet was tendered him by the bar of the county on October 11, 1889, commemorative of his retirement.

Of Judge Dexter's qualifications as a lawyer and as a judge it is said of him by a prominent member of the Chemung county bar that

> "he was an excellent trial lawyer, well read, industrious and a hard worker. He made a good judge for which position his tastes and natural gifts were well calculated. He was eminently fair and judicious and had the confidence of all who came before him. He was an eloquent and forcible speaker, and his integrity and fairness were so well understood that he was trusted by all who knew him. He was a thoroughly able man."

Judge Dexter was married on June 17, 1868, to Eleanor E. Weaver, of Leonardsville, Madison county, New York, an accomplished lady who also graduated from Alfred University. They had four children, Daniel Dexter, of Galesburg, Illinois; Luin E. Dexter (deceased); Emily L. (Mrs. W. U.) Mussina, of Williamsport, Pennsylvania; and Adelaide D. Dexter of Elmira, New York.

Judge Dexter was very active in a variety of civic and social activities in his community. He was treasurer and director of the Elmira Building Company; president for several years of the *Elmira Advertiser* Association; a member of the board of managers and vice president of the New York Reformatory at Elmira; treasurer of Elmira College and a member of its board of trustees; treasurer and director of the State Memorial Library Association.

His abilities and services were recognized when Alfred University, his alma mater, conferred upon him the degree of Doctor of Philosophy in 1885, and in 1903 the degree of Doctor of Laws. He was an orator of considerable ability and his presence was sought at banquets and public meetings. He took an active interest in politics.

Judge Dexter was a thorough student of political economy, social science and kindred topics. For three years he delivered lectures on the subjects before the advanced classes of the reformatory. He was a member of the American Economic Association and read an able paper before that body on the "Economic Value of Building and Loan Associations." He was a member of the American Social Science Association and also read several papers before that body. His major contribution to building and loan literature was his book, *Cooperative Savings and Loan Associations*, which is mentioned elsewhere in greater detail in this volume.[2]

All of this is by way of background. It indicates the type of man Judge Dexter was and what were the qualities and experience which he brought to bear on the building and loan problems. That part of his personal history with which we are particularly concerned begins in 1875 when he took a leading

[2] See Chapter XV, below.

part in the organization of the Chemung Valley Mutual Loan Association and was made its first president, continuing in that office until his death in 1904. He was also active in the affairs of the New York State League[3]. These activities indicate that his interest in this form of cooperation was of some 15 years' duration before he began his agitation for the formation of a national organization.

With the details of the organization of the United States League we are not concerned here. Those facts are contained in the preceding chapter on the "United States League" prepared by Herman F. Cellarius. Suffice to say that Judge Dexter was given full credit for the formation of the national organization. Michael J. Brown, one of his contemporaries, calls him "the founder of the United States League," and Daniel Eldredge, another of his contemporaries and associates in the work, gives full recognition of his work in the followng statement:

> "To Judge Dexter, of Elmira, N. Y., is due all the credit for the inception and guidance to perfect completion of the new organization.
>
> "It was he who invited the various State Leagues to send duly-empowered representatives to Chicago for a purpose which he clearly and concisely set forth in his initial letter.
>
> "And when the delegates met at the hotel and were marshaled for action, it was manifest to all that he who had conceived the idea of a United States League was not only entitled by courtesy to lead, but would do so in fact, as the sequel shows."[4]

For further details about Dexter's activities in the United States League and in behalf of the building and loan cause generally the reader is referred to the various *Proceedings of the United States League.* To give an adequate account here of all of these contributions would unduly prolong this chapter. Furthermore, the subsequent history of the League itself bespeaks his work. Therefore, the balance of this chapter will sketch in rough outline some of Judge Dexter's conceptions concerning the national organization of the business, its function and scope and concerning building and loan principles in general.

Judge Dexter was, of course, openly opposed to the "national" associations which were flourishing at that time. He voiced his ideas definitely in his first presidential address to the United States League and that body heartily endorsed his views.

[3] See New York history of building and loan, in Part II.
[4] 1900 *Proceedings of the United States League*, p. 59.

Other ideas concerning the operation of building and loan associations are interesting and significant. For example, he was opposed to the joining of the banking and building association functions.

> "I believe in keeping the bank and the building and loan association clear and distinct from each other. Each has its own field of operation, and the building and loan association should never seek to usurp or enter the field of the real savings bank. The building and loan association movement should stand for the cooperative endeavor of wage earners as a class and men of moderate means cooperating to secure for themselves, severally, homes, and the building and loan association movement should work along these lines and not along the lines of the savings bank."[5]

He was a firm believer in the simplicity of methods, and in the organizational features which were employed in the early days of building societies in this country.

> "I plead for simplicity in methods. Every worker in this movement should keep constantly in mind the high aims, viz.: Safety of funds; equality of benefits; simplicity of methods. They should be the standards by which he tests the scheme upon which his association is conducted. Make the great Republic a nation of home-owners and its future destiny will be safe in their hands."[6]
>
> "My idea of a Board of Directors is one that keeps on meeting, week after week, for nothing save the gratification felt down in their own hearts that they were helping to make home-owners and good citizens."[7]

Two ideas are constantly stressed in his writing and speeches. They are *cooperation* and *the benefits and advantages of home ownership,* both of which are made effective through the building and loan principle. On the subject of cooperation we have the often quoted statement in his treatise published in 1889:

> "The word co-operation is a generic term. There are many species of cooperation, and each species has many varieties. Some are direct, and others are indirect.
>
> "The earliest and most universal form of co-operation is government. This is one species. It has many varieties, and the greater number have been conducted in the interest of special classes. Reigning classes have considered the masses of the people unfit to have a voice in control of the government, as fit only to be subjects, whose highest duty was to obey. They were zealously taught the divine right of Kings to rule. With the reigning class there was a direct cooperation in government; with the masses only an indirect. While the latter loyally obeyed the laws and

[5] 1901 *Proceedings of the United States League*, p. 74.
[6] Michael J. Brown, "Eulogy on the Life Services of the late Judge Seymour Dexter," Philadelphia, 1904, p. 11.
[7] *Ibid.*, p. 11.

submitted to the commands of their rulers order and stability prevailed. Comparative security from foreign enemies and from personal violence within was thereby obtained. The preservation of the family and the possibility of peaceful living were better than anarchy, when none were safe from rapine and personal violence, when every man must stand guard over his own person, family and property. The struggles, the conflicts, and the failures have been manifold in the endeavors, by the masses, to secure a government which should be conducted for all classes alike. It is the pride of our country that direct governmental co-operation has been attained, a government by the people and for the people. The fame of its liberties has indeed encircled the globe. No more sacred duty calls upon us than to discharge to the best of our ability the obligations of our citizenship. Whoever proves himself unworthy of membership in this grand co-operation is unfit to become a member of any other direct co-operation. The American citizen that will sell his vote or betray a public trust, or seek to induce another to do so, deserves only to obey the mandates of a kingly power."[8]

Two ideas are brought together in the phrase "direct co-operation in the building of homes" which appears many times in his writings in this or slightly modified forms. It appears, for example, in the first presidential address in reference to the Oxford Provident Association:

"The prime motive in its organization was to accomplish a *direct* cooperation in the building of homes. The business methods pursued were simple and safe. A number of persons united under an association name to raise a certain sum of money, by monthly payments into a common treasury through a term of years."[9]

His remarks were often colored by a patriotic zeal, for he envisaged the building and loan association as one of the paramount instruments for the development of American ideals and nationality.

"It is a firm conviction with me that the future of the Republic depends upon the question whether we can make this nation a nation of home-owners or not."[10]

The idea is summed up in the slogan which he suggested for the movement, in the first presidential address.[11]

"We assemble not alone as representatives of a great constituency, but as representatives of one of the most important movements which has developed in our country in the last half of the nineteenth century. A movement which stands in close relation with the future destinies of the Republic. . . . No form of direct co-operation, among the many

[8] *Ibid.*, p. 16.
[9] Quoted in 1900 *Proceedings of the United States League*, p. 65.
[10] Brown, *op. cit.*, p. 11.
[11] *Ibid.*, p. 10.

which have sprung into existence from time to time has been so uniformly successful, throughout the whole period of its development.

"If we were to choose a motto to hang in the meeting room of every association, to be hung in the hall of every State or United States League meeting, to be printed in every association pass book, upon every copy of articles of association and by-laws distributed, upon every certificate of shares of stock issued, upon every sheet of advertising matter, it would be this:

"THE AMERICAN HOME, THE SAFEGUARD OF AMERICAN LIBERTIES"

This slogan was adopted officially by the United States at the 1893 convention as the slogan of the cause, and it has remained so to the present day.

Judge Dexter was not satisfied, however, to have created this pithy phrase to summarize the ideals of the building and loan idea. He wished to make it more concrete, so that it would



Typical American home, designed to illustrate Judge Dexter's slogan for building and loan.

be written indelibly on the minds of all who saw it once. He wanted the phrase to stand for a concrete picture in the minds

of its readers. Consequently he went to very great pains to secure the drawing of what represented to him a model American home. At last a design was submitted which met with his approval and it was in turn submitted to the annual national convention at Detroit in 1897 and was adopted as the official picture representing the building and loan idea. It is reproduced on p. 183.

"To embody that great central idea, The American Home, the Safeguard of American Liberties, in a picture has been a hobby with the judge for two years. He consulted artists, had many sketches submitted, and after many alterations and improvements of the outline sketch, has finally secured a colored design illustrating his purpose.

"This picture represents a comfortable modern home surrounded by a large lawn in which children are at play. In front of the home is seen a mother and baby carriage, and a little daughter running to greet her approaching father. In the distance, half concealed by the foliage, is a picture of a New England school house, a square, two-story building, with its typical belfry. In front is the stars and stripes floating from a flag staff. The spire of a church rises in the distance, and in the back ground is a collection of houses, forming a characteristic village scene."[12]

These illustrations serve to show Judge Dexter to have been an idealist, but the accomplishments which stand to his record are equally eloquent evidences of his genius for practical achievement. The esteem in which he was held by his contemporaries is amply attested by the wealth of resolutions and eulogies which have been preserved of record. This history cannot recite them all or even a major part of them. Suffice here to reproduce the remarks which were made on the occasion of the presentation to Judge Dexter of a loving cup by the United States League in commemoration of his contribution to that organization.

" 'In days of old when knights were bold.' So the poet sang. We are told the courage and devotion of the gallants were tested in many desperate physical encounters. Around their valorous deeds, inspired by lady-love, writers have woven countless romances that thrill and charm nowadays, and form an admirable color picture to the prosaic life of today. The warp and woof of knightly romance is man's desire to win the approving smiles and eventually the hand of a lovely woman, and in that glorious cause life without success was not worth living. Surely if there be any cause to move man to what in modern life is termed 'strenuous endeavor,' it is the winning of that which the heart is set upon. The prize was worthy of the effort then; infinitely more so today. If we admire and glorify the gallants of old for deeds inspired by sentimental

[12] *Omaha Bee*, August, 1897.

impulse, how much more should we admire the man of our day who devotes his talents and energies to the betterment of his fellow men. We of the United States League have in our mind's eye, as well as in our hearts, one whose efforts in behalf of the cause of home-owning has been to us as a friendly beacon to a mariner on stormy seas. He has illumined our course and oft made clear the headlands to the haven of safety. No knight of old, however bold, has been more courageous or quicker to give battle in behalf of right principles. No gallant enveloped with the glamour of romance has been more courtly to an opponent, none ever drew the ancient steel or wielded it as dextrously as our modern knight has drawn the trenchant blade of intellectual force and pierced the gilded theories of self-interest. For twenty years or more he has been to us a teacher. All of us have been to his school at different times and have been the gainer in knowledge and wisdom. And the supply is undiminished. Like the fabled fountain of perpetual youth, it seems to renew and replenish itself and responds generously to all who thirst. We owe him much. We owe him more than we dare express—more than we could possible repay. It is fitting that we should make public acknowledgment of the debt we owe, and assure him that deep in the recesses of our hearts we treasure memories of his knightly deeds, his unvarying courtesy, his utter absence of self and his splendid character. We who know him personally, and in his relations to the home-builders of the land, feel warranted in pointing to him as a typical American—a manly man.

"We have here a loving cup, a slight token of our esteem which we tender you, with assurances that it is far too small to measure our admiration and affection."[13]

[13] President Thomas J. Fitzmorris, 1900 *Proceedings of the United States League*, pp 74-75.

CHAPTER XIII

BUILDING AND LOAN ASSOCIATIONS AND FEDERAL LEGISLATION: AN HISTORICAL REVIEW

By H. F. CELLARIUS

FEDERAL legislation has for many years had the careful attention of the United States Building and Loan League and in this field the League has rendered a most valuable service to the building and loan associations of the United States. Through its activities these associations have been exempted from the provisions of every income, excise, and stamp tax act, which has been enacted by Congress during the existence of the United States League. Upon the appeals which have been made to it, Congress has recognized the distinct value of the building and loan associations to the community and to the nation in developing a sounder citizenship and has consistently given them special consideration on account of their benevolent and helpful purposes. This of itself has been of great benefit also from the relief afforded from the payment of the actual taxes. But the building and loan associations have had to make an aggressive and persistent presentation of their right for favor and have successfully maintained that right whenever revenue bills were under consideration by our national law-making body.

Exemption in the Wilson Tariff Act

The first exemption from taxation which building and loan associations secured from Congress was contained in the Wilson tariff act of August 27, 1894.[1] After a prolonged and persistent struggle, in which the United States League and the officials of many state leagues took an important part, the exemption principle was firmly established. Judge Ambrose A. Winters of Dayton, Ohio, president of the Ohio Building and Loan League in a ringing letter which appeared in the January 15, 1894 issue of the *Co-operative News*, of Cincinnati, called attention to the proposed income tax measure, which the Ways and Means Committee of the House had agreed upon, as a part of the pending tariff bill which proposed a 2% tax levy on the net income of all corporations, including building and loan associations. Winters sensed the danger which lurked in such a proposal and promptly conferred with President Seymour Dexter of the United States League, urging the necessity of securing a proper amendment in such a law to relieve building and loan associations from the imposition of this proposed tax. As a result of the warning which was sounded, the building and loan associations of the entire country were stirred to vigorous action, and telegrams, petitions and letters poured into Washington. The *Co-operative News* gave loyal support and President Bader, of the Hamilton County League in Ohio, also rendered valuable assistance.

[1] 28 Statutes at Large, Sess. II, c. 349, §32.

The campaign was effective. An amendment, exempting from the tax "building and loan associations which make loans only to their shareholders in the state in which they are organized," was recommended by the Ways and Means Committee and in this form it passed the House. When the bill reached the Senate, the Finance Committee struck out this provision, which meant that the fight had to be made all over again to regain the lost ground. It developed that a subcommittee consisting of Senators Mills of Texas and Jones of Arkansas, who had charge of this section of the bill, were responsible for this action, but the building and loan association interests were so well organized and exerted such a pressure that the members of the Finance Committee deemed it wise to formulate an exempting amendment. It was so unsatisfactory and restrictive, however, that it could not be accepted. To be exempt, the loans had to be made by building associations to shareholders "for the purpose of enabling such shareholders to provide for themselves homes." As Judge Winters pointed out, such a clause "would not exempt a single building association in the United States." Judge Dexter was equally emphatic in denouncing the proposal because, as he stated, it was not within the power of the associations to control the use of the money after it had been loaned to the borrower, and therefore would not give the associations the relief for which they were contending. The contest became so hot that Senators Sherman of Ohio and Vest of Missouri gave public assurance on the floor of the Senate that the amendment would be changed and, as finally enacted, it was entirely satisfactory. It provided that:

"nothing herein contained shall apply to building and loan associations or companies which make loans only to their shareholders."

This was the first great victory which the building and loan associations had won in securing recognition in a federal tax act and, although the law was subsequently held unconstitutional and void by a decision of the United States Supreme Court,[2] because it levied a direct tax not apportioned among the several states, it nevertheless established a significant and far-reaching precedent, which indicated the favorable intent of Congress toward these associations.

A recital of the various revenue acts which have been passed by Congress and the exemptions which they provided for building and loan associations will indicate the extent and importance of this legislation.

Exemption from Proposed Stamp Taxes in the Dingley Tariff Act of 1897

When the Dingley Tariff Act of July 24, 1897 was pending in the Senate Finance Committee, an amendment was incorporated which levied a stamp tax of five cents on each $100 share of stock issued by any corporation or association and an additional tax of two cents per share for each share transferred. Senator Fred Bader of Ohio, then a member of the executive committee of the United States League and president of the Hamilton County League of Building Associations, enlisted the support of Senator Foraker for a provision to exempt building and loan associations from the stamp tax proposed by the bill. He promptly took the matter up with the members of the Senate Finance Committee and through Senator Lodge of Massachusetts had a satisfactory amendment incorporated. In conference, the entire stamp tax feature was stricken from the tariff bill. Again building and loan associations were given friendly consideration and recognition by Congress, although no actual tax benefits accrued to them because the proposed stamp taxes were found to be unnecessary at that time as a source of raising revenue.

War Revenue Act of 1898

In the following year, however, when the War revenue Act of June 13, 1898 was introduced, it provided for raising revenue by the stamp tax method and the previously proposed

[2] *Pollock v. Farmers' Loan and Trust Co.*, 158 U. S. 601.

exemption for building associations was incorporated into the bill as offered in the House. It proposed that the "stock and bonds issued by co-operative building and loan associations" should be exempt from tax. When the bill went over to the Senate, however, although that body had on two previous occasions voted in favor of exempting building and loan associations from stamp taxes, its Finance Committee voted to strike out such a provision and it required the greatest vigilance and effort on the part of those representing the United States League to get an exemption clause back into the bill. Building and loan associations throughout the country were warned of the danger and urged to get in touch with their United States Senators, so that a proper exemption might be granted.

These efforts were successful in securing from the Finance Committee an exemption not only from the stamp tax as proposed but also from the tax of ½% which the bill levied upon the gross receipts of all corporations and from another tax of 1% upon the ordinary receipts for money in excess of five dollars. The proposed tax on corporations was amended before passage so as to apply only to corporations refining sugar and petroleum and the tax on receipts, while in the bill as it passed the two houses, was eliminated in conference.

In its final form the law provided,

"that stock and bonds issued by co-operative building and loan associations whose capital stock does not exceed ten thousand dollars, and building and loan associations or companies that make loans only to their shareholders, shall be exempt from the tax herein provided."[3]

President Lake W. Sanborn, in his annual address to the Omaha Convention of the United States League, made this reference to the legislative situation and the work of the first legislative committee appointed to act for the League:

"It became evident to the management of the League during the early part of the session of Congress, that the War Revenue Bill, as introduced into the House and Senate at Washington, contained provisions for certain taxes which, if not exempted as to building and loan associations, would hamper, and in many cases debar entirely from further operations, the associations, and it was thought best that a legislative committee should be appointed. The Hon. Fred Bader, Mr. Henry S. Rosenthal, and Mr. H. F. Cellarius, were named as said Committee, all of Cincinnati, they being centrally located and well up in legislative tactics. As a result, they proceeded at once to have the proper exemptions drawn up

[3] 30 Statutes at Large, Sess. II, c. 448, §17.

and the bills amended so as to include the said amendments, and after a well fought battle the bill passed the House with the exemption clause in. The Senate bill did not include the exemption clause, but, through the work of this Committee, the members of the League throughout the country were called upon to aid the committee, and the bombardment of the Senate was successful, and the bill finally passed both houses with the exemption clause."[4]

Building and loan associations were given liberal treatment by the officials of the Treasury Department in administering the War Revenue Act. An opinion rendered by the Solicitor General of the United States, construing the act, advised the Commissioner of Internal Revenue that the exemption extends to

"any papers or instruments (otherwise taxable) executed by such associations, or any such papers and instruments made or executed by the shareholders to the associations in dealing with the associations and within the limits of their legitimate operations, except that checks and drafts given by such associations or by the shareholders are subject to tax."

This view was accepted by the Treasury Department and it was only on their checks that the building associations had to place any stamps under the provisions of this act.

Payne-Aldrich Tariff Act of August 5, 1909

The United States League again demonstrated its usefulness at the enactment of the Payne-Aldrich tariff act in 1909, when its representatives, assisted by the several state leagues, secured an amendment relieving building and loan associations from the special excise tax, which was incorporated into the tariff act of August 5, 1909, to levy a tax on every corporation, joint stock company or association for profit having a capital stock represented by shares equivalent to 1% upon the entire net income over and above $5,000. President Taft had recommended such a measure to Congress in a special message delivered on June 16, 1909, but indicated also that building and loan associations should not be included. The Senate Finance Committee which reported the measure failed, however, to provide an exemption for these associations and, as presented, the bill would have taxed them with other corporations. The Secretary of the United States League called the attention of the President to the failure of the Senate Committee to follow

[4] 1898 *Proceedings of the United States League.*

his recommendation and President Taft actively assisted in securing the desired relief. An amendment recommended by the Senate Finance Committee, at the request of the President, exempted "building and loan associations" from the operations of the act, but in the Senate, after a debate lasting several hours, the language was modified and as perfected to form a part of Section 38 of the Tariff Act imposing the tax, it provided that nothing therein contained was to apply "to domestic building and loan associations, organized and operated exclusively for the mutual benefit of their members."[5]

This was entirely satisfactory to the representatives of the building associations, who felt that they had achieved another well deserved recognition from Congress for the interests which they represented. The Commissioner of Internal Revenue in administering the act gave it a restricted interpretation and held that if a building association made loans to others than its members or received moneys on deposit not in payment of stock, it was subject to the tax. A number of suits were brought under this act to test the correctness of the decisions made by the Treasury Department, but the restrictions which the Commissioner had imposed by regulation were not sustained by the courts.[6]

Refunds were made to associations which had paid the tax erroneously and in cases where the statute of limitations prevented the filing of claims, Congress enacted a special relief bill[7] under which proper refunders were made, so that the building associations had complete relief from any taxation under the excise tax act of 1909.

Revenue Act of 1913; Income Tax Law

An amendment to the Constitution of the United States, ratified by the several states, granted to the Federal Government the authority to levy and collect an income tax without apportionment among the states according to population. In conformity with the power therein conferred, Congress passed the Revenue Act of 1913[8] which made inoperative the excise tax act of 1909 and levied in lieu thereof an income tax on in-

[5] 36 Statutes at Large, Sess. I, part 1, c. 6, § 38.

[6] *Central Building Loan and Savings Company v. Bowland and Bellefontaine Building and Loan Company v. McMaken*, 216 Fed. 526; *Parkview Building and Loan Association v. Harold*, 203 Fed. 876; affirmed 210, Fed. 577.

[7] 39 Statutes at Large, Sess. II, part 2, c. 129.

[8] 38 Statutes at Large, Sess. I, part 1, c. 16.

dividuals and corporations. The new income tax law was not essentially different from the special excise tax law, except that it was a little broader in its scope. Building associations were exempted from the taxes imposed by this act without any qualifying restriction. The exemption is contained in subdivision 2 of Section 11, paragraph G (a) in the following proviso:

> "Provided, however, that nothing in this section shall apply to labor, agricultural or horticultural organizations, . . . nor to domestic building and loan associations."

Act of October 22, 1914; Emergency Revenue Law

The act of October 22, 1914, "an act to increase the internal revenue and for other purposes," known as the emergency revenue law, levied certain special taxes and stamp taxes.[9] Section 15 contained this proviso:

> "Provided further, that stock and bonds issued by cooperative building and loan associations, mutual ditch or irrigating companies, and building and loan associations or companies that make loans only to their shareholders, shall be exempt from the tax herein provided."

This clause is almost identical with that contained in Section 17 of the War Revenue Act of 1898, under which the Commissioner of Internal Revenue, in conformity with an opinion rendered by the Attorney General, had held all papers and instruments executed by building and loan associations which made loans only to their shareholders or those executed by the shareholders to the association to be exempt from the stamp tax.

Congress undoubtedly intended to give the building associations as complete an exemption as was accorded under the previous act but the Commissioner of Internal Revenue gave it a more restricted construction. He held[10] that

> "the law appears clear on this subject in that it specifies 'stock and bonds issued by etc.', and thereby excludes from such exemption all other taxable instruments which may be executed or delivered by the associations or companies contained in the provision."

Representatives of the United States League, who appeared before the committees of Congress in behalf of building and loan associations, had been assured that there would be no change in their status and that they were to have the same exemption as

[9] 38 Statutes at Large, Sess. II, part 1, c. 331.
[10] Treasury Decisions, Internal Revenue, vol. 16, § 2044 (Nov. 9, 1914).

was granted under the War Revenue Act of 1898, which it was assumed would have the same favorable construction. That this was the understanding of Chairman Underwood of the Ways and Means Committee is indicated in the following letter:

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES
Washington, D. C.
December 9, 1914.

Mr. H. F. Cellarius,
Cincinnati, Ohio
My dear Mr. Cellarius:

I am in receipt of your favor of the seventh instant, in reference to the emergency tax levied to meet the deficit caused by the falling off of the customs revenues. Your letter clearly states the intention of Congress. As a matter of fact, I understood that the bill as we passed it was satisfactory to the building and loan associations, and thought, of course, the construction would be the same as it was under the Spanish War Act. I do not know that it would be possible for the Congress to take up a revision of this act at the short session of Congress, but I am in hopes that the matter can be adjusted satisfactorily by the Commissioner of Internal Revenue and will be glad to express to him the views of the committee which I understood when the bill was passed, which were in conformity with your views in reference to the matter.

With kindest regards, I am

Cordially yours,
(Signed) O. W. Underwood

Chairman Underwood, of the Ways and Means Committee of the House, and Chairman Simmons, of the Senate Finance Committee, both made representations to the Commissioner of Internal Revenue as to what Congress intended when it passed the act and urged a modification of his ruling. Memoranda and briefs on behalf of the United States League were also filed, but when the question was submitted to the Attorney General, the latter upheld the rulings of the Treasury Department.

The stamp tax provisions in this act were repealed by the act of September 8, 1916.[11]

Revenue Act of 1916

The act of September 8, 1916 "to increase the revenue and for other pusposes" provided a normal income tax of 2% upon every individual with certain additional super taxes and a like tax of 2% upon every corporation, joint stock company or association, or insurance company.[12]

[11] 39 Statutes at Large, Sess. I, part 1, c. 463, § 410.
[12] 39 Statutes at Large, Sess. I, part 1, c. 463, §§ 1, 10.

Conditional and other exemptions were provided in Section 11, Title 1, Income Tax, as follows:

> "Section 11—(a) That there shall not be taxable under this title any income received by any—
>
> Fourth—Domestic building and loan association and co-operative banks without capital stock organized and operated for mutual purposes and without profit;"

Under Title IV of the same act an annual capital stock tax was levied upon every corporation equivalent to 50 cents for each $1,000 of the fair value of its capital stock and undivided profits. Corporations exempt under Section II, Title I of the act were also exempt from the capital stock tax by a provision contained in Section 407 of the act.

The phraseology of the fourth paragraph of Section II, as it passed the house and as recommended by the Senate Finance Committee, said "domestic building and loan associations," without any qualifying terms. Just before the bill was passed in the Senate, Senator Weeks of Massachusetts, who wanted to be sure that the building associations of his state, which are known as cooperative banks, be also exempted, offered an amendment which was adopted and which added the words "and cooperative banks organized and operated for mutual purposes and without profit." In conference this was still further amended by making it apply to cooperative banks "without capital stock."

The Treasury Department, under a ruling made March 7, 1917, at first held that "the co-operative banks of Massachusetts must make return of annual net income and pay any income tax thereby shown to be due." Ex-Governor David I. Walsh, now United States Senator from Massachusetts, then president of the Massachusetts Co-operative Bank League, argued the matter before the Commissioner of Internal Revenue and filed a brief setting forth the facts relating to the co-operative banks of Massachusetts and also setting forth the evident intent of Congress to favor these corporations in the same manner as building and loan associations. Upon reconsideration the Commissioner decided that the cooperative banks of Massachusetts were

> "organized and operated in substantially the same manner and for the same purpose as building and loan associations; that they are to all intents and purposes, building and loan associations; and that they correspond in all substantial particulars to domestic building and loan associations of other states, such as are specifically enumerated in the income tax law as exempt from its requirements. It is therefore held that all such co-operative banks in Massachusetts as operate upon a plan similar to that of domestic building and loan associations of other states, are exempt from the tax imposed by the income tax law."[13]

It is interesting to observe that the bill which became the Revenue Act of 1916, also proposed that certain stamp taxes contained in the Emergency Revenue Law of 1914 be continued, and, as the exemption relating to building associations in the latter act had not received the favorable construction which Congress had intended, it was amended in the Senate and passed that body in the following form:

> "Provided further, that stock and bonds issued by co-operative building and loan associations, mutual ditch or irrigating companies, *and all papers and instruments issued by or to building and loan associations or companies that make loans only to their shareholders, shall be exempt from the tax herein provided.*"

The conference committee eliminated from the bill all provisions relating to stamp taxes so this proviso did not become operative, but it again indicated the favorable attitude of Congress toward building and loan associations.

Act of March 3, 1917; Excess Profit Taxes

The Act of March 3, 1917 "to provide increased revenue to defray the expenses of the increased appropriation for the Army and Navy and the extensions of fortifications, and for other purposes," levied excess profit taxes[14] upon the net income of every corporation and partnership organized, authorized, or existing under the laws of the United States of 8% of the amount by which such net income exceeds the sum of (a) $5,000 and (b) 8% of the actual capital invested. Building associations were exempted from this tax by section 204 of the act:

> "Sec. 204. That corporations exempt from tax under the provisions of the Section eleven, Title II of the act approved September eight, nineteen hundred and sixteen, and partnerships carrying on or doing the same business, shall be exempt from the provisions of this title, and the

[13] *Editorial Note:* The exact citation for this quotation was not available, but in *Treasury Decisions, Internal Revenue*, vol. 23 (1921), No. 3179 a ruling is found to the effect that cooperative banks and credit unions (as in Massachusetts) when organized and operated without capital for mutual purposes and without profit are exempt from income tax.

[14] 39 Statutes at Large, Sess II, part 1, c. 159, §201.

tax imposed by this title shall not attach to incomes derived from agriculture or from personal services."

Revenue Act of 1917

The Act of October 3, 1917 "to provide revenue to defray war expenses, and for other purposes," levied additional war income taxes and additional excess profit taxes to those provided in the Revenue Act of 1916 and the act of March 3, 1917, from all of which additional taxes building associations were exempted.[15] Title I, War Income Tax Act, Section 4, provides:

> "Sec. 4. That in addition to the tax imposed by subdivision (a) of Section ten of such act of September eight, nineteen hundred and sixteen, as amended by this act, there shall be levied, assessed, collected and paid a like tax of four per centum upon the income received in the calendar year nineteen hundred and seventeen and every calendar year thereafter, by every corporation, joint stock company or association, or insurance company, subject to the tax imposed by that subdivision of that section."

As building associations were specifically exempted from the tax imposed by subdivision (a) of Section 10 of the Revenue Act of 1916 they were not subject to the additional taxes imposed by Section 4 above referred to.

Title II of the act increased the excess profits taxes on corporations but building associations were exempted by Section 201, as follows:

> "This title shall apply to all trades or business of whatever description, whether continuously carried on or not, except . . .
>
> (b) Corporations exempt from tax under the provisions of Section eleven of Title I of such act of September eight, nineteen hundred and sixteen, as amended by this act, and partnerships and individuals carrying on or doing the same business, or coming within the same description."

Title VIII reimposed certain war stamp taxes. Section 801 provided:

> "Sec. 801. That there shall not be taxed under this title any bond, note or other instrument issued by the United States . . . or stocks and bonds issued by co-operative building and loan associations which are organized and operated exclusively for the benefit of their members and make loans only to their shareholders."

When the War Revenue Bill was introduced in the House, it contained the exemption for building associations from the additional income and excess profits taxes, but it had no provision to relieve these associations from any of the stamp taxes. A concerted effort by building association interests secured such exemption, when on May 22, 1917, Chairman Kitchen of the Ways and Means Committee presented a committee amendment which provided for such exemption and which was duly adopted.

[15] 40 Statutes at Large, Sess. I, part 1, c. 63.

Revised Regulations, No. 33, issued by the Treasury Department under date of January 2, 1918, modified in some important particulars the article relating to building associations, as follows:

> "Art 70. *Domestic Building and Loan Associations.* A domestic building and loan association entitled to exemption is one organized under and pursuant to the laws of the United States or under and pursuant to the laws of some state or territory thereof, and which is actually carrying on for the benefit of its members a building and loan association business in accordance with the laws under which it is organized. The fact that such an association issues fully paid or prepaid shares, calling for a specified rate of interest or dividends, will not disqualify it for exemption. The exemption is without qualification other than that the association is a domestic building and loan association. If a corporation by any other name is carrying on an exclusive building and loan business, before it is entitled to exemption it will be incumbent upon it to show to the satifaction of the Commissioner of Internal Revenue that it is in fact a building and loan association."

Revenue Act of 1918

Although the language for the exemption of building and loan associations used in the Act of 1916 was re-enacted in the Revenue Act of 1918, the new regulation No. 45 required in Article 515 that a building association to be exempt must accumulate funds to be loaned to its members and to be repaid in small periodical installments.[16] These regulations, as revised, by T. D. 3179, approved June 16, 1921, further denied exemption to a building association unless it "accumulates funds for the primary business of making loans to its members for the purpose of building and acquiring homes," and provided that "it is essential that the association should be (a) mutual; (b) organized and operated for the accumulation of funds to be loaned primarily to members for home building."

This was the first appearance in the regulations of a requirement that the moneys loaned by building and loan associations must be used "for the purposes of building and acquir-

[16] *Treasury Decisions*, vol. 23, No. 3179, p. 691 (June 16, 1921).

ing homes." It has, however, been continued in every regulation subsequently promulgated by the department and issued prior to the decision of the United States Supreme Court in the Cambridge case, although for several years it was not generally applied in determining the exemption status of associations.

The lack of any definite limitations or qualifications in the law itself with reference to building associations in the exempting clauses led to many confusing and misleading regulatory measures. Congress, it may be observed, has always been extremely liberal in its enactments toward building associations but the regulations of the Treasury and the rulings of the Commissioner of Internal Revenue have often given narrow and restricted interpretations to these acts, requiring building associations to resort to the courts to secure their intended benefits. As already indicated, they were completely successful in this under the act of 1909 and practically no taxes were paid by any associations under that act or under the acts of 1913 and 1916, but under the 1918 act a number of associations were held liable, and building and loan interests lost their first important suit in the case of *Lilley Building and Loan Company* v. *Newton M. Miller* in the United States Court for the Southern District of Ohio[17] decided by Judge Pack. This decision was, however, practically nullified by the United States Court of claims in the Cambridge Case,[18] (63 Ct. cl.631), later affirmed by the United States Supreme Court.[19]

Revenue Act of 1921

In the Revenue Act of 1921, Congress supplied in Section 231 definite words of limitation indicating the kind of a building and loan association which was to be exempt from the corporation income taxes and granted an exemption of $300 income to an individual received from a building and loan association operated exclusively for the purpose of making loans to members.[20] The various sections in this act affecting building and loan associations are:

Title II. Income Tax Gross Income Defined

Section 213. (b) Does not include the following items, which shall be exempt from taxation under this title:

[17] 280 Fed. 143 (1922).
[18] *Cambridge Loan and Building Co. v. U. S.*, 63 Ct. cl. 631 (1927).
[19] 276 U. S. 614 (1928).
[20] 42 Statutes at Large, Sess. I, p. 1, c. 136.

(10) So much of the amount received by an individual after December 31, 1921, and before January 1, 1927, as dividends or interest from domestic building and loan associations, operated exclusively for the purpose of making loans to members, as does not exceed $300.

Conditional and other Exemptions of Corporations

"Section 231. That the following organizations shall be exempt from taxation under this title.

(4) Domestic Building and Loan Associations substantially all the business of which is confined to making loans to members, and co-operative banks without capital stock organized and operated for mutual purposes and without profit."

Title III. War Profits and Excess Profits Tax for 1921

"Section 304. (a) That the corporations enumerated in Section 231 shall, to the extent that they are exempt from income income tax under Title 11, be exempt from taxation under this title."

Title IX. Excise Taxes Capital Stock Tax

"Section 1000. (b) The taxes imposed by this section shall not apply in any year to any corporation which was not engaged in business . . . nor to any corporation enumerated in Section 231."

Title XI. Stamp Taxes

"Section 1101. That there shall not be taxed under this title any bond, note, or other instrument, issued by the United States . . . or stocks and bonds issued by co-operative building and loan associations which are organized and operated exclusively for the benefit of their members and make loans only to their shareholders."

The legislative situation in connection with the Revenue Act of 1921 was handled by the Legislative Committee of the United States League through its able chairman, Hon. Charles O'Connor Hennessy of New York. In a report presented to the Portland, Maine, Convention he detailed the important incidents and problems which the committee encountered and as it contains facts of historical interest concerning this legislation so far as building and loan associations are concerned, I quote in part:

"The first effort of your committee was to seek to increase the money lending resources of building and loan associations generally by having incorporated in the new revenue act a provision exempting from income taxes the annual income, not to exceed $500, received by any member of a domestic building and loan association from investments therein. Incidentally the United States League committee had determined to urge the re-enactment in the new revenue act of those provisions of the 1918 revenue law, which granted exemption to building and loan associations generally from the taxes imposed upon ordinary business corporations.

After strenuous efforts by the league committee, and despite very powerful opposition that made itself manifest to the members of the ways and means committee of the house of representatives, your $500 exemption measure was reported favorably by that committee and passed the lower house. We found many friends in the lower house, but the friendliness and loyalty of Congressman Joseph W. Fordney, of Michigan, and Congressman Nicholas Longworth, of Ohio, deserve especial mention.

"Some of the ups and downs of the $500 exemption provision as it was dealt with in the senate and finally in the conference committee of the two houses, I will refer to later on.

"Our rejoicing over your committee's hard-won victory in the matter of this exemption was somewhat reduced by the discovery that the language of the general exemption of the income of building and loan associations as it existed in the 1918 statute, had been substantially modified in the revised bill, as it was reported to the house and passed by that body. The exemption in the 1918 act applied to all 'domestic building and loan associations.' The exemption in the 1921 act (section 231) which prevailed in the house was in this language: 'Domestic building and loan associations operated exclusively for the purpose of making loans to members.'

"Our committee was informed that the change in the language of the exemption had been effected at the request of the representatives of the treasury department. The origin and nature of the modification of language is very important to be remembered when we come to deal later on with action in the senate and with the interpretations of the past and the present law made by the internal revenue bureau.

"Our league committee, therefore, realized at once that to limit the exemption, as proposed in the house bill of last year, to only such associations as could be shown to be operated 'exclusively for the purpose of making loans to members' would open the way for such strict construction by the internal revenue department as might seriously affect hundreds of worthy associations throughout the country. We, therefore, set out to have this language modified in the senate.

"When the revised revenue act reached the senate it went to the senate finance committee, of which the late Senator Penrose, of Pennsylvania, was the chairman. That gentleman was in poor health at the time, and hearings before his committee were difficult to obtain. I was given to understand by the secretary of the committee, nevertheless, that we would obtain a hearing in order to present our argument in support of the $500 exemption and in favor of broadening the language of the general exemption to associations, which we have just quoted. A hearing was denied us, however. In October last I went to Washington with Mr. Cellarius and Mr. McCaffrey, of the Pennsylvania State League, to make a special effort to see Senator Penrose before the bill was reported to the senate. At Washington we found a very blue situation, indeed. We were informed by the secretary of the committee that hearings were closed; that we could not see Senator Penrose; that your $500 exemption had been stricken from the bill by the committee; and that the language of the general exemption must stand as in the house bill. We

saw the chief of the treasury experts, who was assisting the committee in the redrafting of the bill, and as a result of a suggestion made by us to him, the paragraph as to corporation taxes, which is now subdivision 4 of section 231, was altered so as to read: 'Domestic building and loan associations substantially all the business of which is confined to making loans to members.'

"This was not the language that we desired, but it was a considerable broadening of the language of the house bill.

"We were unable, however, to get the finance committee to restore our $500 exemption, and were told, unofficially, that thousands of letters and telegrams had been received from savings banks and other banking institutions against the exemption. After conference with the members of our committee, and with some good friends in both Houses of Congress, it was decided that it would be a hopeless job to attempt to override the finance committee's report by a motion on the floor of the Senate. In view of the large number of changes made in the finance act by the senate finance committee, and subsequently on the floor of the Senate, we knew that a conference committee representing both houses would have to be appointed at a later period to deal with these matters, and we relied upon our friends in the House being strong enough to compel the restoration of our $500 exemption amendment which had been stricken out. Events that followed proved the wisdom of your committee's judgment in this matter. An unexpected debate was precipitated on the floor of the Senate by an effort made by Senator Overman, of North Carolina, to restore our exemption to the bill. Senator Overman was unaware of our plan of campaign. His motion failed, and when the bill finally passed the Senate, it was with the amendment that we had worked so hard for stricken out.

"All our efforts were then concentrated upon inducing the conference committee to restore our amendment to the bill, in some form. The general situation was that the House members of the conference, and particularly Chairman Fordney and Congressman Longworth, were strongly for the exemption. The Senate members of the committee, notably Senator Smoot, of Utah, and Senator McCumber, of North Dakota (both states in which there are few building and loan associations) were strongly against us. The conference committee permitted no public hearing on any of the matters of disagreement between the House and the Senate, but through the very friendly intervention of Senator Calder, of New York, I had the privilege of presenting our argument fully to Senators Smoot and McCumber, and also to Senator Simmons. I had previously been assured by Chairman Fordney that his conferees from the House would stand firm for restoring the exemption to the bill, and Mr. Cellarius had received a similar assurance from Congressman Longworth. It is interesting to know, as I am informed on high authority, that after several hard sessions of the committee, during which representatives of both houses reached, by the give and take process, an agreement on more than a hundred matters of difference between the two houses, there still remained unsettled the question of the $500 exemption. A deadlock occurred, that threatened to delay indefinitely the entire finance act revision. At last, the compromise was reached whereby the exemption

was reduced to $300 per annum, and limited to income derived by a member of an association during the years 1922 to 1926, inclusive.

"I feel that the exemption principle recognized by the passage of this important measure was a vital one to be recognized and established by the Federal Government, and worthy of all the effort that was put forward by the committee and by the loyal building and loan men throughout the country who supported the committee with moral and financial encouragement. Between six and seven hundred associations in the various states, the lead being taken by Ohio, contributed to the fund raised by the committee for the payment of necessary printing, traveling and hotel expenses.

"In now retiring from the chairmanship of this committee, which I must positively do with the filing of this report, I must thank my associates on the committee, Mr. W. R. Adair, of Omaha, Nebraska; Mr. E. L. Keesler, of Charlotte, N. C.; President Linnett, Mr. Thomas H. McCaffrey, of Philadelphia; and Mr. Phil G. Ricks, of New Orleans, for their loyal support, and in doing so, feel that I cannot refrain from singling out one gentleman from all the rest, whose tact, judgment, devotion to the work, and personal influence were more valuable to us perhaps than those of any other individual, none excepted. I refer to Mr. Cellarius, whose long experience in dealing with men in public life, added to his knowledge of the building and loan movement of the country, made him indispensably valuable as a counsellor and an aid to the chairman of the committee.

"Among many friends of our cause in various parts of the country, I dislike to single out particular men for mention, but feel that the acknowledgments of the committee are particularly due to Mr. Andrew F. Werdenberg, of Elmira, New York (a director of the association founded by Seymour Dexter) who is first mentioned because he was the first to propose to our committee the $500 exemption; Mr. F. H. Jerome, of Saginaw, Michigan (the home of Congressman Fordney) who cheerfully journeyed to Washington and rendered fine service there at a time when it was needed; Mr. John N. Standish, president of the Connecticut State League; our ex-president Thomas J. Fitzmorris, of Omaha; Mr. R. Holtby Myers, of California; our vice presidents C. Clinton James, of Washington, D. C.; and Miss Ann E. Rae, of Niagara Falls, New York; another ex-president Mark D. Rider, of Chicago, Illinois; Mr. E. E. Katterhenry, of the Indiana League; Mr. K. V. Haymaker, of Detroit, Michigan; Mr. Henry S. Rosenthal, of Cincinnati and last, but not least, the Hon. Frank A. Chase, of Kansas City, Missouri, who helped us in many directions.

"In Washington we had good friends in both houses of Congress, and while I cannot mention all who gave us encouragement and practical help, I feel that we ought to acknowledge particularly the valuable service to the building and loan associations of the country rendered by Congressmen Longworth, of Ohio, and Senator Calder, of New York."[21]

[21] 1922 *Proceedings of the United States League*, 55.

Revenue Act of 1924

As there was an inconsistency of description and characterization of building associations in different parts of the Revenue Act of 1921, the Legislative Committee of the United States League, of which Mr. C. Clinton James of Washington, D. C., has been appointed as chairman succeeding Senator Hennessy, met in Washington on November 27, 1923, to consider the advisability of having made uniform the exempting provisions in the new revenue bill which the Ways and Means Committee then had in preparation. The general exemption and the exemption from capital stock tax applied to domestic building and loan associations "*substantially all the business of which is confined to making loans to members*" and the exemption from stamp taxes was granted to "*co-operative building and loan associations which are organized and operated exclusively for the benefit of their members and make loans only to their shareholders,*" while the $300 exemption to individuals applied to associations "*operated exclusively for the purpose of making loans to members.*"[22]

The concensus of opinion was that the language of the exemption contained in Section 231 of the Revenue Act of 1921—namely, "domestic building and loan associations substantially all the business of which is confined to making loans to members," be recommended and that sections 213 and 1101 of the Act of 1924, be amended accordingly so as to have all the exemptions uniform. The Treasury experts, who were preparing the bill for the Ways and Means Committee, were informed, of the League's recommendation by Chairman James and, when presented to the House of Representatives, the revenue bill had incorporated therein the changes which the Legislative Committee had recommended. This was entirely satisfactory to both the House and the Senate and the Revenue Act of 1924, as passed, made uniform all exemptions granted to building and loan associations in the previous act.

The act repealed the tax of two cents on promissory notes, effective July 3, 1924.

Exemptions Denied by the Treasury, but Sustained by the Courts

The Treasury Department denied exemption under the acts of 1918, 1921, and 1924 to a number of associations in Ohio and elsewhere although representations had at various

[22] See above, p. 199.

times been made to the Commissioner of Internal Revenue to modify his rulings and the regulations of the Department to bring them in conformity with the evident intent of Congress to relieve building and loan associations from the taxes imposed by these acts. The Bureau, however, declined to recede from its position. Appeals were taken in a number of cases to the United States Board of Tax Appeals by the Ohio Building Association League and finally there was also prosecuted, under its authority, the case of the Cambridge Loan and Building Company in the United States Court of Claims. Some of the cases were decided adversely to the findings of the Commissioner of Internal Revenue by the Board of Tax Appeals and in the Cambridge Case the Court of Claims on June 6, 1927, handed down a most important decision, which completely reversed the findings of the Internal Revenue Department. The case was appealed by the Government to the United States Supreme Court where the case was retried. After a full hearing on November 19, 1928, the Supreme Court affirmed the decision by the Court of Claims and thereby sustained the contention which the building and loan associations had made for a number of years past before the Treasury Department, the Board of Tax Appeals, and in the Courts. This was a most sweeping victory for the building and loan associations and has finally settled their right to exemption.

Revenue Act of 1926

The Revenue Act of 1926 gave to building and loan associations all the exemptions they had hitherto enjoyed, in the exact language of the 1924 Revenue Act, except that the $300 exemption to individuals which had been granted for a limited period expiring January 1, 1927, was made permanent.

The Kansas City Convention of the United States League had passed a resolution requesting the legislative committee to secure an extension of time for the $300 exemption. Accordingly, when the Ways and Means Committee held its hearings on the new revenue bill, Chairman James and members Hennessy and Cellarius of the Legislative Committee, appeared before that Committee on October 22, 1925, were heard orally and later submitted a memorandum setting forth the reasons for a continuation of this exemption to individuals. Their request received the approval of the Ways and Means Committee

and the bill, as reported to the House, contained no time limit in Section 213 (10). It so passed the House but did not have as smooth sailing in the Senate. In the Senate Finance Committee, when this paragraph was reached, it was voted stricken from the bill, but was later restored upon the request of Mr. Longworth, who personally appeared before the Committee and urged its retention.

Revenue Act of 1928

No change was made in the status of building and loan associations when Congress enacted the Revenue Act of 1928, except that the several exempting clauses were re-enacted in a new arrangement of sections[23] as follows:

TITLE I. INCOME TAX

Sub-Title B. General Provisions

Part 11. Computation of Net Income

Section 22. Gross Income.

(b) Exclusions from Gross Income. The following items shall not be included in gross income and shall be exempt from taxation under this title;

* * * *

(7) Building and Loan Associations. The amount received by an individual as dividends or interest from domestic building and loan associations, substantially all the business of which is confined to making loans to members, but the amount excluded from gross income under this paragraph in any taxable year shall not exceed $300;

(Same as Section 213, paragraph 10, of subdivision (b), Revenue Act of 1926.)

SUB-TITLE C. SUPPLEMENTAL PROVISIONS.

Supplement A. Rates of Tax

Section 103. Exemptions from Tax on Corporations.

The following organizations shall be exempt from taxation under this title.

(4) Domestic building and loan associations, substantially all the business of which is confined to making loans to members; and co-operative banks without capital stock organized and operated for mutual purposes and without profit:

(Same as Section 231, paragraph 4, Revenue Act of 1926.)

Section 801, of the Revenue Act of 1926, providing for the exemption from stamp taxes of stocks and bonds issued by domestic building and loan associations, substantially all the

[23] 45 Statutes at Large, Sess. I, part 1, c. 852.

business of which is confined to making loans to members, is not disturbed by the new Revenue Act, but remains in full force and effect.

The Income Tax Regulations 74, issued under the Revenue Act of 1928, follow the revision made necessary in Article 515, Regulations 69, to conform to the decision rendered by the United States Supreme Court in the Cambridge case. Building and loan associations are thereunder given the full benefit of the exemption for which they had contended.

Article 525, Regulations 74, provides:

> "Art. 525. *Building and loan associations and cooperative banks.* Building and loan associations organized pursuant to and operating in accordance with the laws of the United States or a State or Territory thereof, substantially all of the business of which association is confined to making loans to members, are entitled to exemption.
>
> "Cooperative banks without capital stock organized and operated for mutual purposes and without profit are exempt. Credit unions such as those organized under the laws of Massachusetts, being in substance and in fact the same as cooperative banks, are likewise exempt from tax."

War Finance Corporation Act

The act, approved April 5, 1918 (S. 3714) creating a War Finance Corporation with a capital stock of $500,000,000, all of which was subscribed for by the United States, authorized loans and advances to persons, firms, corporations and associations whose operations were deemed necessary or contributory to the prosecution of the War. It also authorized in Section 8 that advances could be made upon such terms as it may prescribe for periods not exceeding one year to

> "any savings bank, banking institution, or trust company in the United States which recieves savings deposits, or *to any building and loan association in the United States,* on the promissory note or notes of the borrowing institution whenever the corporation shall deem such advances to be necessary or contributory to the prosecution of the war or important in the public interest."

The bill, as introduced in the Senate, included savings banks as entitled to its benefits, but not building and loan associations. The attention of Senator Pomerene of Ohio was directed to the fact that building and loan associations were equally entitled to recognition in this measure. Consequently when the bill went to the Senate he offered an amendment which was adopted and which brought building associations within its terms.

Rediscounting of Building and Loan Securities

The Newark Convention of the United States League held in 1918 directed the appointment by the president of a federal legislative committee consisting of the secretary of the League and one member from each state represented in its membership to look after national legislation affecting building and loan associations. Any three members of the committee were empowered to act for the committee. The convention further directed that this committee urge the adoption of ways and means whereby the Federal Reserve Board might authorize the rediscounting of notes given by building and loan associations to their depositing banks, members of the Federal Reserve System.

On January 3, 1919, President Keesler had a conference in Washington with Dr. E. J. Clapp and M. A. Mikkelson of the Department of Labor, which was attended by Mr. King representing the National Federation of Construction Industries. The object of the conference was to discuss methods of facilitating the negotiation of the securities of building and loan associations. Mr. Keesler represented that the effectiveness of these associations was at that time limited on account of the lack of facilities for making liquid the real estate mortgages which are the assets of building and loan associations: i. e., the lack of ability to rediscount them at a reasonable rate of interest. The character of associations' assets, he maintained, was such that they afforded the best possible security and that some method should be provided whereby a reservoir of credit would be made available to them. The federal reserve system provides generous facilities for taking care of commercial paper, often based only on equities and the federal farm loan act provides flexible credit for farmers. Their mortgages, taken by the Federal Land Banks, are passed on to investors in the shape of land bonds, after which the banks are enabled to take on additional farm mortgages. Why should not a similar arrangement be provided for the home owner?

The difficulties of the situation were fully discussed at the conference and it was indicated that a solution might be found by limiting the amount of such mortgages which a Federal Reserve Bank could rediscount to a certain percentage of the bank's reserve or, as an alternative, the federal farm loan might be authorized to accept mortgages on homes, just as they accept

mortgages on farm lands. Either method was regarded as preferable to the creation of a new agency, although the establishment of Federal Home Loan Banks, operating upon the principle of the Federal Farm Loan Banks, might be the only satisfactory solution.

It was agreed that Mr. King was to study the situation from the legal point of view and prepare a rough draft of a bill which might be presented for the consideration of the legislative committee of the League, and Dr. Mikkelsen indicated that he would draw a memorandum for presentation of the entire matter to Secretary of Labor Wilson. Upon consent of the secretary, Mr. F. T. Miller, Director of the Division of Public Works and Construction Development of the Department of Labor, was to arrange for another conference at which the legislative committee of the United States League was to be assembled, after appointments had been made to meet Secretary of the Treasury Glass and Secretary of Labor Wilson.

This conference was held in Washington January 22 and 23, 1919. The United States League was represented by President E. L. Keesler, of Charlotte, N. C.; Secretary H. F. Cellarius, of Cincinnati, Ohio; Charles O'Connor Hennessy and Edwin F. Howell, of New York City; S. S. Smith, of Oklahoma City, Okla.; K. V. Haymaker, of Detroit, Mich.; W. J. Sonneman, of New Orleans, La.; Alexander M. Linnett, of Newark, N. J.; W. H. Peck, of Kalamazoo, Mich.; F. D. Denlinger, of Cedar Rapids, Iowa; C. Clinton James, Arthur Carr, and R. Harrison Johnson, of Washington, D. C.; Mark D. Rider, of Chicago, Ill; Carl C. Fredericks, of New Orleans, La.; W. R. Adair, of Omaha, Neb.; G. R. Wooten, of Hickory, N. C.; L. M. Studevant, of Sidney, Ohio; Joseph H. Paist, of Philadeldelphia, Pa.; and Henry S. Rosenthal, of Cincinnati, Ohio.

Government officials in attendance were Secretary of Labor William B. Wilson; Assistant Secretary of Labor, Louis P. Post; F. T. Miller, Director of the Department of Labor; Lawrence Becker, Solicitor of the Treasury Department; Dr. E. J. Clapp and Dr. M. A. Mikkelsen, associate directors, Department of Labor; and Irving E. Macomber, assistant manager, United States Housing Corporation; United States Senator William M. Calder, of New York, and Congressmen Fordney, of Michigan, and Morgan, of Oklahoma; Secretary

T. S. Ingersoll, of the National Association of Real Estate Boards was also in attendance.

Home Loan Bank Bill

After a full discussion of plans for supplementing the resources of building and loan associations by government officials and representatives of building associations, a sub-committee, consisting of Charles O'Connor Hennessy of New York, K. V. Haymaker of Detroit, and Edwin F. Howell of New York, father of the Land Bank of that State, reported a "tentative outline of a proposal for the organization of Federal Co-operative Banks or Land Banks designed to promote thrift and home building by extending the opportunities and facilities of the local co-operative building and loan associations (however designated) of the United States, as follows:

Tentative Outline

"It is proposed that Congress shall enact legislation permitting the organization of a Federal Co-operative Bank in each of the existing Federal Reserve Districts.

"Every such bank shall begin business with a paid-in cash capital of at least $200,000, in shares of $1,000 each. Only building and loan associations may purchase or hold the stock of said bank.

"Whenever 20 or more building and loan associations in any Federal Reserve District, having aggregate resources of $10,000,000 or more, associate themselves together for that purpose, they may organize the Federal Co-operative Bank of said district, after having obtained a certificate of the Comptroller of the Treasury that they have complied with the provisions of this act and have adopted by-laws in harmony herewith, approved by the said comptroller.

"Every such bank shall be subject to the visitation and examination at least annually, of representatives of the Comptroller of the Treasury.

"The shareholders of any such bank shall be known as members thereof. Any such member, in pursuance of the legitimate and prudent extension of its business, may obtain advances from the Federal Co-operative Bank in this manner: It will deposit with the bank first lien bonds and mortgages on properties within the district (in amounts for each mortgage not exceeding $5,000) to an extent 25% in excess of the loan or advance required, which loan may not exceed 20 times the par value of the stock owned by the borrowing member in the Federal Co-operative Bank.

"No member may maintain borrowed money obligations, through the Federal Co-operative Bank or otherwise, that shall at any time aggregate an amount exceeding 60% of all its mortgage assets.

"The directors of the bank may require duly verified statements or

evidence from the borrowing member that the mortgages so deposited are upon properties exceeding in value, by at least 30%, the amount or any such mortgage. Such mortgages shall, by the Federal Co-operative Bank, be transferred to a depository designated by the Comptroller of the Treasury; there to be and remain as collateral to any issue of debenture bonds made by the Federal Co-operative Bank. The bank may issue bonds to the extent of 80% of the collateral so deposited, and the proceeds of the sale of such bonds shall be turned over to the member associations depositing mortgages to secure loans from the banks. Every member using the proceeds of bond sales shall specifically guarantee the payment, principal and interest, of all bonds issued in its behalf, in addition to such commission as the Federal Co-operative Bank may charge for its services, not to exceed ½% per annum upon any unpaid indebtedness.

"Bonds shall be issued in series, and for durations covering any period up to forty years, and the borrowing member shall pay to the bank each year a sum (in addition to interest and commission) sufficient, in equal installments, to retire all of the bonds issued in its behalf at the expiration of the maximum period for which said bonds are issued.

"The rate of interest on bonds shall never exceed 5%.

"A Federal Co-operative Bank shall be deemed an institution to promote national thrift and home-building, and its capital stock or bonds issued by it shall be deemed instrumentalities of the United States Government, and as such, exempt from all taxes, Federal, state or municipal."

Chairman Hennessy of the sub-committee submitted a full report of the activities of the committee to the Detroit Convention of the League.[24] Extracts from this report indicate the changes which were made in the tentative outline adopted at the Washington Conference, which finally became what was known as the Calder-Nolan Bill:

"Mr. Haymaker was requested to remain in Washington to assist the Department of Labor in the preparation of legislation to effectuate the purpose in view. As a result of his activities, there was issued during March by the Information and Education Service of the Department of Labor, a document described as 'A Tentative Draft of a Bill Designed to Enable Building and Loan Associations to Increase Their Resources and Aid More Efficiently in Financing Construction Work in Their Respective Localities.' The Tentative Draft received wide circulation and publicity and before it had been formally considered by the legislative committee of the United States League, made its appearance in the United States Senate as Senate Bill No. 1469, introduced by Senator Calder, of New York, under the title of 'A Bill to Create a Federal Home Loan Board and Home Loan Banks for the purpose of Aiding and Financing the Construction of Homes.' The Calder Bill differed in only one unimportant particular from the original draft. It provided, in brief, for the

[24] 1919 *Proceedings of the United States League*, 67-73.

creation in the Department of the Treasury of a Federal Loan Board consisting of five members, including the Secretary of the Treasury, who should be chairman ex-officio, and four members to be appointed by the President with the advice and consent of the Senate; the Board to be bi-partisan and the members, other than the Secretary of the Treasury, to receive salaries of $10,000 per annum each. The Federal Home Loan Board was to be authorized to employ, such attorneys, experts, assistants, clerks, laborers and other employees' as it shall deem necessary to conduct the business of said board, but without respect to the civil service act. The Board, under the proposed act, should appoint a Home Loan Registrar in each Home Loan Bank District, of which Districts there were to be 11. In each District a Federal Home Loan Bank was to be organized by the Board, the Bank to be composed of such building and loan associations, not less than 10 in number, having aggregate assets of not less than $5,000,000, who should subscribe to the capital stock of the Bank to the extent of not less than $100,000 in shares of $1,000 each. Only building associations might purchase or hold the stock of the Bank, and any building association might become a member, whether incorporated or unincorporated, if it was subject to supervision and examination by state authority in the state in which it was organized or subject to supervision and examination by Federal authority. The Federal Home Loan Bank might form a temporary organization with five directors selected by the incorporators, but subject to the approval of its organization certificate and by-laws by the Federal Home Loan Board at Washington. The permanent organization of any such bank was to be effected with nine directors, six of whom were to be chosen by the building associations who were members of the Bank, and three of whom should be chosen from Washington by the Federal Home Loan Board.

"In the respects mentioned, it may be noticed that the plan of the Tentative Act followed very closely the plan of the organization of the Federal Farm Loan system. The chief function of the Federal Home Loan Bank was to issue tax free bonds for the purpose of supplying its members with funds to extend their business, these bonds to be based upon the deposit by a member association desiring bond money of mortgages taken by it in the ordinary course of its business, the mortgages deposited to be at least 25% in excess of the advance asked for. Every association borrowing from the bank should hold stock therein equal to at least 5% of its borrowings and should be liable to the Bank for double the amount of its stock holdings besides its specific liability to return the money borrowed in equal installments extending over the period for which bonds were issued. The borrowing association would pay to the Bank, semi-annually, an amount equal to the interest on the bonds and an additional fee for the service of the Bank, not to exceed ½% per annum. No mortgage should be deposited by a building association as a part of a basis for a bond issue that should exceed $10,000 in amount on any one security. The issuance of bonds by any Federal Home Loan Bank was to be subject in every case to the approval of the Federal Home Loan Board. The rate of interest upon bonds was to be fixed at not exceeding 5%. Bonds were to be issued in denominations of $20,

$40, $100, $500, and $1,000, and were to run for specific maximum periods not exceeding 20 years, subject to payment at the option of the Home Loan Bank before maturity at any time after five years from date of issue. Every Federal Home Loan Bank was to carry in reserve account 25% of its net earnings until such reserve was equal to 20% of its outstanding capital. One provision of the Tentative Draft was to make the District Banks, as well as the building and loan associations which affiliated with them, subject to the supervision of the Federal Home Loan Board, and to examination by bank examiners designated by the central authority at Washington. Federal Home Loan Banks were granted important incidental powers, including the power to borrow money without restriction, to give security therefor, and pay interest thereon; to buy and sell United States bonds and other government securities; to accept deposits of current funds from member associations, but to pay no interest thereon; to make loans to member associations out of funds representing its capital stock or funds on deposit subject to the approval of the Federal Home Loan Board.

"Before the introduction of the Tentative Draft in the United States Senate, President Keesler called a second conference at Washington of building association people to meet in the Department of Labor, at which I recall there were present, besides Mr. Keesler, the following: Mr. Adair, of Nebraska; Mr. Rider, of Illinois; Mr. S. S. Smith, of Oklahoma; Mr. W. H. Huegel and Mr. Spangler, of New Jersey; Mr. Haymaker and Mr. Hennessy, of New York. Others were present whose names I do not recall. At this conference, strong objection was voiced to the administrative features of the proposed act, although a resolution was adopted approving the purpose of the act, and thanking the Secretary of Labor for his interest in the proposal. On motion of Mr. Adair, of Nebraska, President Keesler was requested to appoint a committee of five of which he and Mr. Haymaker should be members, to redraft the sections of the proposed legislation that seemed objectionable. This Committee consisted of Mr. Hennessy, of New York, as chairman; Mr. Adair, Mr. A. M. Linnett, of New Jersey, with President Keesler and Mr. Haymaker. Before this Committee had opportunity to formulate its conclusions, the Tentative Draft had been introduced in the Senate by Senator Calder.

"The full Committee met in Washington in the early part of last month and spent the best part of two days in an intensive study of the provisions of the proposed legislation. The result was the production of the 'Federal Building Loan Bank Act' subsequently introduced in the House of Representatives as House Bill No. 6371, by Congressman Nolan, of California. A few weeks ago Senator Calder had a conference in New York with representatives of the New York State League of Savings and Loan Associations, at which Mr. Linnett, of New Jersey, and Mr. Hennessy, of New York, were also present. The Senator generously agreed to withdraw the original Calder Bill and to introduce in the Senate the Committee Bill referred to, which will henceforth be known as the 'Calder-Nolan Bill.'

"The Committee disregarded the extensive and expensive machinery set up in the original act for the administration and supervision of the system, and substituted therefor a single official in the Treasury Department, to be known as the Superintendent of Federal Building Loan Banks, appointed by the President by and with the advice of the Senate, and entitled to a salary of $10,000 a year. A Deputy Superintendent and a clerk, when necessary, may be appointed along with the examiner or examiners, when necessary. No person being an officer, director or employee of a building association is eligible for appointment. District Building Loan Banks are to be directed and officered exclusively by persons elected by the building associations affiliated with the system. No unincorporated building associations are eligible for membership, excepting those in the District of Columbia now subject to Federal supervision. The many building associations in states which have no state supervision at present are not eligible. While the District Building Loan Banks are to be subject to the supervision and examination of the Superintendent of Banks, local associations composing them are not. The Banks are not to be permitted to borrow money for any purpose excepting 'for the purpose of providing funds to be temporarily loaned to building associations whose applications for collateral loans have been approved by the board of directors of the Federal Building Loan Bank and by the Superintendent of Federal Building Loan Banks; such loans to building and loan associations shall be made only upon the note or notes of said association, which said notes, with interest thereon, shall be taken up and paid by said association out of the proceeds of the sale of bonds issued for account of said association or associations.' No borrowed money obligation of a Federal Building Loan Bank shall extend for a period longer than 90 days. The Banks are not permitted to receive deposits from member associations or otherwise. Other changes made in the original act are: Limiting the amount of individual mortgages deposited as the basis for the issue of bonds to $6,000 instead of $10,000 and providing that such mortgages shall be on dwelling houses only; limiting the annual addition to reserve fund to 5% of earnings instead of 25%; limiting the rate of interest on bonds to 4½% per annum; limiting to $50,000 instead of $100,000 the appropriation to be made by the United States for starting the system."

The Legislative Committee, of which Mr. Hennessy was appointed chairman, by President Rider, made a diligent effort to secure the passage of the Home Loan Bill. Hearings were had before the Senate Committee on Banking and Currency on October 8, 1919 attended by the entire committee consisting of Messrs. Hennessy, Adair, Keesler, Haymaker, President Rider, Vice President Ricks, and Secretary Cellarius. Senators Penrose and Gronna, both members of the Senate Banking Committee, voiced their opposition to that feature of the bill which authorized the issue of tax-free bonds by the proposed Federal Building-Loan Banks.

The House Committee on Banking and Currency gave an attentive hearing on the bill on October 31, 1919, when Chair-

man Hennessy, Mr. Haymaker, and Secretary Cellarius of the Legislative Committee made arguments in its favor. Chairman Hennessy and Mr. Haymaker appeared before the state leagues of a number of states and secured strong resolutions of endorsement on the measure and, while sentiment seemed decidedly in favor of the creation of the Home Loan Bank system among building and loan men throughout the country when the bills were first introduced in Congress, the interest later waned. The bills were re-introduced in succeeding congresses and when Senator Calder retired from the Senate, Senator Copeland of New York became its sponsor.

At the Dallas convention in 1928, upon motion of Mr. Maco Stewart of Texas, the legislative committee was instructed to not introduce the bill again and further efforts to enact a Home Loan Bank Bill ceased.

Hennessy Retires and is Succeeded by James

Mr. Charles O'Connor Hennessy retired from the chairmanship of the Legislative committee at his own request at the Portland, Maine convention in 1922, although he has since continued as a valued member of the Committee. In accepting his resignation, the convention appointed a committee of three consisting of Mr. J. E. Kinney of Ohio, Mr. W. G. Weeks of Louisiana, and Mr. W. R. Adair of Nebraska, to deliver to Mr. Hennessy a suitable token of the love and respect which the United States League entertained for him and of its appreciation of the valuable services he had rendered as chairman of its most important committee.

Mr. C. Clinton James of Washington, D. C., succeeded Mr. Hennessy as chairman of the Legislative Committee and has since performed the arduous duties of his position with fidelity and tact which has brought its full measure of success. He has handled the legislative situation in connection with the various revenue bills which have been before Congress during his term and has represented the United States League before the Treasury and other Departments of the Government when the interests of building and loan associations were involved.

Dennison Blue Sky Bill

The Dennison Blue Sky Bill was first introduced in the House of Representatives in 1922.[25] It was designed to prevent

[25] House Bills 10102, 10598 (See *Congressional Record*, vol. 62, parts 2, 3, pp. 1669, 3038).

the use of the United States mails or other agencies of interstate commerce for transporting or promoting the sale of securities contrary to the laws of the several states. Securities of national and state banks, or savings institutions, federal land banks, or joint stock land banks, or national farm loan associations were exempted from the provisions of the bill. An amendment giving building and loan associations a similar status to that provided for banks was requested by Chairman James of the Legislative Committee of the United States League. This was at first denied him by the author of the bill, but later on was agreed to. The bill never became a law.

Exemption From Bankruptcy Act

At the request of the Florida State League, the Legislative Committee made an effort to secure an amendment to Chapter 3, paragraph 4, of the Federal Bankruptcy Act to include building and loan associations in the class of corporations exempt from its operation in the same manner as municipal, railroad, insurance or banking corporations are now exempt. A bill H. R. 13373 was introduced for this purpose, but it failed of passage in the last Congress, although favorably recommended by the House Judiciary Committee.

The Department of Justice has under consideration a revision of the bankruptcy law, which it will recommend in the next Congress. Chairman James has taken up with the Attorney General the matter of exempting building associations in that revision and it is hoped that relief may be obtained when the report is submitted to the Judiciary Committee.

Act to Permit the United States to be Made a Party Defendant

For the last four years, the League's Legislative Committee has been endeavoring to secure legislation from Congress for the relief of those states where, in the foreclosure of mortgages, everyone who has any apparent interest is required to be made a party defendant. Where the United States has a lien, it has been impossible to make the United States a party because no legislation authorized such action, as the United States cannot be sued without its consent. Both the House and Senate Committees on Judiciary favored such legislation but could not agree upon the form of a bill.

Chairman James took the matter up with the Depart-

ment of Justice in the latter part of the 71st Congress and the Attorney General agreed to and did write a bill which was a compromise measure. It was agreed to by the House and Senate Judiciary Committees, was signed by the President, and became a law March 4, 1931.[26]

The new act provides that the consent of the United States may be given to be named a party in any suit for the foreclosure of a mortgage or other lien upon real estate for the purpose of securing an adjudication of its rights. Service is to be made upon the United States attorney for the district or division in which the suit is brought, and copies of the process and bill are to be sent by registered mail to the Attorney General of the United States at Washington. The United States will have 60 days after service to appear and answer, plead, or demur. Any such suit brought in any state court may be removed to the United States District Court for the district in which the suit is pending. The court to which the cause is removed may, before judgment, remand it to the state court, if it finds that no real dispute exists respecting the rights of the United States, or if all other parties of record concede the claims of the United States. A judicial sale, made in pursuance of a judgment in such a suit, is to have the same effect respecting the discharge of the property from liens and encumbrances held by the United States as may be provided with respect to such matters by the law of the state in which the land is situated. No judgment for costs or other money judgment can be rendered against the United States in any suit or proceeding instituted under the act.

Bill to Recover Income Taxes Illegally Collected

In the last Congress, Representative Roy G. Fitzgerald of the Dayton (Ohio) District, at the request of the United States League, introduced a bill (H. R. 11562) for the relief of building and loan associations which had paid income taxes illegally assessed, and which were not refundable by the Treasury because the statute of limitations, within which claims could be filed, had expired. These claims resulted from the decision of the United States Supreme Court in the Cambridge case, which held certain associations which the Commissioner of Internal Revenue had assessed, as not liable to the tax. Chairman

[26] Pub. Law, No. 862.

James, of the League's Legislative Committee, devoted much time and effort in perfecting the claims of associations entitled to relief. The Treasury Department, to which the bill was referred by the House Committee on Claims, required considerable time in investigating and checking the various items of the bill, which delayed action until so late in the session that it was impossible to secure its passage. The bill will be reintroduced in the next Congress and every effort put forth by the Legislative Committee to secure its enactment. A similar bill was passed by Congress for the relief of associations which had been illegally taxed under the Excise Tax Act of 1909.

CHAPTER XIV

LEGAL DECISIONS AFFECTING BUILDING AND LOAN ASSOCIATIONS

By C. CLINTON JAMES

OBVIOUSLY a resumé of the legal decisions affecting building and loan associations would occupy space far in excess of that available for the treatment of the subject in this volume. Consequently the writer has had to curtail his presentation to the point of covering only the high spots in judicial interpretation which have occurred in the past 100 years, with the result that the product given here serves only to direct the reader to the sources of such legal information together with a very brief comment on only the most outstanding building and loan cases to date.[1]

An appropriate beginning for a chapter on the legal decisions affecting building and loan associations is a brief resumé of the literature which has been written on this subject.[2]

Not many textbooks have been written on building and loan associations. The earliest was written in 1856 by Judge Gustav Adolph Endlich and was followed by a second edition in 1895. Charles N. Thompson, of the Indianapolis bar, wrote a *Treatise on Building and Loan Associations*, 1899, and about the same year Messrs. Thornton and Blackledger also published a text. In 1913 came Joseph H. Sundheim's first book on the *Law of Building and Loan Associations*, followed by a second edition in 1922. In Thompson on *Corporations*, which is a set of textbooks published in 1927 (third edition), the author devotes considerable space to building and loan associations, giving the law in reference to their powers and duties as corporations and

[1] *Editorial Note:* For further information concerning legal developments in the building and loan field the reader is referred to the Chapter above on "National Legislation," which contains additional comment particularly on the tax cases, and to the state histories of Ohio, New York, and Pennsylvania below, where many of the cases listed in this chapter had their inception and their original interpretation in the courts.

[2] *Editorial Note:* Certain of these materials are referred to in Chapter XV below on "Building and Loan Literature," but they are repeated here for the convenience of the reader and for the valuable comments thereon by the writer of this chapter. For publication data on these sources the reader is referred to the bibliography appended to this volume.

placing it under title heads that would affect other corporations as it would building and loan associations.

In addition to the textbooks on this subject, the general subject was very ably treated in 1887 in the *American and English Encyclopedia of Law*, first edition, with second edition in 1897, and a supplement to the second edition in 1905. In 1903, *Cyc* was published; and in 1914, *Ruling Case Law;* and in 1916, *Corpus Juris*. For the past 43 years, the encyclopedias and digests have given a treatise on the law of building and loan associations with voluminous footnotes citing cases in support of the text. These encyclopedias give the object and the formation, the relation of the stockholder to the association, and in a general way supply most of the detailed information necessary in order to organize and conduct a building and loan association, showing the legal questions that have been before the courts with extensive case references.

Particularly valuable as sources of legal information are the *Proceedings of the United States League* which have been published continuously since the organization of the League in 1893. The annual reports of the secretary, contained in these *Proceedings*, give the most important legislative and judicial developments in the building and loan field in the current year and include also from time to time general discussions of current legal problems then confronting the business. Especially valuable papers, together with the date of the *Proceedings* in which they appear, are those by Joseph H. Payne (1893), Oliver M. Wilson (1898), C. N. Thompson (1900), and Gerald Fitzgerald (1900).

The *Proceedings* also contain numerous papers on specific problems and the attitude of the courts thereto. Among the questions which engaged the attention of the courts from time to time are: accounting,[3] advance payments,[4] borrowers and stockholders,[5] bidding for loans,[6] credits on loan,[7] directors'

[3] 69 N. W. 889; 100 Ill. 413; 114 Ill. 182; 4 Ohio N. P. 214; 22 Kansas; 20 S. W. 430; 77 N. W. R. R. 1006; 80 N. W. 120; 120 N. C. 420; 27 S. E. 118.

[4] 20 At. 890.

[5] 97 Tenn. 408; 24 Weekly Law Bulletin 56; 42 Ohio 655; 20 D. C. 453; Endlich on B. & L., Sec. 477; 36 S. W. 810; 38 S. W. 485; 18 Supp. St. 851 (Mich.); 80 N. W. 120; 40 Mo. 227; 75 N. Y. Hun. 21.

[6] 23 N. Y. 203.

[7] 68 N. W. 379; 69 Conn. 6; 52 Fed. 618; 47 N. W. 300; 43 Ch. Div. 158; 43 N. Y. 346.

liability,[8] dividends,[9] fines,[10] mutuality,[11] foreclosure settlement,[12] fraud by secretary,[13] false representation,[14] membership,[15] non-member loans,[16] premiums,[17] paid-up stock,[18] real estate purchased,[19] stock,[20] usury,[21] withdrawals,[22] what law governs,[23] legal operation and effect of mortgage to building associations under Maryland law,[24] and doing business,[25] purpose for which loans are obtained.[26]

A leading case which was cited by the Supreme Court of the United States in the Cambridge case was *Folk* v. *State Capitol Savings and Loan Association*, reported in 214 Pa. State Reports, 529 (1906). Judge Endlich wrote the opinion of the court below and was sustained by the appellate court. Three questions were before the court, (1) the issuance of full-paid dividend-bearing stock; (2) the deduction of withdrawal fees; and (3) the employment of paid solicitors and collectors which were alleged to be contrary to law and prejudicial to the interest of the plaintiff and other shareholders in the association, and that its corporate existence would be jeopardized by the continuance of these practices. The court held in favor of the association.

The reasoning of the court with regard to paid-up stock is especially interesting:

> "The general purpose of building and loan associations is the accumulation of funds to be loaned to their members and to be paid in small periodical payments. The accumulation from the payment of installments on stock is so slow as often to hamper their practical operation and

[8] 25 Q. B. Div. 485; 43 Ch. Div. 463.
[9] 22 N. Y. 589; 71 N. Y. Hun. 498; 48 W. Va. 164; 140 N. Y. 549.
[10] 62 Ark. 572; 36 S. W. 1085; 11 At. 537; 93 Va. 468; 21 N. E. 1088.
[11] 53 Ohio St. 174; 293 Fed. 392; 201 Fed. 1011; 210 Fed. 577; 216 Fed. 526; 280 Fed. 143.
[12] 8 At. 843; 64 Ill. 329; 23 N. E. 689; 143 Atl. 715.
[13] 64 Ill. 329.
[14] 44 N. Y. S. 896.
[15] 39 S. W. 546; 16 S. W. 298; 18 At. 905.
[16] S. W. 298; *First Mortgage Bond Homestead v. Baker*, 157 Md. 309.
[17] 69 Conn. 6; 41 S. W. 948; 39 S. W. 546.
[18] 41 S. W. 948; 62 Mo. . . . . ; 173 Ill. 621; 100 Wis. 555.
[19] 47 Hun. N. Y. 577.
[20] 5 S. E. 775; 169 U. S. 45.
[21] 19 S. W. 917; 12 Southern 590; 119 N. C. 257; 181 U. S. 227; 26 E. 40; 120 N. C. 286; 26 S. E. 781; 27 S. E. 274; 49 La. An. 481; 21 Southern 643; 41 S. W. 574; 10 S. W. 787; 41 S. W. 948; 62 Mo. ; 49 Neb. 200; 63 Ill. 77; 104 Mich. 186; 96 Fed. 755; 80 N. W. 118; 54 N. E. 752-755; 44 At. 605; 54 S. W. 377; 84 Ill. App. 393; 39 S. W. 546; 75 N. Y. Hun. 21; 193 U. S. 635; 114 Wis. 89.
[22] 27 Pac. 872; 80 N. W. 120; 10 Md. 410-411; 16 Colo. C. A. 423.
[23] 80 N. W. 120; 181 U. S. 227; 189 U. S. 122; 189 U. S. 408; 15 Pa. Sup. Ct. Rp. 393; 62 Neb. 811.
[24] 10 Md. 410-411; 143 Atl. 715.
[25] 189 U. S. 408; 15 Pa. Sup. Ct. Rp. 393-400.
[26] 84 Pa. 313.

> different methods have been adopted to provide funds to meet the demands of borrowing members promptly and thus to promote the general purpose. Building associations are authorized by the act of June 25, 1895, P. L. 303, to borrow money for temporary use when applications for loans exceed the accumulation in the treasury and when a series of stock has matured. The issuing by these associations of full-paid stock to serve the same purpose as borrowing is an enlargement of their scope of operations and not inconsistent with their original design if properly restricted. While it has not been expressly authorized by the legislature, there is a distinct recognition of the practice by the act of June, 22 1897, P. L. 197 which subjects such stock to taxation. We find nothing unlawful in the issuing of full-paid stock the advances of which are not guaranteed but are limited in amount and payable only out of the profits and the holders of which are entitled to no preference and have no advantage over other stockholders upon distribution in case of loss or insolvency; provided that the issue is incidental to the main objects of the association and is intended to provide a fund from which loans may be made to the holders of installment stock. To this extent and for this purpose its issue is within the implied powers of such associations."

Cases in Supreme Court of The United States

The case of *Building & Loan Association of Dakota* v. *Price*, 169 U. S., page 45 (1898) decided that *stock* in a building and loan association is not a mere fiction and the owner of it is entitled to share in the profits and his position as shareholder is entirely separate from his position as a borrower from the company.

The case of *Bedford* v. *Eastern Building & Loan Association*, 181 U. S. 227 (1901), decided that the contract in question had been consummated and held invalid a law enacted subsequently, which made the enforcement of the contract depend upon the performance of onerous conditions. There was a question of *usury* in the case, but the Tennessee statutes under which usury was claimed did not prohibit contracts which made the laws of another state applicable. In this case, therefore, the law of the contract stipulated by the parties could be applied.

The case of *Eastern Building & Loan Association* v. *Ebaugh*, 185 U. S. 114 (1902), decided (1) that plaintiff had made a positive promise that the stock of defendant would mature in 78 months; (2) under the assurance of that promise, the defendant had subscribed for the stock and performed in good faith all obligations on his part; and (3) under such circumstances it was

the law of New York that plaintiff could not be heard to say that its promise was ultra vires.

The case of *Eastern Building & Loan Association* v. *Williamson*, 189 U. S. 122 (1903), decided that (1) that the law of New York at that time did not relieve a building and loan association from its obligation to pay full par value of certificates at a date stated thereon, whether earned or not; (2) an absolute promise of a building and loan association to mature its shares in a specified time is not changed to a conditional one dependent upon the success of the enterprise and is not affected by the fact that the holder of said shares obtained a loan and gave the shares as security; and (3) contract was not ultra vires.

The case of *Chattanooga National Building & Loan Association* v. *Denton*, 189 U. S. 408 (1903), decided that a foreign corporation was prohibited from doing business in Alabama until it complied with the requirements of the state laws. This case is to be distinguished from *Bedford* v. *Eastern Building & Loan Association*, 181 U. S. 227, in which the contract was legally entitled to be enforced. In the Chattanooga case the contract was made in violation of the statute of Alabama, and cannot, therefore, claim the protection given the contract in the Bedford case (62 Neb. 811).

The case of the *National Mutual Building & Loan Association* v. *Brahan*, 193 U. S. 635 (1904), decided, where a corporation has become localized in a state and accepted the laws of the state as a condition for doing business there, it cannot abrogate those laws by attempting to make contract stipulations, and there is no violation of the full faith and credit clause in instructing the jury to find according to the local law and not according to the laws of another state, notwithstanding a clause in the contract that it should be construed according to the laws of the latter.

Tax Cases

The case of *Pacific Building and Loan Association* v. *Hartson, Collector*, 201 Fed. 1011 (1913), decided that the association cannot be said to be a corporation "organized exclusively for the mutual benefit of the members, no part of the net income of which inures to the benefit of any private stockholders or individuals." If this corporation were dissolved the assets of the corporation would, unquestionably, be distributed pro rata among the then shareholders. Therefore, as to its present members it is a corporation having a capital stock represented by shares, although by the maturing of its stock and the retirement of shareholders, its shareholding membership is constantly changing. It is not exempt from taxation under the Act of August 5, 1909.[27]

The case of *Herold, Collector*, v. *Park View Building and Loan Association*, 203 Fed. 876 (1914), affirmed in 210 Fed. 577, decided (1)

> "Congress intended the word 'mutual' to mean 'substantially equal,' and a building association is organized and operated for the mutual benefit of its members when they share in the profits on substantially the same footing. Exact equality is probably not possible, where part of the stock is prepaid, and part is installment, but an approximate equality, sufficiently close for all purposes, is certainly not beyond the reach of calculations. We have no doubt that such a calculation is always made before the terms are adopted upon which prepaid stock is allowed to share in the profits . . . The Park View Building and Loan Association was 'organized' exclusively for the mutual benefit of its members. The members would not agree to any arrangement that would disturb their substantially equal footing."

(2) The clause "no part of the net income of which inures to the benefit of any private stockholder or individual" applies only to that class of corporations immediately preceding the proviso, viz., "any corporation organized and operated exclusively for religious, charitable, or educational purposes."

> "The character of the first three groups is well known. In none of them (as normally conducted) does the net income inure to the benefit of private stockholders or individuals, and it would have been superfluous to add that feature to the description." (Act of August 5, 1909, sec. 38.)

The case of *Central Building, Loan and Savings Company* v. *Bowland, Collector* and *Bellefontaine Building and Loan Company* v. *McMaken, Collector*, 216 Fed. 526 (1914) decided

> "A non-member borrowing or lending receives no benefit from the building association as such, but only the same benefit which he would receive by dealing generally with his money in the market. By this method of acquiring additional income for the association there is no disturbance of the mutuality of interest, which is the distinguishing feature of building associations; indeed by indulging in it the essential principle to that

[27] This case is not only contrary to *Park View Building and Loan Association v. Herold* and *Central Building Loan and Savings Company v. Bowland*, subsequently decided, but in the case of *Central Building Loan and Savings Company v. Bowland*, at page 532 the fundamental error committed by the Court in the case of Pacific Building and Loan Association is pointed out with unmistakable clarity.

end under-lying building associations is maintained. The conclusion is that building associations under the law of Ohio, notwithstanding their power to borrow money from, or loan money to non-members are 'organized and operated exclusively for the mutual benefit of their members,' come strictly within the proviso giving them exemption from the tax in question, cannot be required to pay it, and the plaintiffs are entitled to recover the amounts paid by them under protest." (Act of August 5, 1909, Sec. 38.)

The case of *Lilley Building and Loan Company* v. *Miller, Collector*, 280 Fed. 143 (1922) decided

(1) "Plaintiff's interpretation is that corporations organized under building association laws are exempt, although operated not for mutual purposes and with a profit to a limited number of stockholders, be they ever so few. Such an interpretation would seem to violate the intent of the Act. Recurring to the matter of the nomenclature under the Ohio Statutes, if we regard the plaintiff as a "savings association," we would have a mutual bank, *with* capital stock, *not* organized and operated for mutual purposes, and *not* without profit. The matter certainly cannot rest so lightly as on the arbitrary choice of a name. The facts must control."

(2) "It is not thought that the making of loans to non-members, or borrowing from non-members, or receiving deposits to be withdrawn on demand or on time, so long as such transactions are simply incidental to the primary business of operating a mutual Building Association, would defeat the exemption."

(3) "But here the association has put aside the attribute of mutuality; indeed, it is most difficult to distinguish its activities from those of the ordinary savings bank. Its primary design no longer is to be an instrumentality of mutual helpfulness among its contributors in saving and borrowing for home owning; but its object now is the receiving of deposits from, and lending money on interest to, the public for the profit of the stockholders . . . It may not be possible to define precisely how far a building association may go in extraneous activities without losing its essential character; but it seems clear that, when it ceases to be substantially mutual and adopts as its chief business dealing for profit with the general public by the methods of an ordinary savings bank, it is no longer a building association, entitled to be exempted from income taxation under the statute in question." Revenue Act of 1918. Reversed by Cambridge case, 63 Ct. Cl. 631; 278 U. S. 55.

The case of *Acklin* v. *Peoples Savings Association*, 293 Fed. 392 (1923), decided (1)

"The right of plaintiff in this case to maintain this suit against the association, notwithstanding the determination may not be binding upon the government, seems clear upon the authorities, especially because of the exemption to which plaintiff and other members are entitled if their association is so conducted as to be entitled to such consideration."

(2) The court held the "association is exempt from taxation and that the demands made upon it are illegal and without color or authority of law." The question of irreparable damage was reserved.

(3) Exemption was not denied because the building and loan association requires ownership by borrowers of only a small amount of stock to become members. (Revenue Act of 1921.)

United States Court of Claims

The case of *Cambridge Loan and Building Company* v. *United States*, 63 Ct. Cl. Rpts. 631 (June 6, 1927), decided (1) the words "without capital stock organized and operated for mutual purposes and without profit," in Section 231 (4) of the Revenue Act of 1918, refer to cooperative banks and not domestic building and loan associations, and under said section such associations organized and doing business under the laws of the state creating them, are exempt from the income tax.

(2) A building and loan association, making substantially all of its loans to its members on and after passage of the Revenue Act of 1921, is, under Section 231 (4) thereof, exempt from the income tax.

In the case of the *Calvert Mortgage Company* v. *United States* (November 7, 1927), 64 Ct. Cl. Rpts. 261, the Court of Claims in a short memorandum held that "this case is controlled by the case of the *Cambridge Loan and Building Company* v. *United States*, 63 Ct. Cl. Rpts. 631, and reference is hereby made to the opinion of the Court of Claims in that case." According to the Court of Claims' memorandum the question for determination in this case is whether or not plaintiff, the Calvert Mortgage Company, is entitled to exemption from the payment of income taxes for the years 1918, 1919 and 1920 under the provisions of Section 231 (4) of the Revenue Act of 1918. The court held the association was exempt and entitled to recover of and from the United States the sum of $37,725.67 paid under protest.[28]

United States Supreme Court

The case of *United States* v. *Cambridge Loan and Building Company* (November 19, 1928), 278 U. S. 55, decided that (1) a

[28] Attention is called to the fact that this case is decided under the 1918 Revenue Act which does not have the restrictive language that "substantially all the business of which is confined to making loans to members," as is contained in the 1921 and subsequent revenue laws.

corporation which by the laws of its state is a building and loan association, and the business of which is conducted in accordance with that law, is a "building and loan association" within the meaning of Section 231 of the revenue Acts of 1918 and 1921 granting exemption from income tax.

(2) The activities of said association in the way of receiving deposits on interest and making loans to persons not among its members (borrowers being required since the Revenue Act of 1921, to purchase from one to five shares of its stock) did not disqualify for the tax exemption.

(3) The Revenue Act of 1921, in confining exemption to building and loan associations "substantially all of the business of which is confined to making loans to members", did not limit loans to the amount of shares subscribed for.

(4) The act directing that certain taxes be refunded as "illegally collected" is an interpretation of the prior act under which they were exacted and by implication approved decisions of the federal courts holding the exaction unwarranted.

Stamp Tax

The case of the *Danville Building and Loan Association* v. *Pickering, Collector*, 294 Fed. 117 (1923), decided that an instrument executed by a stockholder in a building association acknowledging an indebtedness to the association, secured by mortgage and pledge of his stock, by which he promises to pay the association interest and dues on his stock monthly, to pay the taxes on the property and keep the same insured, and for default authorizes forfeiture of his stock and foreclosure of the mortgage, (1) was a "bond of indebtedness" within the meaning of Revenue Act of 1918, section 1100 and Schedule A(1); (2) Whether or not an instrument is subject to stamp tax must be determined from its face, and what it is named by the parties is immaterial.

The case of the *Mutual Building and Savings Association* v. *Wilkerson*, 8 Fed. 2nd Series 193 (1925), decided that an instrument, taken by a mutual building and savings association from one of its member borrowers evidencing loans made them, was a promissory note, and not a bond, debenture, or certificate of indebtedness within the meaning of the federal Revenue Act, October 3, 1917, Sec. "A" 1-6, and the association would only be required to pay a stamp tax of two cents per

hundred dollars on a *note*, instead of five cents per hundred dollars on a *bond*. This case is to be distinguished from *Danville* v. *Pickering*, 294 Fed. 117.

United States Board of Tax Appeals

Since 1925, 13 cases involving the exemption status of building and loan associations have been decided by the Board of Tax Appeals. The first case was decided in favor of the association, the Board holding that membership obtained at the time loan was granted is sufficient.[29]

In the second case the character of loans made and the question whether substantially all of its business was confined to making loans to members were considered. The board held the association taxable for the years 1919-1920-1921, but exempted it for 1922 because it changed its method of doing business to comply with statute.[30]

The third case was decided in favor of the association, holding issuance of prepaid stock did not destroy mutuality and loans did not have to be made on basis of stock holdings.[31]

Cases four to nine, inclusive, involved the questions of mutuality and the question whether substantially all business was confined to making loans to members.[32]

In cases nine and ten the associations were denied exemption because of the character of the loans made and the associations were not allowed to deduct certain payments on withdrawable stock they claimed as interest and the Revenue Bureau held to be dividends.[33]

[29] *Permanent Loan & Savings Company v. Commissioner of Internal Revenue*, 2 U. S. B. T. A. 132 (1925).

[30] *Johnstown Building & Loan Association v. Commissioner of Internal Revenue*, 6 U. S. B. T. A. 463 (1927).

[31] *Our Building & Loan Association v. Commissioner of Internal Revenue*, 6 U. S. B. T. A. 1196 (1927).

[32] *Broadview Savings and Loan Association v. Commissioner of Internal Revenue*, 10 U. S. B. T. A. 725 (1928). Reversed by C. C. A. No. 5334, Oct. 8, 1929, 6th Circuit: *Mutual Building & Investment Co. v. Commissioner of Internal Revenue*, 11 U. S. B. T. A. 999 (1928), reversed by 32 Fed. 2nd Series 1015; *Central Ohio Building & Loan Company v. Commissioner of Internal Revenue*, 11 U. S. B. T. A. 989 (1928), reversed by 32 Fed. 2nd Series 1015; *Citizens' Loan & Building Company v. Commissioner of Internal Revenue*, 11 U. S. B. T. A. 1008) (1928 U. S. C. C. A. (1929), 32 Fed. 2nd Series 1015, affirms B. T. A. for year 1921 and reverses Board's decision as to years 1917, 1918, 1919, 1920; *Home Building & Savings Company v. Commissioner of Internal Revenue*, 12 U. S. B. T. A. 289 (1928), reversed by U. S. C. C. A.,32 Fed. 2nd Series 1015; *Minster Loan & Savings Company v. Commissioner of Internal Revenue*, 12 U. S. B. T. A., 610 (1928), reversed by U. S. C. C. A. (1929), 32 Fed. 2nd Series 1015.

[33] *Doan Savings & Loan Company v. Commissioner of Internal Revenue*, 12 U. S. B. T. A. 772 (1928), reversed by C. C. A. No. 5333, Oct. 8, 1929, 6th Circuit; *Guaranty State Savings & Loan Company v. Commissioner of Internal Revenue*, 14 U. S. B. T. A. 72 (1928), U. S. C. C. A. remanded case to B. T. A. and decided on stipulation of parties, association paying a tax of $2,300.

Cases twelve and thirteen were decided after the decision in the Cambridge case and were decided in favor of both associations.[34]

There is pending before the Board of Tax Appeals the case of *Aaron Ward & Sons of Newark, New Jersey*, v. *Commissioner of Internal Revenue*, Docket No. 31,568. The United States Building and Loan League intervened in the above case. This case has not yet been decided.

Briefly, the specific issue in the case is whether the amount paid by a serial association to a withdrawing member or to one whose shares have matured in the usual course, to the extent that it exceeds the amount paid in to the association as dues, constitutes profits derived from a so-called sale of his shares and therefore is ordinary income, gain or profit, subject both to the normal as well as the surtaxes imposed by the federal income tax laws, as the Commissioner of Internal Revenue contends; or is only dividends or profits paid by the association in the usual course of its business, and subject to be taxed only as dividends received from a domestic building and loan association to the extent that it exceeds the exemption allowed those who receive such dividends. That is the issue—at least ostensibly—but it may have a more far-reaching effect by attempt to extend it to the cases of members of other than serial associations, upon their withdrawal, if current dividends were credited and accumulated to the date of withdrawal.

Taxation by States of National Bank Shares

In the case of *Commercial National Bank* v. *Treasurer of Franklin County, Ohio*, District Court for the Southern District of Ohio, Equity 533, decided November 7, 1930, reported in 45 Fed. 2nd 213, the Court held that the Ohio statute under which the shares of national banks are taxed violates the federal statute (R. S. 5219) under which Congress permits such shares to be taxed, the District Court for the Southern District of Ohio has held. National bank shares are taxed at a higher rate than other moneyed capital, such as that invested in building and loan associations, mortgage companies, and finance companies, the opinion held. No offset for indebtedness is allowed in assessing national bank shares as in the case of

[34] *South Euclid Savings & Loan Company v. C. I. R.*, 14 U. S. B. T. A. 1079 (1929); *Richland County Building & Loan Association v. Commissioner of Internal Revenue*, 14 U. S. B. T. A. 537 (1929).

other investments of moneyed capital, and that resulted in a discrimination against the banks in violation of the federal statute, it was held.

Bankruptcy

In re New York Building-Loan Banking Company, 127 Fed. 471 (1904), decided that a building and loan association did not fall within the classifications enumerated in the Bankruptcy Act at that time. On June 25, 1910, the Bankruptcy Act was amended and this case would hardly be an authority under the amended Act. In the case of *Curtis, et al.* v. *Dade County Security Company*, 30 Fed. 2nd Edition 325 (1929), the court decided that a stockholder is not "a creditor" of the corporation and the corporation's liability to stockholders are not "debts" within the statute defining insolvency under the Bankruptcy Act.

The case of the Guaranty Building and Loan Association came before the District Court of the United States for the Southern District of California, Central Division, and was entitled Case No. 15807-C *In the Matter of the Guaranty Building and Loan Association*, a corporation, alleged bankrupt. After the involuntary petition in bankruptcy was filed and after the petition in the bankruptcy case asking for the appointment of a temporary receiver in bankruptcy, a suit was filed in equity for a receiver to be appointed in the Equity Court. A receiver in equity was by almost unanimous consent appointed by the Court. The Court in its opinion granting a motion to dismiss the petition bankruptcy held among other things that, while shareholders in a building and loan association have the character of creditors, they do not become such until after the adjudication of bankruptcy and in this case, no adjudication in bankruptcy having occurred, they were therefore not qualified petitioners and that the acts of bankruptcy are insufficiently charged. The Court distinguishes this case from the case *In the Matter of the Continental Building and Loan Association*, 232 Fed. 828.

In the *Case of Isaacs, Trustee*, v. *Hobbs Tie & Timber Company*, reported in 282 U. S. 734, the Court held:

"1. Upon an adjudication of bankruptcy the title to and constructive possession of land belonging to the bankrupt and situate in another State vest in the trustee as of the date of the filing of the petition; jurisdiction to determine the validity

and amount and a lien upon the land, and to decree the method of its liquidation, is confined to the bankruptcy court.

2. Where a suit to foreclose a mortgage on lands was begun in a local state court after the owner had been declared bankrupt in the bankruptcy court in another State, and the trustee in bankruptcy, made a party to the suit, removed it, upon the ground of diversity of citizenship, to the federal court of the district in which it was brought and set up the bankruptcy adjudication, held: (1) A valid defense, since the state court was without jurisdiction to proceed to foreclosure and sale, and the federal court, upon removal, had no higher or different right than the state court had had to interfere with the bankruptcy administration; (2) The trustee did not, and could not, waive the lack of jurisdiction in the state court by removing the case, because he was powerless to surrender the exclusive jurisdiction of the court of bankruptcy. District Court reversed."

Liquidation

The case of *Allen* v. *Lamon, et al.*, 128 So. 254 (Fla.) (1930), the court decided that a building and loan association existing under the laws of the State of Florida may not lawfully negotiate, transfer or assign any evidence of indebtedness, or any mortgage given to secure such evidence of indebtedness, while such institution is a going concern, as such transactions are prohibited by the provisions of Section 6176 C, General Laws, but when the state comptroller takes charge to liquidate said association and appoints a receiver, all real and personal property of said association may be sold on such terms as the court may direct.[35]

In the case of the *Alameda Park Company* v. *Robert H. Lucas, Commissioner of Internal Revenue*, decided January 6, 1930, and reported in the Washington Law Reporter, Vol. 58, page 104, the Court of Appeals of the District of Columbia reversed the Board of Tax Appeals in refusing to allow an amendment of the pleas so as to set up the defense of the statute of limitations after the case was submitted but before the Board had rendered its decision. The decision appealed from is reported in 10 B. T. A. 1115.

[35] The Dade County Security Company of Miami, Florida, was the association that was in the process of liquidation in the above mentioned case.

State Tax Sales

In the case of *Conservative Homestead Association* v. *William P. Coney and Commercial Security Company*, No. 29672, the Supreme Court of Louisiana affirms appeal from the Civil District Court for the Parish of Orleans that the sale of property for delinquent taxes due to the State did not have the effect of cancelling the vendor's lien (which was held by a building and loan association or a homestead association) recorded previous to the assessment under which the tax sale was made.

Fire Insurance

The Pennsylvania Court of Common Pleas for Lawrence County, Pennsylvania, decided that where a loan is in default and property partially destroyed by fire, the building and loan association can collect the insurance and apply it to the property and foreclose because of default. This decision was rendered in the *Home Protective Savings and Loan Association* v. *Patsy Ann Woodson and James Woodson*, husband and wife, No. 97, March Term, 1930.

« « BIOGRAPHICAL SKETCH » »



C. CLINTON JAMES, one of the organizers and attorney for 28 years of the Columbian Permanent Building Association at Washington, D. C.; president of the United States Building and Loan League in 1926; at present, chairman of the Federal Legislative Committee and a director of the United States League. Former president of the District of Columbia Building Association Council.

Mr. James is a member of the District Bar Association and the American Bar Association. Formerly instructor at Georgetown University Law School; member of the Board of Trade. He was born in Washington, D. C., son of Charles E. and Susan R. James. He married Alice E. Reily.

CHAPTER XV

BUILDING AND LOAN LITERATURE

By HENRY S. ROSENTHAL*

SINCE building societies existed in England as early as 1781, advertisements and accounts of meetings are to be found in English newspaper files beginning with 1800. The movement, spreading rapidly through England, Scotland, Wales, and Ireland, soon crossed the channel and was taken up by France, Germany, and other continental countries. Naturally, the first books on building and loan were published in these countries.

Obviously, a history of building and loan in the United States cannot go in detail into the literature of other countries even though that literature may have been drawn upon heavily by American writers in the preparation of their material. Nevertheless, some mention must be made and a certain indebtedness recognized to the English writers on building and loan subjects.

From the early English writers in particular was much help secured by Americans who were seeking information in order to make the first beginnings of building and loan in the United States.

The limited space available here permits mention of only two English publications. The first of these is by Henry Frederick Alexander Davis and is entitled *The Law and Practice of Building and Land Societies Including the Law of Co-operative Building Societies.* The fourth edition of this book appeared in 1896. It contains, among other interesting and valuable items, certain facts concerning the beginning of the building society movement.

* *Editorial Note:* In the process of seeking materials for the different parts of this history, considerable additional information was found concerning the early literature of building and loan in the United States and concerning the men who made that literature. Also one or two of the newer publications have been put out since this chapter was first prepared. The editor, therefore, has added materially to the scope and content of this chapter in the editorial process.

In this chapter the complete facts about publication, including the name of the publisher and the date and place of publication, are not given in every instance. The reader is referred to the bibliography at the back of this volume for such details.

The second book to be mentioned is a recent publication (1927) by Harold Bellman under the title, *The Building Society Movement.* This is a comparatively short volume containing only about 150 pages, but it is exceedingly well written and gives an accurate and complete description of the development of building societies. It carries an introduction by Sir Josiah Stamp. This book is of particular interest to American building and loan men because many of them met Mr. Bellman during his recent visit to this country.

The bibliography appended to this volume contains references to several other English writings as well as to French and German literature on building and loan which will be of value to those interested in the broader phases of building and loan development. Special mention should be made at this point, however, of the new book on building and loan associations in England, America and Germany (Bausparen in England, Amerika, and Deutschland) published in 1931 by Dr. Alexander Block.

First American Book on Building and Loan

Although the first association in the United States was founded in 1831, little was written about the movement until after 1850. The first book of which we have a record is *Mutual Benefit Building and Loan Associations: Their History, Principles and Plan of Operation,* published in Charleston, South Carolina, January 8, 1852, by Walker and Cox.[1]

This dearth of building and loan literature is referred to by Reverend Cox, the author of the first volume.

> "When starting building and loan in this City, about eighteen months ago, the writer [this is said to be Rev. Cox] had no little difficulty in obtaining information requisite to the incipiency of such a movement, owing to the absence of any work on the subject. This desideratum he has here attempted to supply. The design of the following treatise is to give a plain and practical exposition of their principles and plan of operation and to show how they may be conducted to the best advantage and success. It is hoped it may prove useful as a manual to stockholders, and also serve to diffuse a more correct and extended knowledge of the nature of these truly valuable Institutions."
>
> "The present age, so remarkable in every respect as an age of progress, in nothing more deserves this distinction than in its many organized

[1] See history of South Carolina and Bibliography, below.

efforts to elevate and improve the conditions of the humbler classes of society—to break down the aristocracy of rank and wealth, and raise mankind to the level of a common brotherhood.

"We do not refer to those wild utopian schemes of commission which, by destroying all legitimate rights and distinctions, sap the very foundations of social order and prosperity; but, to the many means of a sound and practical nature, that look to the right development of individual character and enterprise—that hold forth to honest industry its proper reward, and to the lowest the hope of promotion; and which, by relieving the poor of the degrading privations of their lot, enhance their comfort, respectability and usefulness. Few existing organizations are likely to contribute more to these results than building and loan associations."

The book contains many ideas on building and loan principles and procedure that are generally thought to be modern. They include the sale of shares when and as people are able and willing to buy; the elimination of back payments; insurance, an idea which, though long ago adopted in England, has yet to be developed in the United States; and other features common to permanent associations. In South Carolina this procedure was styled "the permanent principle."

The following quotation outlines the system as it was envisaged by Reverend Cox:

"The societies first established were upon the temporary principle; the number of shares, as well as the duration of the society; being usually restricted . . . [here are inserted the details and shortcomings of temporary plan] . . . It was, however, ascertained that this did not suit all parties, and that the benefit was chiefly confined to those who were prepared to take shares, and begin their periodical payments at the commencement of the society; those who might become members after the expiration of a year or two would, of course, be obliged to purchase shares by paying up the past subscriptions, either to the society, or to one of its original members—a serious obstacle in the way of persons of very narrow means. This difficulty occasioned the introduction of the *permanent* feature by which an individual is enabled to enter the society at any time without being subject to back payments, and precisely on the same footing with original members.

"Another advantage of permanent societies is that the borrower has the privilege of choosing the period over which he will spread his repayments—and he can, therefore, make his arrangements with much greater precision, according to his anticipated income, and various other circumstances of which he alone can form a correct judgment." (pp. 27, 28 and 29.)

Again, on page 76 is further description of the permanent principle:

"In several associations, North, they have recently adopted the plan of allowing six per cent interest to those of their members who pay a year's installments in advance, or three per cent for half the amount. This is a decided advantage to both parties; it will accomplish the objects of the Association in a much shorter time, and affords to shareholders a direct return for their investment—we would, therefore, earnestly recommend its general adoption. While there are many in these Associations who could not afford to make any payment in advance, there are always some who would be able and willing to do it, provided such an inducement were held out to them."

Other similar passages may also be found, but the foregoing samples justify the statement that the author outlined in general in 1852 what is now known as the permanent plan.

The book in question was copyrighted by Messrs. Walker and Cox and published by Walker and James, printers. Mr. Walker was quite active in building and loan work in Columbia, as well as Charleston, before the Civil War. Printing, however, was his main business and Walker, Evans, and Cogswell, successors to Walker and James, are now the leading printers of South Carolina. Mr. Cox, from what little information is available, was the real author of the book, but he left no other record of himself. He came to Charleston from England about 1841. Mr. Samuel Wittkowski, of North Carolina, a former vice president of the United States League, once said if he were to study building and loan business a hundred years he would not know as much about it as S. K. Cox. It is supposed that Cox was killed in the Civil War. A copy of the book is in the Congressional Library at Washington.[2]

Another early book on building and loan associations appeared in 1856. This was entitled *Building Associations of Connecticut and Other States*, published by William Franklin at New Haven, and contained 230 pages. According to the Library of Congress card the book contained a review of the New York and Massachusetts systems and a complete review from official documents of all building and loan associations established in Connecticut. To this was added a model plan of operation.

Edmund Wrigley's Works

The next important work on building and loan was *The*

[2] For further details concerning Reverend Cox and his book see the History of building and loan in South Carolina, in Part II below.

Workingman's Way to Wealth. A Practical Treatise on Building Associations, What They Are and How to Use Them (108 pp.), by Edmund Wrigley, and was published in 1869, at Philadelphia by James K. Simon.

The popularity of this book, which went through at least six editions and exercised a wide influence on building and loan development throughout the country, prompts a brief inquiry into the life and character of the man who wrote it.[3]

Edmund Wrigley, eldest child of Edward and Susan Paxson Wrigley, was of English ancestory. His father was an English manufacturer of cloth goods from Manchester, England, and his mother was the daughter of Benjamin Paxson, one of the Philadelphia Quaker families.



Edmund Wrigley

Edmund Wrigley was the eldest of eight children and was born in Philadelphia in 1831. He was about eleven years of age when his father failed in business through the treachery of a "friend." This so seriously affected his health that he died at a comparatively early age, leaving his widow with their family of little ones without means of support.

Edmund very soon went to work, probably in a printing office for he later told of his duties there and how he was called a "printer's devil." It is not known how long he stayed there. He worked at various jobs going to night-school and educating himself. When a very young man he was librarian in one of the Philadelphia Public Libraries, which enabled him to read the books he needed.

Later, he entered the real estate office of Thomas Potts where he remained for a number of years and learned the real estate business. He then started for himself, as real estate broker and conveyancer, with an office on South 4th Street, Philadelphia. From there he moved to No. 30 North 7th Street

[3] This material about Edmund Wrigley was furnished by his daughter, Mrs. Grace Wrigley Why of Pasadena, who assisted her father as secretary in the preparation of reports and material for his *Journal*.

where he remained until his death on the 6th of March, 1882.

When he was about twenty-five years old he married Miss Grace Katherine Maxwell of Brooklyn, New York, a lady of Irish birth. They made their home at 20th and Poplar Streets, Philadelphia, where about a year later his wife died, leaving a son a few days old. Mr. Wrigley remained a widower until 1861 when he married Alma Eveleth, also of Quaker ancestry, and a second cousin on his mother's side. By this marriage there were five children.

Just when Mr. Wrigley became interested in building and loan associations is not known, but it must have been about 1850 or 1851 when he was about 18 or 19 years of age, for the had been actively engaged in the work for 18 years prior to the year 1869. Most of the time he had served building and loan associations in official capacity, acting as secretary of several associations and organizing and working out numerous associations, based on the mutual and co-operative system.

In 1869 he published his first book, already referred to, and in 1873 he published a second one, *How to Manage Building Associations, a Director's Guide and Secretary's Assistant.* This book also passed through several editions. All this time he was editor of the *Building Association Journal.* He was constantly in receipt of many letters of inquiry from all parts of the United States and many foreign countries. When Josiah Quincy undertook to found building associations in Massachusetts he went to Philadelphia to confer with Mr. Wrigley.

His books were in great demand and he was also constantly being asked to organize or rehabilitate associations.

The work he did was very much in the nature of pioneer work and very taxing. His heart and soul were in the work. He gave freely of his time and talent and himself for the good of the cause he had so much at heart, "the working man's problem." Several years before his death, his health became very much impaired and he was unable to continue his work along this line. The story is told that, while he was writing these books, his mother, who was a Quaker, remonstrated because he worked so late into the night, subjecting himself to great strain. She said: "Ah Edmund, thee won't feel it now, but wait until thee is 40." Her words were true enough, for

his health did fail in his 40's from overwork, worry and grief over the death of his first-born son.

Mr. Wrigley was essentially a self-made man, educating himself and always aiming for the best in all things. Like all pioneers he paved the way for those who came after, but himself reaped no material benefits. He died poor in this world's goods but rich in friends and with untarnished reputation. He was of genial temperament, a happy social disposition and very sympathetic for the troubles of the other fellow, and a great stickler for truth and honesty. Perhaps that is why he died so poor.

The table of contents describes the character of the book. In addition to the preface and introduction, it contains chapters on other plans of saving (including the saving fund, savings bank, loan company, and land association); the nature and operations of compound interest; building associations; stockholders; borrowing; paying off a loan, or returning the borrowed money before the ultimate result is reached; conclusion; and an appendix containing the Pennsylvania Act of 1859 and a form for a charter and by-laws.

The purpose of the volume, as stated in the preface is:

> "to furnish a hand-book of easy reference to those who are anxious and willing to learn, and thus supply in a measure, the want hereinbefore expressed."

A further quotation from the early pages of the book indicates its tone and the rather moral and uplift tendencies expressed by these early enthusiasts of the building and loan idea.

> "That great and shining example of success as a working man, Benjamin Franklin, has left to the working man of the present day, in the following valuable sentiment, the key to the secret of his advancement in life:
>
> 'If any one tells you that a workman can become rich otherwise than by *labor* and *savings*, do not listen to him—he is a poisoner.'
>
> In the first place it is necessary to labor with judgment, intelligence, patience, perseverance and constancy.
>
> In the second place it is necessary to *save*. Save what? To save both time and money. Franklin saved the wages of his toil, and purchased books; made good use of his leisure time, studied those books, and mastered their contents. Thus, by simply persevering, strictly and firmly, in this, the guiding rule of his life, he became rich in purse, and eminent in knowledge. By industry and frugality at all times and in all things, he became a master workman, a philosopher, a statesman, and a sage, and beloved and respected by all men within the bounds of civilization.
>
> The course pursued by Franklin is open to every workman in America; the key to success is in every workman's hand—if it fails to admit him to the enjoyment of at least a reasonable competency, it is because it is rusted in the lock, for want of use." (p. 1.)
>
> "This system [savings institutions], therefore, while doing much positive good, does not act in unison with the spirit of the present age to the fullest extent, for while it teaches the working classes to save, it goes no further. Its protege may, in the course of time, accumulate a considerable sum; but he knows not where to place it outside of the Saving Fund. He possesses no knowledge or experience, no confidence in his own judgment or that of others, and even fails of confidence in the Saving Fund itself at times, and adds his weight to a panic-stricken rush for his savings at a time most unpropitious to both Saving Fund and depositor . . . "
>
> " . . . It [the building association] is the only plan by which the working man can become his own capitalist, and create a source of wealth from which he can supply all reasonable demands, without the aid or interference of the outside capitalist." (p. 5.)

On page 6 the author refers to the first institution as established at Kircudbright, Scotland, in 1815, and says that by 1851 there were 2,050 societies in Great Britain.

On pages 13 and 14 he speaks of a "fungus growth" between the years 1850 to 1855,

> "resulting from the unhealthy atmosphere that pervaded financial circles previous to the year 1857, the consequence of a great abundance of money, with a feverish desire on the part of everyone, from the 'merchant down to his cook' to speculate."

This was the era of "loan associations" distinguished from the "building associations" but operating by virtue of the popularity of the building associations. These institutions were characterized by high dividends, high interest rates, usury, and a careless atmosphere of speculation which ended in the financial crisis of 1857.

Wrigley's second volume was also written before the days of "snappy titles." It is generally referred to by its abbreviated title, *How to Manage Building Associations.*[4]

The preface, which states the purpose of the work, seems scarcely necessary in view of the super-completeness of the title.

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[4] The full title of this book was *How to Manage Building Associations: A Director's Guide and Secretary's Assistant, with Forms for Keeping the Books and Accounts, together with Rules, Examples and Explanations, Illustrating the Various Plans of Working.* It was also published in Philadelphia by James K. Simon.

Nevertheless, it gives the point of view of the writer and the goal toward which he was working.

> "The present work is intended to supply the information necessary to a clear understanding of the rules by which the administration and management of a building association should be governed. It treats of the subject from the directors' and executive officers' point of view, and goes much more largely into details than was necessary in the former work."

A further picture of the scope of the book may be gleaned from the table of contents. Part I contains chapters as follows: co-operation; of the sources of profit; of the different plans and details of construction as adopted by separate schemes; an illustration; of the different modes of charging premiums and interest; adjustment of profits and losses; of the rules for granting profit to withdrawing stock under the various plans; suggestions.

Part II contains forms for minute book, cash book, loan account, etc., together with statutes and requisites for an application for a charter of incorporation.

On page 38, we find:

> "This mutual system is a scheme of 'self-help,' in which the weak join to form one united whole of strength and power. Its 'utmost meaning is harmony.' Nay more. It is full to overflowing of fraternity, equality, brotherly kindness, charity, and mutual assistance. It should not be turned from the grand purposes of its mission to be made an oppressor."

Mr. Wrigley pointed out that "oppressive rules for fining" created prejudice against the scheme. On page 97 is found the following paragraph regarding the management of building and loan associations:

> "They made the universal mistake of trying to manage a building association as a *close corporation*, when the very law of its being as a building association requires that it should be treated in the most liberal and open manner, as a 'co-operative scheme or partnership in the profits of money, as a money-maker, equitably distributed in proportion to the severalties of capital furnished by the individual members thereof.' "

On page 117 mention is made of salaries ranging from $20.00 per year to the highest known of $600.00 per year in an association of $400,000.00 invested capital.

Page 118 says "The Building Association a Democracy" should mean only one vote per member, and adds, "men do not grow wise in proportion as they grow rich."

It was natural that these books should have dealt particularly with Philadelphia associations, since that city fostered the early development, but they were widely read in many other parts of the country.[5]

Philadelphia, besides being the birthplace of building and loan associations in this country, was an early center for the publication of journals and pamphlets on the subject. Michael

[5] Mr. Wrigley's own advertisement of his two volumes is an interesting sidelight.

BUILDING ASSOCIATIONS

OR

People's Co-operative Banks:

The Working-man's Way to Wealth. A Practical Treatise on Building Assoociations—What They Are and How to Use Them.

By Edmund Wrigley

Seventh edition—108 pp. Price 75 cents

This is a hand-book of easy reference, setting forth the merits, object, and uses of the co-operative system of saving money. It is for the use and information of the general reader; it shows the advantages to be derived by the individual as borrower or non-borrower. It explains fully how rent may be turned to the purchase of a home, and enters into all the details of membership, so as fully to inform and convince a careful reader of the advantages and truth of the system when properly organized.

◈

ALSO

HOW TO MANAGE BUILDING ASSOCIATIONS:

A Director's Guide and Secretary's Assistant, with Forms for Keeping the Books and Accounts, together with Rules, Examples and Explanations illustrating the various Plans of Working.—By the Same Author.

Third edition revised—211 pp. Price $2.00

The title of this book fully sets forth its object and uses. There is not a form, rule, example, or illustration that is required to properly manage the business and adjust the accounts of a Building Association that is absent from its pages.

Many thousand volumes of these books have been sold throughout the United States since the first editions were printed. They are standard works on the subject they treat of.

These books will be sent, post-paid, on receipt of the price, (P. O. Order or Check) to the address of the author.

E. WRIGLEY

30 N. Seventh St., Philadelphia, Pa.

J. Brown, Addison B. Burke, James Clarency, Charles F. Kolb, and other pioneer leaders were interested in building and loan periodicals as early as 1870.

Of these one of the most widely known was Michael Brown's *Building Association and Home Journal.* This magazine, published in Philadelphia, was founded in 1869. A description of the scope and nature of its contents must be drawn from the only copy available, that of July-August, 1888 (Volume XIX). This number contains an article on the practical view of building associations, by which is meant its value to the working man; a quotation from a Chicago paper on the necessity of state supervision of building associations; an article by Addison B. Burke about Michael J. Brown;[6] an article entitled, "A Beneficent Social Force," by which is meant, of course, the building associations, but which is interesting for the fairness and broadness of its point of view, as the writer does not claim for building associations the sole credit for making Philadelphia a city of homes, for among other reasons he cites the prosperity of the city's manufacturers, and the good relations between employer and employed; finally, a department containing news of building and loan developments in various parts of the country, together with some annual reports. Probably this magazine was the medium which carried the name of Michael J. Brown to many communities and caused him to be regarded as the god-father of many a distant building and loan association. The magazine was still being published in 1891 for it is referred to in the literature of that day as one of the leaders in the field.[7]

In Cincinnati the Germans took a prominent part in the development of the early associations and printed a number of publications.

Periodical Literature

An interesting single article, which appeared about this time, was entitled, "A Hundred Thousand Homes: How They Are Paid For," published in the February, 1876, issue of *Scribner's Magazine.* The author, who is unknown, had drawn heavily upon Wrigley and Brown. The major portion of the article is description (1) of an actual building and loan meeting; (2) of how to organize an association; and (3) of how shares

[6] See Pennsylvania history, in Part II below.
[7] 2 *Cooperative News*, 2 (February15, 1891).

work out. A portion of the article and a few of the advertisements which it cites are quoted here.[8]

> "The Philadelphia dwelling-house has for some months been before the committee of the whole people, as a subject worthy of general consideration—worthy the best of the nation's thought, both as a house, a home, and a most interesting problem in practical finance. As a house it is not lovely; as a home it is charming and sensible—a hearthstone where the homely virtues flourish and grow strong. The paying for it, the winning it, is the most interesting part of the whole story. Its doleful architecture need not and will not be imitated. Its interior arrangements are being copied in every state. The peculiar method whereby the bills were paid has commanded the attention of thinking men throughout the country. It is in these two aspects that it will be here considered. Its dismal exterior may be quite omitted. First, we may consider the house itself, with some suggestions as to its adornment. Next, we may examine the far more important matter of paying for it.
>
> "FOURTH OF JULY! INDEPENDENCE DAY!!
>
> "Young man and Woman, stop and reflect! The money you fritter away uselessly will make you independent. Today sign the magna charter of your independence, and, like our forefathers, in about eight years you will, in a great degree, be independent by saving only thirty-three cents each day. In that time you will realize $2,000, or have a home and be independent of the landlord. Let this, indeed, be your day of independence, by subscribing for shares in the new series, now issued, in the State Mutual Saving Fund, Loan and Building Association. One dollar per share each month. For shares or information, come to the meeting on Wednesday Evening, July 7, at 7½ O'clock at the Pennsylvania Hall, Eighth Street, below Green. The auditor's and directors' reports will be distributed.
>
> ☞ "$4,000 . . . . YOUR MORTGAGE IS DUE AND
>
> "Payment forthwith Demanded. What misery this notice often causes you and family. Begin now to cancel it by easy monthly payments, by borrowing the money from the ARTISAN'S BUILDING AND LOAN ASSOCIATION. Come to the Meeting on MONDAY EVENING, Sept. 6th, at 7½ o'clock, at the Pennsylvania Hall, Eighth Street, below Green. $4,000 loaned at 8½ o'clock, on first or second mortgage or over ground rent. Borrowers supplied with shares at par.[8]

[8] This article is quoted in Eldredge, *Massachusetts Corporative Banks* (see p. 249 below), and described as "exceedingly well timed and remarkably well written." Additional advertisements give interesting sidelights.

> ☞ "$3,000 . . . . . THE TIME TO BUY YOUR HOME
>
> pay off a first or second mortgage while premiums are low and money plenty. The Republic Building and Loan Association will meet on MONDAY EVENING, August 9, at Jones' Hall, Eighth street, above Green. Persons wishing loans on first or second mortgage are invited to

(*Footnote No. 4 continued on page 244*)

"Viewed as mere advertisements, they certainly display a refreshing originality. Here is wealth shouting itself hoarse in the effort to get itself loaned. When it is known that six hundred banking concerns in Philadelphia crowd the papers with their monthly announcements, it is easy to see that an effort must be made to win attention. Money in abundance, cheap and free to all able and willing to give decently good security for it! It is with this money the Philadelphia young man builds his bride a house. With the funds of these associations, poured out at the rate of half a million of dollars a month, Philadelphia has made herself what she is. This is her building capital, with a total yearly value of from seven to ten million dollars. This is the seed from which sprang up her hundred thousand roof-trees.

"These associations are called building and loan associations. The name is misleading in one respect. They are not building associations in any sense. They are banks without vaults, moneyed concerns without expensive buildings or highly paid officers, and no stockholders, aside from depositors, stand ever ready to devour the lion's share of the profits. There is no great fund of money to tempt the thieving president or his brothers, the burglars. A two hundred dollar safe will hold the companies' assets and books, and a slender bank account represents the available capital."

The National Building and Loan Herald, Minneapolis and New York, edited by William Bickley, now a resident of Long Beach, California, was issued from 1889 to 1901. This was the official organ of the so-called "nationals," and described itself as an "independent monthly journal devoted to the interests of national associations."

Numerous other publications in the field were put out in

(*Footnote No. 4 continued from page 243*)

attend and bid for the money. Shares will be supplied in the Second Series. Premiums moderate. No bonus or commissions charged.

☞ "MONEY TO LOAN—THE LUMBERMEN'S BUILDING

and Loan Association will meet this (Monday) evening, Sept. 13, at 7½ o'clock, at the Pennsylvania Hall, Eighth Street below Green. Money loaned on first or second mortgages or over ground rents. All who want money, come and see what easy terms you can get it on. Shares furnished at par to non stockholders who wish to borrow after successfully bidding for the money.

☞ "$3,000 . . . . . ON THE DOWNHILL SIDE OF

life. How pleasant to feel secure in the ownership of a home, clear of all incumbrance. Come to the meeting of the State Mutual Building Association, THIS (WEDNESDAY) EVENING, Sept. 1, at 8 o'clock, at the Pennsylvania Hall, Eighth Street below Green, and borrow the money to buy your own home, pay off your first or second mortgage. Shares furnished to borrowers after successfully bidding for the money."

various parts of the country.[9] Some were of fairly high quality and long life, while others were fly-by-night affairs and of relatively little value. Space does not permit individual mention of them here, even if information on them all were available.

The Co-operative News, which appeared in January, 1890, as a semi-monthly magazine, was merged in 1899 with the *American Building Association News*, which had been founded in 1880. The *News* was edited by Henry S. Rosenthal of Cincinnati, and is the only building and loan publication with a continuous record of circulation since 1880.

From the very beginning, the *News* was the means whereby the men most active and progressive in the movement could reach the membership of the League. Such leaders as Mark D. Rider, an early president of the League, and Charles Eugene Clark began to advocate systematic campaign for enlightenment of the public. The interest and enthusiasm of the leaders resulted in a high quality of literature made available to building and loan readers.

The *American Building Association News* devoted most of its energy in the early days to promoting organization of local, state, interstate, national and international leagues. An extract from the issue of January, 1890, entitled "Leagues", reads as follows:

"In Ohio we have a state league which has annual meetings. We think it a practical idea if the state could be divided into different sections, say four or six, and these make arrangements to have quarterly meetings at such time and place best suited for holding them. These minor leagues could come together, discuss the various methods and exchange opinions on affairs relating to the welfare of associations for their respective sections.

"We are happy to state a 'National Convention of Building Associations' in the United States is meeting with popular favor, and it now only remains with the various state leagues to push this important matter."

Similar ideas were expressed in subsequent issues.

"It is of the utmost importance that the various associations who are now discussing the advisability of joining the League, should no longer delay this step, but join the fold at once, as matters of vast interest are likely to come up for consideration and action, upon which their voices should be heard as deciding factors. These associations should remember that their fundamental principle of cooperation will work the same prac-

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[9] An example is the *American Building and Loan Journal*, of which a few copies have come to hand. It was published in Memphis; the first issue is dated December 15, 1889.

tical results and blessing, when applied to them as in the case of individuals. IN UNITY IS STRENGTH AND IN NUMBERS LIES SAFETY.

"Leagues should be organized in all the States and Territories, and these in turn should select 'Delegates at Large' for a 'National Convention of Building Associations in the United States,' at such time and such place, as may be agreed upon by those concerned.

"We urgently suggest, that such an organization may be perfected at an early day, and that the brotherhood will prepare for a grand, 'Building Association Congress of the World,' to be held during the year 1892, at the place selected for the 'World's Fair.'

"This matter appears to us of such vital importance and so much in the line of the interests of the associations, that we have concluded to throw the columns of the 'News' open to the opinions and suggestions of members upon this subject."[10]

As the associations grew in assets, they became a target for increasing revenues. The *News* fought, and is still fighting, against legislation of any kind, inimical to building and loan interests.

In every issue of the *News* in the early days was material for the education of building and loan executives in the conduct of their associations. At the present time, supervision of construction, so persistently advocated in the *News*, bids fair to constitute the entering wedge of a complete "home" service, including planning, supervision, and financing.

In 1890, the *News* printed the following under the heading "What the Census Bureau Should Do":

"The importance of building associations, as the principal factor in the attainment of human happiness, as demonstrated through practical results within the knowledge of everybody, is being acknowledged by our leading statesmen and profoundest thinkers; we have every reason to believe that at an early day during the present session of Congress, a bill will be introduced instructing the Commissioner of Census in the United States to collect statistics in reference to these institutions throughout the country. These reports will prove a great surprise to many people who are now withholding their approval of these co-operative institutions through want of information on the subject. The steady growth and healthy condition of these institutions prove conclusively that they are built upon a permanent foundation, that they have come to stay, and that their blessing will pave the way for cooperation in other directions. The more information the public will receive in regard to the subject, the more numerous will become the friends of the system. The 'News' will zealously labor through its columns to bring to the knowledge of our national legislators the wants of our people in this regard, and, when

[10] From the issue of January 2, 1890.

the goal is reached, to disseminate the fruitful statistical seed, gathered through the Census Bureau.

"Various leagues have had this matter under consideration, and have passed resolutions advocating such congressional action, as we have indicated."

An Early Statistical Report

The first scientific report made public was prepared by Professor F. B. Sanborn, for the Saratoga, New York, Convention of the American Social Science Association, September 7, 1888. This report attempted to correct the previously published figures appearing in magazines and newspapers. The article is particularly valuable for its tracing of the spread of the movement out from Philadelphia and the variations in the methods used in different parts of the country. The author also reviews the current literature on the subject of building and loan. His concluding paragraph is worthy of quotation.

"It is doubtful if any system for savings has ever been devised which has such a tendency to produce frugality among persons of small income as the building association methods. There is nothing to repel and everything to attract such persons, who are paying rent or board, and wish to avoid doing so. Borrowing, which in the ordinary form is apt to discourage or demoralize the poor man, is here an incentive to industry and economy; for he must earn and save money to keep up his investment, from which he is taught to expect greater profits than are usually returned to him in cash. But the return he gets in relief from renting is itself a profit, which also appears to his imagination greater than it commonly is. The excitement of betting, the pleasure of house-building, the companionship and competition which he finds in belonging to such a society,—all lure him forward in the way of economy. There are drawbacks and there are dangers in these petty financial ventures which in the aggregate are so vast, but these are no more than attend the usual investments of money. We must, therefore, expect such associations to increase in number and to absorb more and more the earnings of the people; just as life insurance absorbs more and more of the surplus income of classes, a little more prosperous than those who make up the great body of shareholders in the associations we have been enumerating."

Writings of the Middle Period

In August, 1888, Henry S. Rosenthal published his *Manual for Building and Loan Associations* at Cincinnati. In discussing the necessity for greater uniformity in methods of associations and the advantages of organization, the author prophesied:

"As time goes on and the building association idea continues to develop, city, country and state leagues, in some form, are sure to come into

existence. These will doubtless culminate in the organization of a national league sooner or later. Through a system of cooperation among associations thus brought about, correct statistical and other information will be collected and disseminated, methods of organizing and managing will be perfected and simplified, greater economy and security will be secured, legislation will be improved and made more uniform, and the interests of associations and their members greatly enhanced. The advantages and necessities of such a method of co-operation are so evident and the cost would be so slight that it would seem to be only a matter of a short time until it will be established.

" . . . The benefits of such organizations are so apparent and their popularity is so well established that it is evident that they are but beginning to occupy their fields of usefulness. In view of the steady and rapidly increasing development of the country it seems entirely safe to predict that building associations will increase in their number and importance to stupendous proportion in the near future. The growth of monopolies and the tendency of money to centralization, the organization of syndicates and 'trusts' which create false values for real estate and many of the necessaries and luxuries of life, will inevitably, more and more, draw the masses of population into co-operative organizations for purposes of self-defense and financial security, and advancement."

During the first year this book was widely distributed, 3,000 copies of the first edition being sold. The *Manual* has been revised from time to time through a total of five editions, the later editions being known as the *Cyclopedia of Building-Loan and Savings Associations.*

Judge Dexter's Writings

In 1889 Judge Seymour Dexter, of Elmira, New York, published his *Cooperative Savings and Loan Associations*[11] (Appleton, 1889). Judge Dexter was a banker who saw the incorrect exploitation of the associations which had become his hobby, and he became one of the crusaders for correct education of the personnel. Judge Dexter's association in Elmira, Chemung Valley Mutual Loan Association, was then in its 14th year of successful operation.

This book and the other writings of Judge Dexter disclose him as one of the foremost thinkers of the formative period of building and loan. He was a prophet whose warnings met the usual fate of other prophesies. Had his warnings been heeded, however, the fiasco of the "nationals" of 1896 could have been avoided.

In this book Judge Dexter expressed the hope for a govern-

[11] See Chapter XII, Part I above.

ment census of building and loan (p. 69) and in the same year Mr. Rosenthal, in connection with a published report, began an agitation for a census. These suggestions aroused the interest of Carroll D. Wright, United States Commissioner of Labor, and resulted in the only complete census of building and loan which has ever been made. It was published in 1894 by the Federal Government, and remains the best source book for early data of the movement. The book contains over 375 pages of statistical tables containing data from associations all over the country; chapters on premium plans, plans for distribution of profits, withdrawal plans; and finally, a chapter containing all the building and loan legislation then current in the several states.

Eldredge on Massachusetts Cooperative Banks

Another important book which appeared about this time was *Massachusetts Cooperative Banks or Building Associations: A History of Their Growth from 1877 to 1893*, prepared for the World's Columbian Exposition by D. Eldredge of Boston and published by the press of George H. Ellis in 1893 at Boston.[12]



D. Eldredge

The book was quite modern in form, and differed from other private publications in form and scope. It contained considerable statistical material and much of it was graphically presented. For example, there is a map showing the locations of co-operative banks and bar charts showing the growth of assets. Its contents includes an account of the passage of the law of 1877,[13] authorizing co-operative banks in Massachusetts, an explanation of the method of operation, a description of the spread of the movement throughout the State, and a statement on the legal changes subsequent to the initial act of 1877.

Legal Works

In 1882, Judge G. A. Endlich's work on *Building Associa-*

[12] The book contains 44 pages, of which 27 are text and the balance devoted to statistics.

[13] This law was hailed by the *Boston Herald* in January, 1887 as an "emancipation from landlords."

tions appeared.[14] The sub-title of this book describes its contents more fully: "a treatise upon the principles of law applicable to mutual and cooperative building, homestead, saving, accumulating, loan and fund associations, benefit building societies, etc. in the United States." His scholarly comments upon methods of operation, as well as upon the legal questions involved, made his work a text book for all well-informed secretaries.

In the present century a number of worthwhile additions have been made to the literature of building and loan. In 1913 Joseph H. Sundheim published his *Law of Building Associations in Pennsylvania*, which was revised in 1922 and appeared under the title, *Law of Building and Loan Associations*. This second edition included the decisions of courts in other states besides those of Pennsylvania. Classes in finance at the University of Pennsylvania used this volume as a source book for their study of building and loan procedure.

Recent Literature

In 1924 appeared a monograph by H. Morton Bodfish, *Money Lending Practices of Building and Loan Associations in Ohio*. This was a study of a general and statistical nature which included data on costs and duration of loans and the effect of first commissions and varying interest rates.

The first book designed primarily as a text for college and university use was that by Horace F. Clark and Frank A. Chase, entitled *Elements of Modern Building and Loan Associations*, published by the Macmillan Company in 1925 and reprinted in 1930. This book was the first important product of the American Savings, Building and Loan Institute and it has enjoyed a wide circulation.[15] A second book by Dr. Clark, *Appraising the Home*, was published in 1930 by Prentice Hall, Inc. It was concerned solely with residential appraising and was written particularly for the building and loan appraiser.

Two years later came another volume in the textbook field, this one by Robert Riegel and J. Russell Doubman, under the title *The Building-And-Loan Association*. This book was designed as a complete treatise for the use of secretaries, state officials, accountants, students of business administration, and "especially prospective purchasers of homes." The scope of the book, however, is not quite so inclusive as its title would indicate, for the writers draw largely upon Philadelphia information.

[14] A second edition (pp. 684) was published in 1895, also at Jersey City by Frederick D. Linn & Company.

[15] In this connection should be mentioned various interest tables which were published at the instigation of the Institute: *Robinsonian Building-and-Loan Interest Tables; Hillhouse Interest Tables; Bailey's Yield Tables;* and Dade and Gagliardo's *Installment Lending and Savings Tables.*

A 1930 publication was *The Law and Its Application to Savings and Loan Associations*, by George A. Plant. This book is a compilation and digest of the various statutes concerning savings and loan associations, with particular reference to the New York situation and procedure.

The most recent additions to building and loan literature are New Jersey products and cover the New Jersey situation. One by Howard S. Pequot is entitled, *Building and Loan Associations in New Jersey* and the second is *Building and Loan Procedure in New Jersey*, by P. Albion Prescott. The former is an exhaustive array of figures and facts presenting in statistical detail the New Jersey picture. The second is described as a handbook for those who wish to learn in a practical way about the operation of building and loan associations.

Publications of Building and Loan Organizations

To complete the record of building and loan literature it is necessary to mention the material which is published annually by the United States League, the various state leagues, and the state supervisory departments. Each of these organizations prints annually a report of its affairs and these separate reports contain a wealth of material which sheds light on the current problems under consideration at various periods in the history of building and loan development and also valuable figures on the quantitative growth and spread of the movement. The several state leagues, for the most part, print proceedings of their annual conventions and these, together with the reports of the state supervisors which are particularly valuable for their statistical and legal information, help to supply the details of the current picture which is painted in broader outlines in the publications of the United States League. Since the formation of the United States League in 1893 the *Proceedings* of the annual convention have been published in printed form. In 1930, however, a broader purpose was conceived and in place of the annual *Proceedings* there was published the *1930 Building and*

Loan Annals which contains not only the national convention materials, but also the best material taken from the various state proceedings and other sources. The purpose of the *Annals* is to bring together under one cover the best current thought in building and loan affairs and make it easily available to those in the business.

Mention should also be made of the monthly magazine, *Journal of Savings and Loans* which is the organ of the American Savings, Building and Loan Institute, affiliated with the United States League.

The bibliography appended to this volume and compiled by the Library of Congress contains references to many other sources which cannot be treated in detail here, but which should prove of value to anyone doing research in the building and loan field.

« « BIOGRAPHICAL SKETCH » »



HENRY S. ROSENTHAL, editor of *The Co-operative News* which has since become the *American Building Association News*. Author of *Cyclopedia of Building, Loan and Savings Associations*. Active in the affairs of the United States League since its organization in 1893.

Mr. Rosenthal was born August 29, 1864, in Cincinnati, Ohio, son of Samuel and Fannie Rosenthal. He married Belle Frubauf, and they have two children.

CHAPTER XVI

EDUCATIONAL DEVELOPMENT

PART I. Organization of the American Savings, Building and Loan Institute

By FRANK A. CHASE

THE general idea back of the formation of the American Savings, Building and Loan Institute was to provide the means whereby the building and loan movement would have the benefit of educational effort similar to that enjoyed by bankers through the American Institute of Banking. The need for such educational effort had been observed for many years by various active workers in the building and loan movement, including Henry S. Rosenthal of Cincinnati and Mark Rider of Chicago. As early as 1917 James R. Moorehead, a building and loan secretary of Lexington, Missouri, and secretary of the Southwestern Lumbermen's Association, appeared before the United States League urging that definite action be taken toward establishing a distinct educational movement.



James Moorehead

Later he appealed to the American Lumber Congress with the request that such action be taken under its auspices and with its support. Failing to secure action by either of these national bodies he next appealed to the directors of the Southwestern Lumbermen's Association, and in January, 1921, secured their consent to a plan whereby the services of Frank A. Chase were made available to the members of that Association.

On page 248 of *American Building Association News* for June, 1921, is a communication dated April 23, 1921, written by R. Holtby Myers on "Education and Publicity" and addressed to H. F. Cellarius. The following paragraph is suggestive of early efforts to establish an educational department:

> "May I suggest that the executive officers of a building and loan association might be educated to advantage in the following subjects:
> a. Mathematics and accountancy

b. Commercial and mechanics' liens, construction, building and loan law
c. Community economics; city planning
d. Architecture, building, construction costs
e. Principles of economics
f. Salesmanship and advertising

"The building and loan idea has not yet been sold to the people as a whole. There are hundreds, if not thousands of towns which should have them . . . Millions of money is being diverted from home building investments to the disadvantage of the nation."

Attention was also drawn to articles in the *Atlantic Monthly* for March, 1921, page 412, and the *Saturday Evening Post* editorial of February 12, 1921.

Appearing before the 1921 Convention of the United States League, Mr. Chase said:

"It is earnestly to be hoped that the United States League will not fail to take the lead in providing an educational and promotion department through which capable workers and suitable literature may be available upon request from any community."[1]

J. Warren Smith's Contribution

At the 1922 convention of the United States League in Portland, Maine, J. Warren Smith, secretary of the Redlands (California) Building-Loan Association delivered a remarkable address on the need for an educational department of the League. Upon reading this address today, one is impressed with the reasonableness of the suggestions made by Mr. Smith.

At the same convention, there was an address by Walter F. McDowell on "The Social Value of the Savings and Loan Association,"[2] in which the speaker pointed to the "splendidly constructive work" of J. R. Moorehead and Frank A. Chase and endorsed a "definite program . . . as . . . may be promulgated in the convention by our old friend Moorehead and his associates." Mr. Chase, himself, spoke in part as follows:

"In the course of my work I have had occasion to address classes in economics and other classes in various colleges and universities throughout the country. They lack text-books. They have no professors to teach this subject. There is no place in the United States where you can go to learn building and loan—the basic industry of our country, if you please, the only way that 90% of the people can get a home."[3]

Likewise, at the same convention, K. V. Haymaker, in a

[1] 1921 *Proceedings of the United States League*, p. 77.
[2] 1922 *Proceedings of the United States League*, p. 86.
[3] *Ibid.*, p. 103.

most prophetic address on "The Future of the United States League,"[4] called attention to the desire of the American Lumber Congress and National Association of Real Estate Boards to co-operate with the United States League in the proposed campaign of publicity and education.

These references to an educational program led to the unanimous adoption, on motion of C. Clinton James, of the following resolutions:

First:[5]

"Whereas, The United States League of Local Building and Loan Associations has learned with great interest of the resolutions adopted by the National Association of Real Estate Boards and the American Lumber Congress in which both of these National organizations endorsed and approved the building and loan plan of teaching thrift and building homes and appointed committees to cooperate with the United States League of Local Building and Loan Associations in its work; therefore, be it

"Resolved, that we welcome the cooperation of these great organizations and of all other interests that are endeavoring to promote thrift and home ownership."

Second:[6]

"Whereas, We have heard with gratification and approval of the extension and promotion work of the Southwestern Lumbermen's Association, carried on through its building and loan department under the management of Mr. Frank A. Chase, and the endorsement of building and loan associations by the National Association of Real Estate Boards; and "Whereas, The United States League of Building and Loan Associations, in Convention assembled, recognizes the importance and desires to help, aid and assist in promoting a like effort throughout the United States; therefore be it

"Resolved, that the incoming president of the League be authorized and instructed to appoint a committee of three to cooperate and work with like committees, already authorized by the American Lumber Congress and the National Association of Real Estate Boards, to the end that thrift and savings may increase and home building be promoted throughout the land; and be it further

"Resolved, that the same be referred to the Executive Committee for such action as they may deem proper."

If Mr. Smith had lived three years longer, he would have seen his suggestions put to practical use in a chapter of the Institute bearing his own name, and formed in Los Angeles in 1925—now one of the largest chapters in the United States.

[4] *Ibid.*, p. 107.
[5] *Ibid.*, p. 221.
[6] *Ibid.*, p. 221.

During the 18 months preceding this helpful action of the United States League through the cooperation of the various state leagues with Mr. Moorehead and Mr. Chase, scores of new building and loan associations were organized in communities where a distinct need therefor was evident to state leagues and to state supervisors. In possibly a hundred other communities substantial assistance was given to the improvement of their operating methods, and community campaigns were conducted to create additional interest in their local associations.

It early became evident that such work was of sufficient importance to justify enlarged efforts in the matter of educational and advisory service throughout the country, and support for such an undertaking was pledged by various lumber organizations, including the National Lumber Manufacturers Association, the Southern Pine Association, the Northeastern Lumber Dealers Association, the American Wholesale Lumber Dealers Association, and the Southwestern Lumbermen's Association. During this time the United States League, at its Portland, Maine, Convention, at our request, arranged for the appointment of a committee of three to cooperate with like committees from the National Association of Real Estate Boards and the American Lumber Congress in furthering the general idea of building and loan education and promotion.

Founding of the Institute

Tangible opportunity for the successful establishment of the Institute was presented by the Chamber of Commerce of Kansas City, Missouri, which inaugurated a program to develop and consolidate all local agencies which were concerned in adult educational extension work, and through Mr. Allardyce, Chairman of the Educational Committee of the Chamber of Commerce, Mr. Chase was able to arrange for the inclusion of a course in the study of building and loan in their *Year Book for the Season 1922-1923*. A meeting was accordingly called, attended by representatives of the Missouri State League and Kansas City League, together with Mr. Moorehead and Mr. Chase. At that time a rather complete plan of organization and operation was outlined and approved, articles of incorporation prepared, tentative by-laws adopted, and the first local chapter formed.

The American Savings, Building and Loan Institute was

incorporated September 14, 1922, and the incorporators were as follows: J. R. Moorehead, Walter F. Page, Axel Hawkinson, Arthur Fels, C. L. Flaugh, F. C. Sharon, A. F. Ellfeldt, Wm. E. Lyons, C. R. Benton, Geo. L. Peake, John H. Ahrens, Fletcher Cowherd and Franklin P. Stevens.

The form of the corporation was that of an educational, non-profit institution operating under the laws of the State of Missouri; and in accordance with the idea of securing concerted action on the part of the building and loan movement, the National Real Estate Board, and the lumber organizations, provision was made at that time for a board of nine trustees, including three from each of the above organizations. Subsequently a meeting of the committees of the three organizations met in Kansas City and approved, with minor recommendations, the entire plan of organization and management.

The death of Mr. Moorehead occurred within a few weeks after the preliminary meeting first referred to, and in spontaneous appreciation the local chapter immediately voted to change its name from Kansas City Chapter No. 1, to James R. Moorehead Chapter No. 1.

Weekly class sessions of the local chapter were conducted during the season 1922-23, using as lesson material special lectures prepared for the purpose by Mr. Chase in accordance with an outline quite similar to that in use in the Institute today.

At the request of James M. McKay, Mr. Chase went to Youngstown, Ohio, and organized Youngstown Local Chapter No. 2 during this season, and they likewise used the same lesson material as Kansas City Chapter No. 1, together with that prepared by local building and loan leaders.

A Building and Loan Textbook

It became evident that if the educational work was ever to expand in a national way it would be absolutely necessary to provide a comprehensive textbook suitable for the purpose and at the 1923 Convention of the United States Building and Loan League held at Tacoma, Washington, the following resolution was adopted by the Convention:

> "Resolved that a committee of three be appointed by the President to consider ways and means for the acquisition by the United States League

of such a textbook as it may feel is worthy of recommendation to the educational institutions of this country."[7]

After several conferences with Dr. Richard T. Ely, founder of the Institute for Research in Land Economics and Public Utilities, then located at the University of Wisconsin, arrangements were made whereby this book might be in a series of textbooks then in preparation for the National Association of Real Estate Boards. He also offered to provide the facilities of his staff to assist in the preparation of the text; and arrangements were accordingly made whereby Mr. Chase's local work was reduced to a minimum and he went to Madison with such material as he had accumulated during the preceding 20 years and began intensive work on the preparation of the text, Dr. Ely having assigned Professor Horace F. Clark of his staff to collaborate with Mr. Chase in the project. Mr. Clark entered whole-heartedly into the work, became intensely interested in the subject, and later used the material jointly accumulated in the preparation of a thesis as a preliminary requirement to securing the degree of Doctor of Philosophy. The book appeared under the title, *Elements of the Modern Building and Loan Associations.*

The 1923 Convention, adopted the following resolution:

"Resolved, that each state League in a state which maintains a State University be, and is hereby requested to make every effort to cause such University to arrange a course of study covering Building and Loan methods and theories in its department of Business Administration, such course to be under the direction of a competent instructor."[8]

In discussing the Institute the following remark was made by Mr. Chase at the 1923 convention:

"The American Savings, Building and Loan Institute right now is a going concern which has rendered substantial service to five hundred associations in the United States during the past six months."[9]

Organization of Institute Chapters

Immediately after the work on the textbook was finished, Mr. Chase proceeded, as educational director, to organize a considerable number of local chapters in various building and loan centers throughout the country, especially in the West, and arranged for conduct of systematic courses of study under local

[7] 1923 *Proceedings of the United States League*, p. 209.
[8] *Ibid.*, p. 209.
[9] *Ibid.*, p. 211.

leaders, usually representatives of the local universities and specialists in corporation finance or economics. This field work made it necessary to take on an educational assistant. Dr. Clark accepted this position and rendered invaluable service. His subsequent contributions to the literature of building and loan are a lasting monument to his zeal and fidelity.

The Institute failed to receive general support from building and loan sources during its early years, and it was necessary to supplement the contributions of the lumber organizations and of the minority of appreciative building and loan associations by special work for associations in need of counsel. This necessary expedient was greatly appreciated and handsomely rewarded by the associations so aided, but the primary educational work of the Institute was necessarily retarded to the extent that the time and thought of Messrs. Clark and Chase were diverted into other channels.

Before the meeting of the executive committee of the Institute, July 21, 1924, Dr. Horace F. Clark, in his speech, "The Part of Research in Cooperative Building and Loan Education," said,

"The only way to find out the truth is to look it up. We must discover the underlying laws in building and loan association work. All that we mean by research is a painstaking investigation of the real facts, the assembling of these facts, and the drawing of reasonable conclusions from them."[10]

Mr. R. Holtby Myers of Los Angeles, California, was the first subscriber to the correspondence course issued by the American Savings, Building and Loan Institute, and R. J. Kirkwood of Portland, Oregon, was the second subscriber.[11]

In his speech on "Building and Loan Education" before the 32nd annual convention of the United States League, Mr. Franklin P. Stevens said:

"One building and loan secretary, who on two occasions has addressed the annual convention of this league, persisted in his determination that something be done to provide the building and loan movement with educational facilities. It is to this man, James R. Moorehead, that credit is due for the establishment of our present Building and Loan Institute. He refused to be daunted by the lack of funds to carry on the work. He appealed to the United States League, to the National Association of Real Estate Boards, and to the American Lumber Congress to appoint members to a joint committee which should cooperate in determining the course of the Institute. Unfortunately, he was called by death before

[10] 1924 *Proceedings of the United States League*, p. 248.
[11] *Ibid.*, p. 256.

the committee could be assembled, but not until a charter had been secured through the cooperation of the Kansas City Building and Loan League and the President of the Missouri League. The foundation was thus laid for the work of the Joint Committee.

"Upon the death of Mr. Moorehead, in October, 1922, Mr. W. S. Dickason, of Kansas City, Missouri, was made Chairman of the Board of Trustees to succeed him. Shortly thereafter Mr. Dickason arranged a meeting of the Joint Committee at Kansas City, which formulated a set of by-laws for the Institute. These were later adopted. The expenses incident to incorporation and the Joint Committee meeting were paid from a contribution of $500 which Mr. Moorehead had solicited from the Southern Pine Association. . . .

"In the absence of financial support from the National Association of Real Estate Boards, or the United States League, Mr. Dickason successfully appealed to the lumbermen for sufficient funds to carry on the work. It is a matter of gratification to be able to record the fact that these contributors . . . have never sought in the slightest particular to dictate either the policies of the Institute or the methods by which the funds are expended.

"It is proper to inquire what the Institute has accomplished in the eighteen months of its operation. To review the entire record would include too much detail at this time, but it is to be seriously doubted whether the record has been equaled by many similar organizations whose financial support has been so limited. The work may be roughly classified in two distinct periods of nine months each. The first of these was devoted to active field work and organization. The latter has been mainly devoted to the one thing of producing a textbook. This textbook is designed to meet the need which this league recognized at the meeting at Tacoma last year, when it provided for the appointment of a textbook committee.

"During the earlier nine months' period much progress was made in assembling material for use in writing the textbook and in rendering advisory service to hundreds of associations which asked the Institute to aid in solving their particular problems. To raise part of the funds that were needed in producing the textbook, and also to demonstrate the effectiveness of efficiently organized local effort, community campaigns were conducted in many parts of the country. The communities served paid for the services of the educational director in these campaigns on a per diem basis and the money received was applied to textbook work.

"A survey of building and loan conditions in the Southern states was conducted, and a knowledge of the purposes of the Institute was extended as far as possible. During this period the Educational Director covered nearly the entire country and traveled about 25,000 miles. . . .

"Favorable opinion of Institute service is not limited to our own country. Letters of serious inquiry have been received from Mexico, Canada, Japan and Porto Rico, and extensive correspondence has been conducted with these inquirers. The United States Department of Commerce has been kind enough to refer many such inquirers to the Institute. . . .

"The success of the Institute within the brief period of eighteen months may be attributed to a few outstanding facts. These include a growing

recognition of the need of self-improvement by association workers and the need of knowing how to reach the public more effectively. Modern men can join the philosopher Locke in this thought: "It is on education that depend the great differences observable among men." The association secretary is taking advantage of the services we have offered. . . .

"The constitution and by-laws of the Institute were so framed as to insure perpetuation of this principle."[12]

Following the speech of Mr. Stevens, R. Holtby Myers made the following motion which carried unanimously:

"At this time I wish to introduce a resolution which is prompted by the reading of this paper. It appears that the first graduating class from the Institute comes from Youngstown, Ohio, and that it contains a past president of this organization. I believe that the names of these men and women should be enrolled in the proceedings of this convention as a matter of history, and I move you to that effect, Mr. Chairman."[13]

In September, 1926, Mr. Chase resigned as educational director in order to render a much-needed service at Miami, Florida. Dr. Clark became educational director of the institute, serving most efficiently until March, 1930, when he resigned to engage in business at Dallas, Texas.

During the closing months of Dr. Clark's service with the Institute, through the work of special committees representing the United States League and the Institute, rapid progress was made toward the amalgamation of those bodies which became an actuality in the summer of 1930.

[12] *Ibid.*, p. 99.

[13] *Ibid.*, pp. 107-8. The first graduating class of Youngstown Chapter, American

(*Footnote No. 13 continued on page 262*)

« « BIOGRAPHICAL SKETCH » »



FRANK A. CHASE, one of the organizers and first educational director of the American Savings, Building and Loan Institute. Co-author with Horace F. Clark of *Elements of Modern Building and Loan Associations*. Now engaged in liquidating the Dade County Security Company, Miami, Florida. He secured his early savings and loan training as a director of the Provident Building and Loan Association of Spokane, Washington, and later as secretary of the Spokane Savings and Loan Society. He was the fourth president of the Washington State League. He served at one time as state senator in Washington and assisted in the preparation of the building and loan laws of that state.

He was born March 24, 1866, at Sun Prairie, Wisconsin, son of Moses and Sarah Chase. He married Nora B. Woodruff.

PART II. The Institute at Work

By HORACE F. CLARK

Early Attempts at Education

THE fraternal and co-operative spirit of building and loan has never been more clearly shown than in the willingness of everyone connected with the business to pass on to others the correct methods of procedure, and thus to educate newcomers in the field.

Chapters of the Institute

By the fall of 1925, the first two experimental chapters were joined by many others for a systematic study of the Clark and Chase textbook. Tacoma, Washington, was Number 3, and others soon followed. By the end of that school year, 333 students had completed the course of study based upon the textbook, while a total of approximately 1,200 building and loan employees held membership in the various chapters. In addition to Kansas City, Youngstown, and Tacoma, chapters in Dallas, Fort Worth, and Houston, Texas, Oklahoma City and Shawnee, Oklahoma, Shreveport, Lafayette, and New Orleans, Louisiana; Miami, Florida; New York City; Milwaukee, Wisconsin; Toledo, Ohio; Detroit, Michigan; St. Louis, Missouri; Omaha, Nebraska; Topeka, Kansas; Denver, Colorado; Spokane, Washington; Salt Lake City, Utah; San Francisco and Los Angeles, California, were in operation.

The purpose of most of the chapter officers was to offer only the one course and disband. The national office at once set out to correct this situation and planned a complete program of related courses, which were later welded into a unit leading to a three-year diploma. These later courses included: fundamentals of building and loan, building and loan accounting, residential appraisal, real estate law, commercial law,

(Footnote No. 13 continued from page 261)

Savings, Building and Loan Institute included: William H. Atkin and James R. Izant, Trumbull Savings and Loan Association, Warren, Ohio; Mrs. Ada H. French, Security Savings and Loan Company, Salem, Ohio; Herman W. Pennock and A. G. Welsh, Federal Savings and Loan Company, Warren, Ohio; Charles F. Axtmann, Lloyd Blake, Tom J. Edwards, Jay W. Flick, Fred J. Gough, Mary Green, Oliver E. Jones, Thomas B. Jones, James M. McKay, Dorothy Niedermeier, William E. Pew, James M. Price, Lawrence K. Richards, Clara T. Richards, Isiah A. Rickert, W. Paul Robinson, W. R. Schwab, E. J. Thomas, Helen Ward, Dorothy Werden, Jane Woolley, J. R. Woolley, all of The Home Savings and Loan Company, Youngstown, Ohio.

banking and investment, general economics, business letter writing, and public speaking.

A substantial number of chapters were induced to reorganize each succeeding fall, and slowly the national organization consolidated its work on a permanent basis, 62 chapters having been organized and offering one or more courses in the years 1925-1931. Gradually the local chapters were built up as self-sustaining units, each officered locally by promising employees of the associations, principally by the younger men and women, and all working to the common end of more complete education of the secretaries and other employees. Instructors were obtained from the best sources available, frequently being drafted from the departments of economics of nearby universities and colleges.

Education by Traveling Representatives

From the organization of the Institute, Mr. Chase and later Dr. Clark travelled widely throughout the country, organizing chapters and addressing building and loan gatherings. An individual service was developed for the benefit of local associations desiring to reorganize or modernize their plans of operation; accounting systems were installed; and any other types of service desired by a member association were provided by the staff. At a time when no other organization was in a position to render such service, the members of the Institute staff handled federal income tax cases for the associations desiring it, saving hundreds of thousands of dollars in the days before the Cambridge decision put an end to such assessments.

Bulletin of the Institute

In April, 1926, publication of the *Bulletin of the American Savings, Building and Loan Institute* was started, with Dr. Clark as editor. The magazine was strictly educational in its scope, and discussed plans of operation, methods, and new ideas as reported by members or developed by the Institute staff, as well as supplying news of activity among the local chapters of the Institute. The *Bulletin* continued under the editorship of Dr. Clark until his resignation in March, 1930.

University Courses

In the fall of 1926, the Institute was instrumental in securing the introduction of building and loan courses in several

universities in cities where it was inadvisable to attempt to establish chapters of the Institute.

The University of Kansas, with Professors Dade and Gagliardo; the University of Cincinnati, with Professor V. H. Drufner and Mr. Paul P. O'Brian; Ohio State University, with Professor Hoagland and Mr. Virgil Willit; the University of Denver, with Dean George A. Warfield and Professor John H. Cover; and Southwestern Louisiana Institute at Lafayette, Louisiana, with Professor R. H. Bolyard, conducted courses in 1926-7. Several of these continued such courses in later years, and other courses were given at the University of Akron, Cleveland College, University of Pennsylvania, and elsewhere.

Graduate Work

A detailed study of operations in Ohio was undertaken by H. Morton Bodfish for his master's thesis at Ohio State University in 1926-7, at the suggestion of James A. Devine, secretary of the Ohio Building-Association League. The result was published in a monograph, *Money Lending Practices of Building and Loan Associations in Ohio*, in June, 1927. Mr. Bodfish also prepared an additional study, *Historical Balance Sheet Analysis of Ohio Building Associations*, published in mimeographed form, and a further study which has not yet been published. Leaving Ohio State University for Chicago in the fall of 1927, Mr. Bodfish joined the staffs of the Institute for Research, Northwestern University, the National Association of Real Estate Boards, and later was made executive manager of the United States Building and Loan League, taking office in June, 1930.

Graduate students at Princeton, Oberlin, Kansas, Denver, Minnesota and Texas Universities have made limited investigations in this field more recently, and some work has been done at Babson Institute. The work of Howard Pequot in New Jersey is the most complete of any which has been published to date.[14]

Textbooks and Interest Tables

The second textbook sponsored by the Institute was prepared by Dr. Clark and published in March, 1930, by Prentice-Hall, Inc., entitled *Appraising the Home*. This is the first book

[14] See Chapter XV, above.

ever published relating solely to residential appraisals, and was written particularly for the building and loan appraiser.

Building and loan instruction naturally includes a substantial amount of accounting, and the preparation of interest tables is no small part of the work.

The following interest tables have been prepared for building and loan executives: *Robinsonian Building-Loan Interest Tables*; *Hillhouse Interest Tables*; *Bailey's Yield Tables*; and the modern and complete Dade and Gagliardo, *Installment Lending and Savings Tables*. All of these are vital and valuable for the success of a building and loan official, and are a part of any practical course in the fundamentals.

Those Who Made the Educational Program Possible

So many men and women have contributed their time and money toward making the modern educational program in building and loan a success that it would be impossible to mention them all.

The success of the Institute's program has been attributable in no small measure to the unselfish service rendered by the trustees, all of whom have served without compensation of any sort, and several of whom have been continuously on the board since organization. Among the board members the following names have appeared: W. S. Dickason, J. M. Bernardin, R. P. Coombs, M. M. Riner, William R. Adair, George L. Bliss, A. F. Ellfeldt, Charles L. Flaugh, Axel Hawkinson, Philip Lieber, William E. Lyons, George E. McKinnis, Walter F. Page and Franklin P. Stevens. This list is not up to date.

Those who have held office in the Institute include: Franklin P. Stevens, president 1924-5; James M. McKay, president, 1925-7; R. Holtby Myers, president, 1927-8; George E. McKinnis, president, 1928-9; and George L. Bliss, president, 1929-1931. Among the vice presidents have been: E. C. Ryan, Ben H. Hazen, V. J. Dunton, and A. J. Lockwood.

These officers and trustees have been ably assisted by hundreds of building and loan men in each of the states where chapters of the Institute have been working. To list them all in this chapter would be to include practically all of the progressive young men and women of the movement, and many of the older ones.

The officers and trustees of the Institute and its chapters

served without pay, as a voluntary contribution to the cause of building and loan education.

The salaried staff was kept at a minimum at all times. Mrs. Catherine A. Bassett was secretary in charge of the office from June, 1925, until June, 1930, when the office of the Institute was moved from Kansas City to Chicago and consolidated with the office of the executive manager of the United States League at 59 East Van Buren Street.

Relations Between the Institute and the United States League

The established policy of the Institute was to follow closely the educational desires expressed by the officers and delegates to the United States League conventions. Starting with a purely voluntary method of support in 1922, based upon contributions, the finances were gradually changed to a membership dues basis. Both individuals and associations were entitled to hold membership.

In 1927 the United States League made its first appropriation toward the Institute budget, consisting of $250 per month. This appropriation was continued without change until 1930, when the two organizations were combined, direction of the Institute being placed in the hands of the executive manager of the United States League on June 1, 1930.

« « BIOGRAPHICAL SKETCH » »



HORACE F. CLARK, formerly educational director of the American Savings, Building and Loan Institute (1926 to March, 1930), having been advanced from the office of educational assistant upon the resignation of Mr. Chase in September, 1926. Co-author with Frank A. Chase of *Elements of Modern Building and Loan Associations*, and author of *Appraising the Home* and *The Extension of State Regulation to the Building and Loan Association*. At the time of his death in January, 1931, he was president of the United Guaranty Security Co., of Dallas, Texas. Dr. Clark was born at Wilmington, Delaware, in 1886. He received his Ph. D. degree from the University of Wisconsin.

PART III Recent Institute History[15]

By PHILIP LIEBER

Affiliation with the United States League

BEFORE entering upon a recital of the events which have occurred since the American Savings, Building and Loan Institute became affiliated with the United States League, as the educational department of that organization, it is appropriate to pause to pay tribute to Dr. Horace F. Clark who served the Institute as educational director from 1926 until June, 1930, and whose untimely death is mourned by all who were associated with him in the work of the Institute and who recognized his valuable services to the furtherance of building and loan education. I quote from the remarks which I made on a former occasion in tribute to Dr. Clark.

> "It is meet and proper that we pause for a brief period before entering upon the work for which we have gathered from the four corners of this great Nation to pay the tribute of our love and affection to the memory of him who, living, had a great share of our admiration, and who, giving up his life in the pursuit of service to the building and loan cause, indeed merits the wreath of appreciation and the palm of gratitude; for this is the first time since the organization of the American Savings, Building and Loan Institute that the student body meets without his kindly personality that always radiated friendship rather than professorship toward all with whom he came in contact.
>
> "Two of the principal corner posts of this Institute were fashioned by Horace F. Clark in the laboratory of his keen mind, and he builded them not with stone and mortar and wood and steel, but of something much more lasting.
>
> "I refer to his two books which are a distinct contribution to building and loan literature.
>
> "The history of the early life of Dr. Clark reveals that, although fitting himself for the profession of law, he was overwhelmingly attracted by the possibilities of service to his fellow men through education, and he definitely dedicated himself to the task of disseminating knowledge.
>
> "When Horace F. Clark completed his first building and loan work, he became impressed with the tremendous potentiality of the business, provided the workers in our ranks could only be made to study the business as a profession. With the fervor of a Peter the Hermit and the courage of a Richard of the Lion Heart he began to lead the small band

[15] *Editorial Note:* In order to bring the historical materials concering nthe American Savings, Building and Loan Institute strictly up to date, the editor has requested Mr. Lieber, president of the Institute for the year 1931-2, to prepare a brief summary of the accomplishments of the Institute since its affiliation with the United States League in June, 1930.

of crusaders of the building and loan cause with those mighty weapons, the pen and the printing press.

"Who can guess what his wonderfully analytical mind would have brought to the business of building and loan, a business that already stands at the top of the ladder of service to humanity, had not his labors been cut short so suddenly and so sadly.

"He inspired most of those with whom he came in contact to look beyond the narrow confines of their own physical horizons and he encouraged them to soar mentally into those regions from which they brought back to their own institutions those things which spell continued advancement, and unconsciously and involuntarily his mark has been indelibly stamped on the work of many of this Nation's outstanding building and loan associations.

"The memory of a great and good man is a noble possession of any cause; it stands high as a mountain top, refusing to be buried in the black waters of the flood of the past, and such a memory shall always beckon us on in our future labors.

"Let us in the years to come so perform our little parts in the drama of education among the workers in our field of business service that, when the time comes for us to lay aside our tasks and to compose ourselves for our final rest, we shall leave behind us memories as worthy as the one which we now reverently honor.

"Upon the bedrock of experiences gathered from the past did Horace F. Clark build the foundation of this, the American Savings, Building and Loan Institute; and in the years to come it will continue to be his best monument—a monument of truth and knowledge and service toward which the minds of succeeding building and loan generations will turn."[16]

The affairs of the Institute, during the first important months of its affiliation with the United States League, were in the able hands of George L. Bliss of New York City. As a result of 18 months of indefatigable work by President Bliss, resulting in a full sense of appreciation of the importance of its work by the leaders in the business, the American Savings, Building and Loan Institute is now the recognized educational and research division of the United States League.

Dedicated to the important tasks of (a) the organization, development and supervision of local chapters for the pursuit of study by groups; (b) the development and conduct of correspondence courses in localities where facilities for chapters cannot yet be made available; and (c) the conduct of intensive building and loan research, the financial necessities of the Institute are being responded to more liberally at this time than ever before. It is entirely possible that its tie-up with the League and the change in control from a small board of trustees to one truly representative of all building and loan elements, including the old Board, the official family of the United States Building and Loan League, and the great student body, have been greatly responsible for this increasing flow of funds for this purpose. This income is received from active students, associate members (usually directors of individual associations), sustaining members (associations located in chapter cities, as well as many associations located in cities where chapters have not been organized), state leagues, and two special classes of membership, both of which have been created through the very thoughtful suggestion of R. Holtby Myers, of Los Angeles, California, now president of the United States League.

[16] Mid-Winter Conference, American Savings, Building and Loan Institute, Chicago, 1931.

Life Memberships

These two special classes are the life members and the more recent provision for memorial memberships. Under the efficient leadership of Hiram C. Horton, Chairman of the Institute's life membership committee, many building and loan leaders throughout the country have been contributing the sum of $250 each for the creation of a sizable endowment fund, only the income of which shall be used in the operations of the Institute. These memberships are being taken on a cash basis by some and on the installment plan by others.[17] In grateful recognition of local, state and national service, individual associations, state leagues and friends of our departed leaders have recently begun the memorialization of names which have meant so much to the building and loan business of the United States; and already such illustrious names as Clark, McDowell, Kostmayer, and Bayersdorffer are being perpetuated.

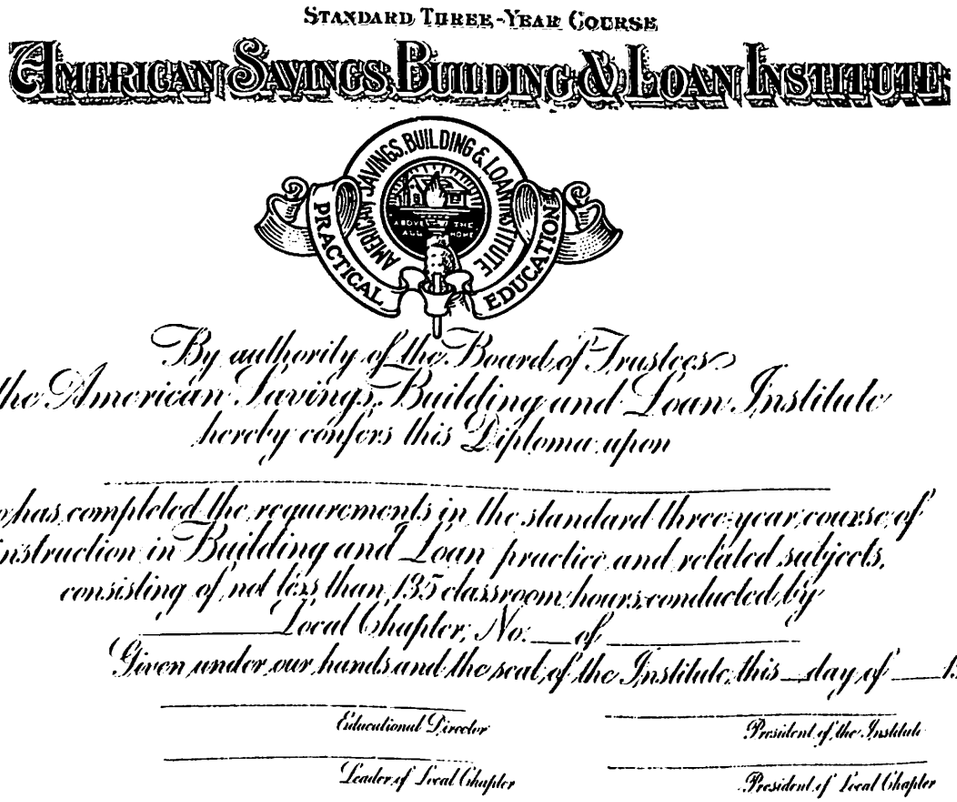
The Institute has one honorary member, Harold Bellman, general manager of the Abbey Road Building Society and one of the leaders of the building society educational movement in England. Mr. Bellman was made an honorary member by action of the Board of Trustees on November 17, 1930,

[17] The following are life members of the Institute: A. F. Ellfeldt, C. L. Flaugh, F. P. Stevens, A. Hawkinson, Ann E. Rae, Mrs. E. M. Miller, Philip Lieber, Christian Hermann, Charles S. Folsom, and R. H. Myers. Fifteen others have pledged themselves to take out life memberships. These fifteen are: H. C. Horton, A. Nordenholz, J. M. McKay, G. Palmer, G. H. Spring, A. A. Anderson, George L. Bliss, C. Harry Minners, M. George deLucas, George E. McKinnis, Clarence T. Rice, Ward B. Whitlock, I. F. Henderson, John E. Farwell, and A. Holtman.

shortly after his visit to this country to study American building and loan procedure.

Institute Courses

The standard course of the Institute, the completion of which is rewarded by the presentation of the three-year diploma, consists of six half-year semesters of work including Fundamentals of Building and Loan, Building and Loan Accounting, and the Appraisal of Real Estate. There are at present 59 holders of the Three-Year Diploma. After this work is completed,



STANDARD THREE-YEAR COURSE

AMERICAN SAVINGS BUILDING & LOAN INSTITUTE

AMERICAN SAVINGS BUILDING & LOAN INSTITUTE
PRACTICAL EDUCATION

By authority of the Board of Trustees
the American Savings Building and Loan Institute
hereby confers this Diploma upon

_____

who has completed the requirements in the standard three-year course of instruction in Building and Loan practice and related subjects, consisting of not less than 135 classroom hours conducted by
_____ Local Chapter, No. ___ of _____

Given under our hands and the seal of the Institute this ___ day of ___ 19___

_____ Educational Director

_____ President of the Institute

_____ Leader of Local Chapter

_____ President of Local Chapter

several additional elective business courses are available, such as business letter writing, public speaking, commercial law, real estate law, building and loan administration, etc. On account of the many important changes in building and loan statutes in nearly every state in the Union that have been made during the last five years, a new course, entitled "state codes and cases" is now being developed and should be available to the student body by the fall of the present year (1931).

For a number of years, the activities of the Institute were presented to the building and loan world on the day preceding the annual meeting of the United States League. Two years ago a new departure occurred in the form of a convention of the Institute's own, held in mid-winter. The two mid-winter conferences, as these educational conventions of the Institute are called, have been remarkably successful and have begun to attract a really deserved amount of notice among the "elder statesmen" of building and loan. These conferences are already proving to be to younger building and loan workers what the conventions of the United States League have for years been to the seniors.

Journal of the Institute

From a four page, mimeographed pamphlet, the publication of the Institute has become a regular, monthly, interesting magazine, worthy of the title it has received *Journal of Savings and Loans*. It is attracting well deserved attention at the desks of executives, officers, and employees and its columns are furnishing facts that are thought provoking.

In preparation for intensive work in educating those who are in this great business of thrift and home financing, one of the important special committees of the Institute, called the census committee, is compiling a list of the representative building and loan associations of the country, with the number of full-time officers and employees of each, so that the field of endeavor of the Institute be fairly accurately known to its officers and management.

The tragic death of Dr. Clark, shortly after he severed his connection with the Institute as its educational director, has been felt by his many friends. Forced to run along for a period without an official director of education, the success of the work of this organization has been a direct evidence of the loyalty of hundreds of the finest men and women in the country—the officers and employees of building and loan. Nor must we forget to give due credit to the man of exhaustless capacity for working and doing, who during the past year has directed the affairs of the national organization, as well as the educational and research activities. Under the leadership of H. Morton Bodfish, the Institute has really *arrived* and the building and loan fraternity may well expect great accomplishment in the future.

CHAPTER XVII

THE COMMERCIAL AND FINANCIAL FUTURE OF AMERICA

By PHILIP LIEBER

A SUPERFICIAL observer of the trend of commerce and finance in the United States during the past decade might with a great deal of equanimity sit down to write a prediction of what is in store for us during the next 10 or 20, or maybe 100 years. But such a prediction, to the close observer of the causes of the vital changes in business of every character in this country during our most recent 10-year period, must be looked upon as a daring step into the unknown realms bordered with new inventions, new concepts of physics and of chemical law, new ideas of social responsibility, a new outlook on international relations which includes America's emergence for the first time as a creditor nation, and certainly with a new idea of the relationship between government and business. In short, the prospects are not remote that sweeping changes will very materially revamp the entire economic order.

One of the clearest trends discernible at this stage of the twentieth century is that we are rapidly approaching the time when the dictum of government regulation of private rights shall necessarily be regarded as the salvation of society in general. The massive, tall tree which keeps the sunlight from beneath its branches and which impoverishes the soil around its roots so that small shrubs and grasses cannot thrive is but one of nature's many manifestations that unchecked growth and activity in one direction is to be had only at the expense of growth and activity in another. The so-called unchecked rights of the private citizen to accumulate unlimited wealth—by being a law only unto himself, racing with his competitor in mass production, feverishly draining the earth of its mineral wealth irrespective of the capacity of a nation to absorb the product of this race—every man and his neighbor in a ceaseless effort to outdo and outbid the other, and, when this cannot be done, entering into a combination for the purpose of making more private wealth by stifling weaker competitors, all these

and thousands of other things occurring in the daily business life, seem at the moment to point unerringly toward the need for government regulation of commerce, business and finance as the ultimate hope of a nation that seems to be headed away from the principles on which the Constitution was founded. Those principles included equality of opportunity, a maximum of individual liberty, and a minimum of governmental interference. Now we find ourselves in the anomalous situation where the only hope seems to lie in the employment of that governmental interference in an effort to secure that equality of opportunity and to protect that maximum of individual liberty. In short, we are witnessing the decline of laissez-faire and the evolution of changed institutions and a changed function of government.

We are not concerned here with the massive discussion of equilibrium in the sense in which that term is applied in the physical universe, nor yet in a philosophical sense, but in the sense that we must have an equilibrium in industry, in finance, and in commerce throughout the business world as business becomes more and more highly organized, in order to have prosperity. We are deeply concerned that the unconscious control of private management in industry and business has fallen down to the extent that a balancing of the relations referred to by our economists as insuring perfect business conditions is not observable at the present time.

But if private management cannot intelligently supervise and as there is no such overhead control of industry as a whole because the system is purely voluntary, a condition must result which will compel organized government to exercise the necessary control. Will our big business leaders of today and the future be able to delay or avoid this? The answer is uncertain.

Will commerce and finance in America be able to find the means that shall accomplish what is described by Professor Ely in his recent book in the following language:

> "What we are striving for and must ever keep before us as a goal is that balanced production which, giving employment to all labor, all capital and our other economic resources, would produce a maximum of satisfaction of human wants of all kinds and the nearest approach to economic felicity that human beings are capable of."

The Growth of Centralization

The solar system was supposed to have been originally one high fiery mass from which a great explosion threw off several masses which created the world in which we live. Possibly this mass in the millions of years gone by was at such a state of heat that its volume was many times as great as the sun now is and that mysterious force which we call Nature remedied this by the formation of our system—a system of several smaller bodies. Even half a century ago there were Americans who felt that Nature was a good teacher and that Nature helped to enact laws designed to prevent business powers and individuals from becoming too powerful and large.

Judging from the enormous growth of single businesses and combinations recently, it is quite venturesome to try to look ahead for 10 years, yet if one is to accept the past decade as indicative of the future trend, then it must be admitted that America is headed for centralization of business on a scale undreamed of even now except by a very few.

One example will illustrate this concentration and its social implications. One of the most important businesses now in existence, both from the point of view of size and social significance, is that of life insurance. Already in our country several companies have grown until they have billions of dollars of assets, managed by comparatively few men in some principal city of the country. The volume of business is so great and the wealth of the nation pours so rapidly in their coffers that they cannot invest the staggering sums rapidly or profitably enough, and it is already evident to the discerning that the care which always attends small business affairs is not now applied on all occasions in the investment departments of those immense companies. It is alarming to ponder to what a great extent the future welfare and happiness of our people is dependent on the success of these few companies. With big business of this kind already having such a powerful hold, with the combination of banks, and with the mergers of all types of financial institutions, precisely what is the financial future of America to be?

Consider next the banking system. Is chain banking to be the saviour of the present banking system of this country, which is so weak that one bank in every 18½ failed in the United States during 1930? Is the centering of the people's money in the hands of a few financiers in the larger cities going to solve

the financial question? The failure of chains of banks because of the weaknesses inherent in the system, as shown by the failure of the parent institution which drags down with it every allied organization, would evidently point to the fact that we have no panacea in the chain system.[1]

Think of the New York Stock Exchange. Will the system under which that organization operates be allowed to continue? It is now handling the securities of thousands of companies that sell shares to the general public, which buys on the faith of the magic name "Stock Exchange" and never sees a statement of the condition, or never knows how much of its money is represented by tangible property and how much goes into the pockets of manipulators. Is this building up a greater financial strength? Or is it gradually going to drain the resources of private citizens all over the length and breadth of the land and finally place control of 90% of the resources of the country in the hands of a few?[2]

Again, consider the power situation. Will the control and gradual ownership of the power resources of the country by private operators, who are getting the money from the public to secure this control and then charging the same public excessive prices for what God placed at the disposal of all humanity, continue, or shall the people themselves awaken and ask the government to step in and control what private citizenship is too greedy to handle well?

Finally, in merchandising activities, are we to see a continuation of the centralization of the retail and wholesale business in the hands of a few combinations? Is the individual merchandiser to become a phenomenon of a past civilization?

Balanced Production

It appears to be a travesty that the human race, having at its hands the potentiality of unlimited plenty, should have to witness so much general misery. Consider the periodical occurrences of depression and prosperity. Apparently the reali-

[1] Here is a particularly appropriate field for government regulation; one through which government may hope to bring about indirectly some semblance at least of stability, of the equilibrium already referred to. Furthermore, government control has already entered this field.

[2] Concentration of control is caused by this organization in a very real sense. Although only a small fringe of the outstanding stock is bought and sold on the New York Stock Exchange, nevertheless those purchases and sales determine the real value of those securities at a given time and thus by the operations of a few manipulators the values to thousands of investors are taken or increased.

zation of a well-ordered economic, financial, and commercial future for America depends upon learning how to produce in a safe and sane way, to iron out seasonal as well as cyclical depressions; in other words, in learning how to avoid the occasional surplus which throws a wrench into the machinery of well-being of nations and the world. Today we have too much food stored up, too much textile stock, too much mineral product, and yet we are viewing unemployment, penury, distress and starvation as we have never collectively viewed it in this nation before. While formerly we had "scarcity" to blame for our economic ills, it seems that "surplus" is now to blame. A period of practically unlimited production has been witnessed but such a program has brought its own ills instead of solving the ills we already had.

The soundness of commercial and financial life in this nation must, it seems, demand that the credit of the nation be not continuously abused as it has been in the past by the orgies of gambling that the stock market fathers. The credit of the nation must be run through legitimate, well-ordered business channels, instead of being used to build up a house of cards that topples at the first breath of fear.

The soundness of the future commercial and financial life of the United States depends on the government becoming more efficient and economical in the management of its business; not only national, but state and city. There is an appalling waste in the cost of government; duplication; graft; inefficiency; the building of unnecessary monuments to vanity, and the like.

A situation in which we have millions of idle men desperately in need of work and hundreds of idle plants, the owners of which are eager to put men to work, all because of recent mass production, is not to be tolerated. We must have a more orderly process of production; there must be a limit or proration of the right of manufacture, of the right of unlimited volume of business. If government can in behalf of an orderly process of business prorate or limit the production of oil by placing a limit on the amount the owner of the land can realize in a given time, can it likewise prorate or limit the sum total of the wealth which an individual may acquire? This is a constitutional question but one which rises from reasoning from

analogy. It is certainly a question with a strong socialistic taint, but also with some elements of crude justice in it.

Any study of the future of events must contemplate the creation of a limit beyond which a single fortune or merger or combination shall and must not be permitted. This country has had laws against perpetual trusts because of the fact that fortunes created thereby would in time control the entire nation. So it must follow that we must find a limit to private wealth, and that limit should be set at a mark which will not destroy private initiative nor yet be large enough to endanger the security and freedom of the people. Any income tax is necessarily a step to a socialized state, for it takes from those who have earned for the benefit of those who have not earned. As in war time the excess profits tax was a forced contribution of the wealthy for the benefit of democracy, so must we eventually turn to the larger surtaxes as a logical step to the limiting of such private wealth. Future business growth must be stabilized and limited so that all people shall share fairly and justly in increased wealth. Established standards of living will have to be continued and this means that the commercial and financial future of this country will depend upon our success in lifting the standards of living in our less fortunately situated sister nations.

The business of the future will recognize that every man has a right to a steady job suited to his ability, at the highest possible wage, for the prosperity of this country and of the world seems to depend on purchasing power and unless people earn they cannot spend. Industry for private profit, while it still survives, must develop a more social point of view. It can succeed in the future only as it gives service to others.

The basis of our wealth, after all, is agriculture and industry developed by labor, which, working in mass, must see that its product is sold.

One cause of overproduction has been that every private industrialist has been permitted to go at full speed to produce a greater quantity and more cheaply than his competitor, so as to sell more. Sooner or later, government will have to put a stop to this. Then will overproduction cease and mass production and mass selling be taken care of. The value of a thing depends on there being not only a use for it but a consumer in need of it, and the future prosperity of this country

depends on keeping us a nation of consumers as well as producers. The balance of trade in the world cannot forever be in favor of a single nation, or else all the wealth of the world would accumulate there. We are suffering from an overaccumulation of prosperity while the other countries have had relatively little prosperity.

While a solution of this subject may not at present be apparent, certainly an acceptance of mortgage security in some percentage as rediscountable or semi-liquid must come sooner or later. Real estate must sooner or later come into its own as the accepted fundamental of value by having some of that value recognized in the monetary scheme of the nation, and in this the building and loan associations are more vitally interested than in any other single thing. And, as in other things, the best way to stabilize this business is to use every endeavor to prevent overproduction. The average home owner never thinks of obsolescence and depreciation. Apparently an eventual function of orderly government supervision will be to require that a tax on all new construction shall be paid into the public treasury for an insurance against the decreasing value of older construction inevitably caused by such new construction.

One of the principal arguments used by a banking group in one of the central northern states is that the grouping of banks under one control has been made necessary in order to finance adequately the growing business concerns of that state without having to go out of the state for such credit. Yet under that type of merger or affiliation, such loans are prorated among the dozens of banking units making up that system. Here again we have a symptom of the desire of single groups of individuals for aggrandizement. The same group of banks might be in position to extend the same credit individually and in the aggregate. But the merger or affiliation under a single small board of control is probably dangerous for the future financial independence of the section involved. One of the strengths of the older system was the interest and help given by the local bank to the development of the local community.

Will this nation continue to be composed in business life of innumerable independent citizens engaged in all kinds of businesses, as in the past, or are we destined to have commerce and finance taken over eventually by tremendously powerful or-

ganizations, centralized in management, so that the initiative of which we have been proud for a century and a half will be a thing of the past? It seems to me that the building and loan associations of the nation are vitally interested in the continuance of the individual character of American business, commercial, and financial life which has prevailed in this Nation in the past.

According to the rules of the past, if the processes of business, of commerce, and of finance are to be continued through the coming years substantially similar to our past experiences, it ought to be a comparatively easy matter to continue to apply the yardstick of ratios to arrive at an approximation of what the future has in store for us. But even over a period of a century, the curve of experience will not be of much aid in forming an estimate of the future because of the changes in fundamentals which are taking place all around us all the time, most of them so quietly that they are with us and we have accepted them even before we are aware of their proximity.

Building and Loan Prospects

Many may be found in the ranks of the building and loan industry who will quickly say that building and loan assets will amount to so many billions of dollars because in the past 20 years there has been such and such a rate of growth. A careful study of the direct causes of the vast increase of sums in dollars and cents shown by all classes of business, not merely the building and loan business, shows that the great increase was caused by the decrease in the value of the unit of exchange—the declining purchasing power of the dollar. Will the world permit such another holocaust and cataclysmic horror as the late war, which caused such a speeding up of the processes of life and death, created mass production, gave employment at a feverish rate, and made multi-millionaires—all on the false basis of producing things which were actually wasted and destroyed, and for which the world at large is now paying and will continue to pay in taxes and in present depressed business conditions for years to come?

A survey of the last 10 years shows that the ratio of urban population has greatly increased. More people per thousand of population have left the farm and moved to the city. Will this movement continue? It probably cannot under present

changing commercial and financial life. The signs point more and more plainly to the fact that the lessening chances of profitable employment in the cities must inevitably result in the removal back to the country and to the farm of a portion of our urban population. The gradual taking over of business by the large corporation,[3] the commercial life of our country in the hands of huge mergers, gradually taking on the appearance of monopolies, will surely result in the necessity of a great part of our people being forced to the soil for their sustenance or a great part thereof.[4]

What effect will this have on the business of building and loan? Of course, there must first be taken into consideration the normal increase in the population of our country. Since the restrictive policy of immigration, this increase will not during the next decade show the ratio of the past century.[5] Normal increase will absorb the housing facilities now available; then construction will be resumed. But not only the changing complexity of commercial and financial business, but the common use of the automobile, if not the airplane, will surely have a tendency to enlarge the area of the cities of our country, so that suburban and country property will come more greatly into demand and the congested city districts will sooner or later disappear.[6] No more will it be necessary to be near the center of business for residence purposes. This condition will eventually in all probability reduce instead of increase the value of city residential property.

It appears to me that the building and loan association must more and more in the future take on the appearance and have the purpose of a mortgage investment company and not a semi-bank. Recent experiences show a distinct trend in this direction.

The inconsistency of considering money demand money that has been invested in mortgages repayable by amortization over a period from 5 to 15 years is apparent. Whatever the desires

[3] The merging of two establishments invariably cuts down temporarily at least and often permanently, the total number of employees required to handle the same amount of business.

[4] Here we are faced with another difficulty for already we have a surplus farm population.

[5] In fact, the 1920-30 increase did not show the past ratio of increase.

[6] At this point, however, the tendency toward increased use of multi-family housing should be noted. It seems to continue in spite of certain conditions which were not formerly thought to promote it.

or preferences, however altruistic the attempt to have money invested in building and loan associations payable on demand, the theory of long-term mortgages and demand funds will no more work than will oil and water mix.

It does appear that the local building and loan association is an institution that is destined to remain high in public demand and popularity for a long time. It is an institution that will be in great need and will fill the demands of the population as no other type can. By the operation of the building and loan association will not only the homes of the future adequately be taken care of but the savings of the people in this type of cooperative institution continue to earn a large rate of return. Of course, the word local is only relative. Let us say that "local" represents not that which is circumscribed by an imaginary political or geographical line, arbitrarily limiting the sphere of usefulness of these institutions, but let us accept the fact that has already been accepted in some of our states, namely, that the sphere of usefulness of the building and loan association shall be limited to that area in which personal supervision and contact with the business can be retained. In New York at the present time this limit is supposed to be a radius of 100 miles from the office of the association. What future transportation facilities have in store for this limit is not easy to foresee, but it must be acknowledged that the perfection of air travel will expand the area of operations of the local building and loan association in the same proportion as the automobile has expanded the area since the days of the horse and buggy.

One of the great bankers of this day, the head of an institution having assets of over half a billion dollars, in addressing an audience during 1931, said:

> "In recent years we have witnessed a great revival in the direction of consolidations and amalgamations in almost every field of industry, the utilities and finance, which I believe warrants serious consideration. I do not know the maximum size any enterprise may attain without losing its maximum efficiency. But of this I am perfectly certain: No enterprise of whatever character is ever more efficient than its management; and I am quite sure also that no enterprise can be successfully conducted with a division of responsibility for major policy. Somewhere in each institution there must be some individual with fixed responsibility and authority for the final yes and no. And when an institution transgresses the limitations of one human mind to grasp with sufficient mastery the details of the business with a clarity which permits sound conclusions

on policy, the institution has in my opinion passed beyond the possibilities of maximum efficiency and economy in its conduct."

Even in the building and loan business, this trend toward expansion and for coverage and for size, it seems to me, is founded not on a desire of the management for further service to humanity, but in plain terms on the idea of better pay and larger profits for those who work for them and those who may have the inside stock. Of course, the argument may be advanced that a chain of building and loan associations may be in position to give the smaller communities a scheme of financing homes which they cannot themselves produce. But in the entire 100 years of building and loan history it seems that the individual, local building and loan association has proved its efficiency, its sufficiency, and its adaptability.

Another thing that will have a very important and vital effect on the business of building and loan is the question of taxation. Unquestionably we are today facing a parting of the road which formerly led to home ownership and which is now branching off to the territory of flats and apartments and "cliff dwellings" of the present generation. The piling of the expense of running our government all on real estate and the thoughtless penalizing of the home of the citizen is today the most important thing that is making the ownership of real estate unpopular and beginning to make us a nation of renters in greater proportion than ever before. It is not within the province of this chapter to enter into a discussion of the various means of creating income, but the obsolete property tax is the single great menace to the continued progress of the business of financing homes for our people. Taxation will always be necessary. Whether it be assessed and collected on real estate or collected in other ways, the amount the people will as a whole always pay will be the same, except that a division of the burden instead of loading it on one single asset or commodity will have a wholesome effect on our business.

Whether building and loan associations will change their nature from the mutual to the guarantee type is of relatively less importance than whether the future business trend will create conditions consistent with their continuation and progress as institutions worthy of the confidence of the people. The form of organization will be dependent on the results in the long run of present movements by other types of financial institutions to cause the mutuals to be taxed. As a banker in a southern city recently put it:

"The banks, in seeking exemption from taxation on their capital and surplus, do not want to escape taxation; we are simply desirous of equalizing it; for there are other institutions in competition with the banks that are paying no taxes."

For all of the money in building and loan associations to be deemed capital in that sense and subject to an ad valorem tax will simply mean the passing of the mutual type and the organization of the guarantee type, with small ratio of paid-in capital and surplus and the investment of the public in savings accounts and investment or indebtedness certificates, analagous to certificates of deposit in banks.

A more recent development in the realm of finance is being initiated by the life insurance companies. By alliance with the banking system, and through educational propaganda the life insurance trust is being created, and it is a sad commentary on the general state of affairs to observe that the present scheme of the bankers makes no place for the investment of any portion of these funds in building and loan shares. Up to the present time, the death of the head of the family, if it brought the proceeds of life insurance policies into the community, almost invariably resulted in the investment of a portion of these funds in a local building and loan association, thus being of benefit to the community. Then, again, let us examine the current campaigns of the large life insurance companies. With a greater income than they can already care for, they are attempting to enter into the savings and investment business of the country by making a determined drive for the investment forms of insurance and for annuities.

The net earnings of life insurance companies have always been known to be small, because of their past history of conservatism and safety. Their large income is forcing them into the communities from which they get their money. Thus, the savings of the people begin to suffer from the insurance premiums of the same people brought into competition by offering to finance what was formerly looked upon as building and loan business at a very low rate of interest. The logical result is that building and loan money, in order to be active, must be loaned at a rate of interest low enough to meet this new competition and thus we have the vicious circle of lowering returns to

the people themselves. As time runs on and as our country grows and develops, the return from money is bound to become less and less, and the future has nothing encouraging to show us so far as an increase in rate of profit is concerned. This is a severe price for keen competition.

This nation cannot in the future consider itself a hermit. It must take a definite interest in the affairs of the world. We are not self-sufficient. The present depression in this country has a great deal of its cause in the condition of other countries of the world. Living conditions in other lands will have effect on this country. Too long have we enjoyed comforts and pleasures and riches considered almost fabulous by peoples of the rest of the world. The thing cannot endure. We must either work to bring the peoples of the rest of the world up to our plane or eventually our own standard of living will have to fall. We have too much cotton, because the peoples of other lands can now either raise it for less or have not the funds wherewith to buy our crop. Perhaps the same reason can be applied to wheat and corn and other things. Our manufactured products go begging because other countries can produce them at a lower cost. Work must be adjusted so that all peoples and all nations may have an equal chance at those conditions which America has created in the past for herself. We are most vitally interested in those conditions in South America which make it possible for our own American oil companies to import oil at a fraction of the cost required to produce it from under our own soil; to import jute for uses to which our stored cotton crop might well be put; to import manganese and lumber, made by highly organized socialistic labor, at a fraction of the cost which our highly paid American labor must get. All of these things have a profound effect on what the future has in store for us.

Government and Business

The economic future of our country depends entirely on how government and the present big business are going to act. While we show a distinct trend toward a type of financial merger, consolidation, and alliance that must surely lead to a despotism in commerce and finance such as possessed in a political way by some of the most autocratic sovereigns of the East, it is not possible to conceive that the American free men will permit such a yoke to be locked around their necks. The United

States has always been a Nation where people have shown an initiative, a spirit of aggression, and an inventive genius equal to any in the world. They have for 150 years held liberty of speech, thought and conscience above all else. A financial thralldom is repugnant to our character and will never be endured. Therefore, the emphasis here is that, if big business knows not when to limit its ceaseless and boundless desires, the people themselves through their orderly process of government will have to step in. Men of capital who believe in the power of might call this bolshevism or socialism. But every prophet and everyone, who has ever preached the rights of humanity and recognized that man is his brother's keeper and is only a trustee of the wealth which he has more or less accidentally been permitted to acquire and which he must use for the benefit of mankind in general, must be recognized as having been moved to some extent by socialism or the spirit of brotherhood.

Big business shall remain big business only so long as it heeds the necessity of giving fair treatment to labor, the agent by which big business has originally been created.

In the future the spirit of building and loan evidenced by the cooperative efforts of many in each community to extend their benefits to the less fortunately situated will be in line with the future desires of the people. The nature of building and loan, so utterly at variance with the trend of trusts today, seems to assure for it in the future a place in the scheme of finance in the nation if future developments follow the path outlined here.

Now, to what extent will these associations serve? Only to the limit that the capacity of the management will permit. These institutions, turned loose on the American public a century ago, have been miraculously successful. They have grown to vast size and in the aggregate control a vast volume of the real estate financing of the nation. But the future seems to point its finger to an age of specialism. No longer do we have the general physician in as large numbers as before. We have the specialist in teeth, in eyes, in bones, in nervous system, in ear and nose and throat, in this and that. We now have the lawyer specializing in criminal practice, and in civil cases, and in collections. We have a hundred different kinds of chemical engineers as well as physical engineers. And it has come to pass that the people of our country now demand

efficiency and knowledge in the conduct of the building and loan associations of the country because they can get it in other types of businesses that are competing more and more with us.

Out of the past 100 years and out of the vast history of the experiences of tens of thousands of building and loan association workers, information has been gathered which has resulted in the formation of the educational department of the building and loan associations of the United States of America. We have called this educational branch the American Savings, Building and Loan Institute. It is the fruition of the desire of building and loan people who recognize thorough knowledge of our business as the surest means to success in the future of building and loan.

The American nation will continue its onward march by virtue of compulsory public education. As building and loan people, we recognize the correctness of this principle. We shall take the young workers in our ranks and through the American Savings, Building and Loan Institute turn them out eventually as finished building and loan specialists who can carry on in the competitive financial world. The future building and loan financing will be quite different from the past. No longer can the building and loan worker paddle his own canoe, careless of the methods and work of thousands of others. The index to the dial of progress points unerringly to a condition of intensive training, of high specialization in all work and endeavor in industry, in commerce, and in finance. A recognition of this is already apparent in the attitude of building and loan executives all over the nation who are giving proper attention to education and training in their particular organizations and by an increasing cooperation with the national educational organization of building and loan. A continuation of this trend will find this type of business organization in the front ranks of finance, whatever the future may have in store for the people.

The sum total of this consideration of the commercial and financial future of America amounts to the conclusion that the economic institutions with which we are familiar and which we had come to regard as more or less fixed as to character and function are now in a state of flux. The revolutionary changes which have occurred in this century have not only vastly increased the tempo of economic activity but have resulted in the formation of types of economic organization which require

that we pause to consider their essential nature and their implications for the economic order as we have visualized its operations and functions. Clearly fortune lies in the lap of the man who can predict with certainty what will be the outcome of such present trends as the merger movement, the apartment-house development, the increasing capacity to produce economic goods, and the growing interference of government in the conduct of what were formerly considered private enterprises.

With all the change in both the size and nature of commercial and financial organization we should not forget that we have a stable and highly educated populace, a general well-being that is unequalled, and unusual natural resources if intelligently exploited. There are fundamentals in commercial and financial organization and procedure which are the product of decades of trial and error. Even the rapid changes discussed in this chapter cannot repeal the teachings of experience. It is possible that American commerce and finance may react to its characteristics of 20 years ago and it is also possible that the new forms may multiply without dimension. There is no doubt that the United States has a unique and bright commercial and financial future, for even today the national well-being is less interrupted by disturbing conditions than that of any other country of equal size and importance. Building and loan has an integral place in the commercial and financial future of the United States if we adapt its fundamental and time-tried principles to the changing tempo of commercial and financial life and organization.

« « BIOGRAPHICAL SKETCH » »



PHILIP LIEBER, President, 1931, of the American Savings, Building and Loan Institute; president, Shreveport Mutual Building Association; member of the Federal Legislative Committee and of the Executive Committee of the United States Building and Loan League. He has also been active in the affairs of the Southwestern Group.

CHAPTER XVIII

THE FUTURE OF BUILDING AND LOAN IN THE UNITED STATES

"*The man who employs his capital in land*, has it more under his view and command, and his fortune is much less liable to accidents, than that of the trader, who is obliged frequently to commit it, not only to the winds and the waves, but to the more uncertain elements of human folly and injustice, by giving great credits in distant countries to men, with whose character and situation he can seldom be thoroughly acquainted. The *capital of the landlord*, on the contrary, which is fixed in the improvement of his land, seems to be as well secured as the nature of human affairs can admit of. *The beauty of the country besides*, the pleasures of a country life, the tranquillity of mind which it promises, and wherever the injustice of human laws does not disturb it, the independency which it really affords, have charms that more or less attract everybody; and as *to cultivate the ground was the original destination of man*, so in every stage of his existence he seems to retain a predilection for this primitive employment."[1]

The fundamentals which underlie the business activity and the habits of people often appear in clear perspective when we turn to some acknowledged master. Smith wrote what is probably the most influential book on economic statesmanship, business procedure, and the homely wisdom of living and making a living that the world has ever seen. It is interesting to check his generalizations which were so true in 1776 to see if they are equally valid today. The purpose here is not to elaborate on his generalizations; the reader is merely asked to keep the quotation in mind as the discussion in this chapter progresses.

Smith has here stated the fundamentals of real estate investment. At the risk of tedious repetition it should be noted that he says "the capital of the landlord . . . seems to be as well secured as the nature of human affairs can admit of." Real property ownership is the foundation of building and loan security and safety.

In the rush of affairs today we should not forget that practically every person desires to have open space around his home. Every one craves the privacy and personal attachment that comes with home ownership. The millionaire living in an apart-

[1] Adam Smith, *The Wealth of Nations*, 5th ed., Book III, Chapter entitled, "Of the Different Progress of Opulence in Different Nations," from volume II, p. 76.

ment spends half his income on a play farm or a country house and the digger and delver saves his mites hoping some day to have a home of his own for the "Mrs. and the kids."

The Institutions of Family and Property

The future of building and loan is to be built on the continuance of certain human institutions. Two such institutions are responsible parenthood and private property.[2] They lie at the foundation of the future of building and loan.

There must have been a time, when man, like the lower creatures, had no institutions for controlling birth rates. The population increase was governed entirely by ability to survive under rigorous primitive conditions and we know that populations were very scarce and scattered. Starvation and many other checks balanced the birth rate with the death rate and attuned the population to those numbers which the then known technique of living could support. When man began to see the advantages of communal or social life and to anticipate the problems of food and shelter, institutions began to appear. The idea soon developed that as parents were responsible for the existence of children they should also be made responsible for their care and maintenance. Parental responsibility was furthered also by the fundamental emotions which surrounded parenthood then as today.

Undoubtedly in that crude and early day it was the masculine parent who was less inclined to be responsible and who was possibly difficult of identification. For the future of the race it was necessary that this responsibility be fixed. Here is the fundamental reason for marriage and the corner stone on which family life was built. However, we do not in our emphasis on the economic considerations intend to pass lightly over the emotional ties that obviously exist in even the most primitive societies. Carver points out vividly that apparently the matrimonial device had "survival value" as compared with the other forms of social organization and care of children. In other words, those groups which developed parental responsibility through matrimony survived where others did not; possibly parental responsibility produced better organization and better

[2] Professor T. N. Carver has shown unusual capacity to fit economic generalizations to human affairs and place them in proper perspective and understandable language. See, for example, Carver and Lester, *This Economic World and How It May Be Improved* (Chicago: A. W. Shaw & Co., 1928).

stock which even exterminated the, let us say, tribes which were not so organized. Thus the biological family became the legal family and this form of organization has apparently led to the greatest industry, foresight, and general well being, as contrasted to other forms of organization, such as communal promiscuity, clans, or the patriarchal family which long were the dominant forms.

This parental responsibility laid the foundation for private property as we now have it. The family group protects its future or its means of subsistence by reserving to itself the results of its efforts as contrasted with communal property systems in which all "feed out of the same trough." The individual in the family, particularly the bread-winner, attempts to provide for his family through accumulation of property and strives valiantly to accumulate more than enough to take care of day-to-day desires and day-to-day wants. This way of doing things has brought the world to the highest general standard of well-being that it has ever seen—not that we have completely escaped poverty, for there are many family units whose parental responsibilities exceed the parental capacities. Society is finding and must find a solution to this problem but it cannot be argued that the problem is not being approached better today than ever before.

We have here in the monogomous family and in private property deep-rooted in the heritage of the race, the basis for the future of building and loan. Families are meaningless without shelter or a permanent place or habitation. The desire to have this shelter or permanent place of habitation as fine, comfortable, and as individual as possible explains what is meant by "home." The building and owning of homes by families involves the accumulation of property. The building and loan association, being a cooperative or quasi-cooperative institution engaged in making possible through credit extensions and through capital accumulation the buying and building of homes therefore rests securely upon the very cornerstone of our social order.

Trends in Building and Loan Method

In this day all construction and industry waits on credit. The same is true of home ownership. No credit is socially justified, however, if it leaves the borrower depleted and debt-

ridden after years of paying. A large portion of the enviable good will and favorable public opinion which building and loan enjoys today is attributable to its long-time credit extensions which are invariably repaid in a manner that diminishes the principal indebtedness each month and in many cases each week.

To turn to some of the more day-to-day tendencies that indicate the future of building and loan in the United States, mention should be made of the sweeping progress that these institutions have made in the principal English speaking nations. I refer particularly to England and the United States. It is also significant to see the principles being developed in other countries where the main reliance in the past has been upon mortgage banks, housing associations which retained ownership of the houses, and numerous forms of government or socialistic schemes.

In the sweep of the growth of building and loan, we have extensive varieties in forms of organization. In the coming decades we will see a rapid standardization of terminology, procedure, and forms of organization. This will be brought about by (1) increasingly rigorous supervision by the state, (2) organized efforts, and, (3) the fact that local conditions are becoming less different as our country matures.

Mutuality will continue to be one of the basic principles of building and loan. It may not be the same type of mutuality that characterized the early neighborhood clubs which were fraternal in nature, but the membership relationship will continue to be stressed as regards both borrowers and investors. The relationship accounts for many of the inspiring loyalties that individual building and loan associations enjoy today. Permanent capital will continue to develop in order to supplement reserves for the benefit of investing members. The wide development of reserves is especially essential as the rapid advances which transportation has made tend to make residential real estate values somewhat more changeable than in the past. This is a point of considerable significance when the building and loan associations are all investing their funds in 8- to 14-year home loans.

The size of the institutions today, evidencing public favor, necessitates the moving away from the rigorous penalties and enforced participation clear to the end which characterized the

early terminating associations. With growth it has been necessary to modernize the treatment accorded members in order to make it relatively easy for them to affiliate with the enterprise and to withdraw from it without jeopardizing the interests of other members. The transition through the different plans of operation clearly shows this adaptation of the procedure to changed size and conditions. It does not undermine the essentially cooperative nature of the enterprise nor raise any question about the fact that building and loan associations are operated on narrower margins and with more complete distribution of earnings or profits to all members and customers than any other form of financial institution today. A tendency can be clearly seen growing out of present conditions to develop improved contracts or relationships which would assure the association of long time as contrasted with demand funds.

To the "local" aspect of building and loan associations is attributable much of the safety which they have enjoyed during the past century. Some difference of opinion exists as to whether building and loan associations in the United States can safely service borrowing members over a considerable area without losing the safeguards of intimate knowledge of residential values, borrowers' moral risk, and other items. In a few states the operations of some associations are spreading over a wide area with seeming success. In other states there have been tendencies to bring to the local associations the benefits of cooperation through methods that do not centralize the lending policies or lending activities, referring specifically to such developments as the New York Land Bank and other reserve credit arrangements. Rapid progress will come in the development of such institutions, since both state and national governments seem more and more inclined to the idea that it is just as important to have some service institutions for their home financing associations as to have them for the demand or bank institutions.

In its lending operations, the future of building and loan is assured by its fundamentally sound plan and by its relatively insignificant losses, because of specialization and constant contact in home lending. The general ability which associations have evidenced to meet competing capital rates, as well as make extensions to home owners somewhat larger than that of the

typical commercial lender, in most cases eliminating the burdensome junior financer, augurs well for the future.

On the savings side, their demonstrated capacities to pay earnings in excess of those paid by demand institutions insure partially their future. The paramount weakness on this side is that so many alternatives are being urged upon the investor that building and loan may suffer from its lack of ability to pay handsome sales commissions or other fees in order to place its investment opportunities before the people. However, the American public seems to be developing more and more "buymanship" and the safe conservative human story of building and loan can maintain its growth without the too familiar ballyhoo. The success of building and loan in making the residential first mortgage the most secure of investment securities, when combined with the diversification which building and loan associations give to the investor, will give them funds at constantly decreasing costs, which decreasing costs will be passed on to borrowers in the form of constantly falling loan rates. It cannot be argued for a moment that the members, both investing and borrowing, in building and loan associations are not influenced in their thinking by alternatives, and building and loan must be ever responsive to changing conditions in the long time investment and mortgage field. The tendency of the cost of home financing to decrease is one of the most hopeful indicators of a returning wave of real property investment and home-owning and home-building.

The emphatic protest against the old property tax which falls primarily on the home owner is another encouraging sign.

Future Opportunities for Building and Loan

The statistically minded critic of home-owning and home-building takes the building figures of the past 10 years and says, "Oh, look at the trend toward apartment dwellings." For a number of reasons, this does not alarm us as regards the future of building and loan.

First, we are returning to a normal production of housing as contrasted with post-war, mass-production methods. The transportation situation, the automobiles, airplanes, and suburban railway service are putting a different aspect upon the piling of apartments side by side in order to be adjacent to the financial and commercial districts of our cities and towns. It

must be recalled that the dollars-and-cents considerations have been rather emphatically against individual home ownership, for the past 10 years. Town lot prices are just being deflated after 10 years of speculative mounting. On the building cost side the $5.00-a-day white collar worker who wanted to purchase a home had to take his $5.00-a-day wages and buy the labor of $17.00-a-day plasterers, brick layers, etc. It just couldn't work out and so what did he do? He accepted less desirable, less spacious, less homelike quarters in an apartment building which had been constructed on a mass production or Ford basis by the proportionally overpaid labor group.

Ownership is a fundamental desire on the part of 95% of the American people. It will continue and progress as price changes make it less onerous in some localities and extremely favorable in others. Taking the nation as a whole, such price changes are taking place at the present moment and augur well for home ownership.

These statements suggest some consideration of the question of the so-called multi-family trend, which is at present the subject of so much prediction and is of such economic significance. Disregarding land costs, the very practical question may be raised concerning the relative costs per housing unit of the construction of a single-family house and an apartment of equivalent size. Compare the cost of a six-room, brick, single-family house with an apartment of similar materials and construction. As already indicated, price conditions are already undergoing readjustment. But other considerations are important and they have their cost side just as do the materials of construction. In other words, the cost of securing sunlight and other such amenities equivalent to those obtainable in a single-family house must be reckoned with, and indications are that the attainment of equivalent amenities in apartments calls for an even greater expenditure than in the single-family house.

John Ihlder has pointed out two assumptions underlying the relative social merits of these two types of dwellings. These assumptions are:

1. That the community is to perpetuate itself. Consequently in any housing program first consideration must be given to the needs of children.

2. That every member of the community should have housing accommodations that are adequate both in quality and in quantity. Health is a first consideration, but the amenities—convenience, comfort, attractiveness—are also to be taken into account.

The first assumption emphasizes the fact that the young, the future generation, should have primary consideration in planning or interpreting our housing needs. Everyone recognizes and will concede that the child raised in a family secures advantages over one brought up in an institution. So the child whose home is a single-family dwelling is immeasurably better off than the one who is compelled to spend his early years within the confining walls of an apartment. The well-being of growing children demands privacy, fresh air, sunlight, and play space. These can be adequately furnished only in a single-family dwelling. In spite of some predictions of better planning in apartment houses to adapt them to children's welfare, the present facts show such conditions to be simply non-existent in that type of dwelling. On the contrary, present tendencies in apartment house design appear to be toward smaller and more "efficient" units rather than in the direction of more provision and consideration for the needs of children. Thus, so long as the family unit includes growing children, and this is far longer than we can look ahead, the single-family dwelling will be the representative type of housing for the family.

The question may even be raised as to whether a multiple dwelling meets the needs of adults who have no children. Lack of privacy, noise, absence of sunlight, and free circulation of air compel many individuals of this type to seek single-family detached or row residences, even when lack of transportation facilities brings inconvenience as compared with apartment occupancy.

If these considerations are still valid, and indications are that they still hold, then the single-family house will occupy in the future the same predominant position which it has attained in the past. Building and loan was built primarily on the domination of this type of house and its success has proven the inherent soundness of investment in single-family dwellings. Its future rests on the continued reliance of the American people on the single-family house for the major supply of their housing accommodations.

The city of the future is not a towering metropolis with Babylonian towers piercing the sky, with double-decked streets, nor many of the bizarre features pictured by our drab

prophets. The progress of transportation will bring immense areas within the range of the city worker, but longer blocks, larger residential lots, and many improvements in home construction and land development will appear.

Population will probably continue to grow, but at a decreasing or stabilized rate. The increase of city activities, since our farms now are cursed with excess production per man rather than low production, plus the replacement demands, insure a steady and continuous desire for residential construction and home ownership. In fact, any general elevation of the standard of living will bring a demand for more individual houses and building and loan can move on to decades of increased usefulness. With careful management, intelligent lending, and "in pursuance of the ideal of public service" building and loan associations will continue during the present century to grow and to service the home-owner and investor in the United States to an extent little comprehended by those in the business in 1931.

Obstacles to Be Met

But it must be admitted that in the appeal for investing members or customers there are ominous clouds on the building and loan horizon. The insurance salesman, under the guidance of his sales manager, is now selling investments rather than risk protection. A concrete example lies in the files of the writer in which an individualized prospectus was presented to him, the cover page showing his own name and indicating the fact that this nationally known company wished to create for him an insurance estate which would yield him 12% per annum.

There is a department store tendency in all big businesses today which building and loan must resolutely combat. The bankers, disillusioned about "marketable securities," seek to move into the mortgage investment field. The personal loan business, called banking in many localities, starts to issue certificates of indebtedness put up in building and loan packages and merchandised under the label—"as safe as building and loan." Even some savings banks are developing a proposition whereby the long-time investor is to receive a larger return than the one who withdraws his funds; in other words, exercises his demand privilege which is the cornerstone of our banking

operations. Institutions with limited capital are merchandising "guaranteed mortgages." Thousands of real estate bond organizations which have traded and profited excessively on the good will that people have had toward first mortgage investments are now turning to other fields for possible activity. A dozen interests other than building and loan are appearing before our legislatures seeking simplification of state mortgage laws in order to facilitate mortgage lending. Private mortgage companies and imitation building and loan schemes thrive on salesmanship and prosper through the absence of public supervision. Our competition is outside our own field and we must recognize and meet it. The story is told that the late Mr. Barnum, who was an expert in commercializing public attitudes, was told the biblical story of the lion and the lamb lying down together. He evidenced great interest in the story and said he thought he would try it because he had some lambs and one or two lions in his menagerie. He was met some days later by a friend who asked him how the experiment of the lamb and the lion lying down together worked out. To his friend's surprise Mr. Barnum replied that it was working out excellently. He made the after remark, however, that he was almost out of lambs.

There are distinct functions and fields in the American commercial and financial structure. Efficiency and specialization and permanent existence demand that we cultivate our own field so effectively that our services will be unequalled and that when we do have our field invaded we shall not enact the role of the lamb.

The Business Outlook

It is difficult to write or to think about the future without giving some consideration to so-called general business conditions. To talk about even the immediate future of business is dangerous and, as some say, visionary. Still "where there is no vision, the people perish," and we all intend to see the future. In any extreme depression, it should be remembered that time works on the side of progress and improvement. Unless every recovery of the past is wrong, we are closer to good business today than we were a month ago. Of the seven preceding depressions, only one lasted approximately three years. Five of them were over in two years, and one remained between two and three years. Unless a hundred things are different in the pres-

ent situation than in the previous ones, a year from the present writing will surely see us farther on the upturn. Confidence, particularly, is at especially low ebb at the present time, and all too many of us forget that this unequalled depression merely means that business is only about 75% of normal or the average of so-called good, as contrasted with hard times.

What does this mean to building and loan? It means that we are on the threshhold of a period in which saving and the building of communities is going to become the principal thought of the American people. Our institutions are going to come through this present period with a good will which may be accounted for in several ways: (1) earnings have been paid by these institutions without interruption; (2) their securities, almost without exception, are worth one hundred cents on the dollar, and two of the most important tests of an investment —namely, safety and return—are an unquestioned part of building and loan. The third test of an investment, namely, convertibility, is being maintained to a broad degree, but one of the things that is going to inure to the credit of building and loan is the fact that its investments are such that the members and investors cannot, through panic or confusion, throw their building and loan investments into the melting pot of the depression. Undoubtedly, building and loan shares will emerge from the present business situation, as among the soundest and most valuable, intact investments, with the possible exception of the securities of our own Federal Government. Human judgment is bound to fail at times, but even where errors have occurred in building and loan management, a year or two of extremely conservative operation and modest dividends will place every shareholder's investment into the undepreciated one-hundred-cents-on-a-dollar class.

In commenting on the present depression, we are considering the welfare of our own institutions and their future in the depressions that are sure to come in decades hence. The question can be emphatically asked, "Is this economic uncertainty and human suffering wise or necessary?" The answer is, "No." We all believe in individual initiative, freedom of opportunity, private property, competition, and all of the other fundamentals of our way of doing things. The benefits of these principles must be saved, but many wise men today take the attitude that we must either add to or subtract from our

way of doing things in order to prevent such human suffering and uncertainty, else the economic dilettante and extremists may destroy the whole thing. As one able man has aptly pointed out, to the American people, this does not mean red flags or mobs in the street. "Our people won't work that way. They don't have to. We have carefully and deliberately provided, as the great fundamental of our whole system of government, the complete machinery for making any change which is desired by enough of us at any given time." The business men, and economists, and our political leaders are giving their principal attention to remedying these matters today. There is a growing doubt as to whether unrestrained competition is good for anyone. Thousands today would like to exchange it for security. If the American public decides that systematic savings and individual initiative and enterprise cannot give them security and well-being, our building and loan associations, who are leaders in the practical achievement of these objectives, may change or diminish.

But this will not come to pass. American business will maintain established standards of living by developing regularity of employment and payment of dividends through more long-time point of view and planning. All too often the annual statement has measured the duration of business leaders' plans. Future growth will be stabilized and business leaders will more and more attempt to check unbalanced commercial and financial speculation. As pointed out by one economic service, international business cooperation will increase. More and more this country will realize that she cannot be the dominant factor in world prosperity and still be indifferent or isolated from other parts of the world. A reaction to the extension of government activity is in the offing, and cooperative business effort and group initiative will achieve more and more the objects which government is being called upon to serve in the absence of sufficiently well-balanced private initiative and responsibility. Long-term planning will characterize more and more businesses, as it has always characterized building and loan.

The few embarrassing situations in building and loan business today are primarily attributable to six months' or one-year points of view rather than three- or five-year points of view. Building and loan will more and more search its methods and improve them in the customer's interest. Investments must

be made adaptable, lending policies must be developed to produce a contented and unencumbered home ownership. There is no problem of additional markets and new items in the line in building and loan. The proposition is entirely one of adapting its services to that fundamental need of the American public which it has been serving for one hundred years.

The Importance of Organization

Organization will take a more active and aggressive part in checking government participation in private business. Organization will develop long-term plans for procedure, regulation and investment policies. The carrying out of these plans will be supported through the cooperative effort of organizations. Organization in the building and loan field will speak more and more for the home-owner who, to a large extent, has been inarticulate in the American economic system. It will protect millions against excessive taxation, against the exploitations of the inexperienced or ruthless builders, and against the misrepresentations of the present speculative land seller. Organization will take a rigorous, intelligent, broad, and anti-ballyhoo point of view. Many principles of cooperative action will be brought to the building and loan industry which enable it to maintain its continued growth and enviable position in the financial structure of the United States. Organization efforts will bring about a simplification of mortgage laws; collection of data on investment, construction, and other economic conditions; development of codes of practice; aid in the establishment of higher salaries; and the training of more educated and experienced workers to compete with the outside groups who start to intrude upon the building and loan field. Organization will encourage the accumulation of substantial reserves and discourage the granting of excessive credits which, to a certain extent, have made possible construction booms whose aftermaths have reacted against home building and real property ownership. Organization will encourage general growth and the merging of activities which will strengthen the business. Finally, building and loan management in the associations and through organization will meet its responsibilities to the twelve million owners of the building and loan business in America, and so conduct its affairs that the second century of building and loan will be one of unequalled progress, maximum service, and untarnished financial reputation.

« PART II »

Building and Loan Development In the Several States

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ALABAMA

By FREDERICK M. JACKSON

WHILE Alabama cannot trace her building and loan history as far back as some other states, the State can can offer a record of safety which is hard to equal. In the 48 years since the first building and loan association was organized in the State the failures have been extremely few: one attributable to criminal practices on the part of officials, and one or two others to faulty methods of business.

Alabama was rather slow in taking to the idea of building and loan associations, and it was not until recent years that they attained any considerable importance in the financial life of the State. At the beginning of 1924 only 13 associations were operating in the State, but in the next six years 27 more were organized and all are now in operation. Tardiness in this respect probably was attributable to the lack of adequate laws to protect this character of investments.

The Alabama League

The Alabama League of Building, Loan and Savings Associations was organized in 1925 with only five members, less than one-half of the associations in the State at that time. Its first officers were F. M. Jackson, president, and E. L. Norment, secretary. At its first meeting a constitution and by-laws were adopted limiting membership to associations which could qualify for membership in the United States Building and Loan League. The present membership of the State League[1] embraces less than 50% of the 40 associations in Alabama. Some of the associations existing at the time of the organization of the State League, and several since organized, could not qualify and have not been received into membership of the League. These institutions, however, are gradually abandoning promotion and other features that prevented their coming into the League and a few of them have made application for membership.

Most of the men present at the organization of the Ala-

[1] The present officers of the Alabama League are: Charles Morris, Tuscaloosa, president; J. Hudson Barker, Birmingham, vice president; W. A. Pattillo, Birmingham, secretary-treasurer.

bama League in 1925 are still active in the affairs of the League, and are lending their counsel and aid in shaping the proposed new law, and will work for its passage.

Early Alabama Associations

The first building and loan association organized in the State was the Morgan County Building and Loan Association at Decatur in 1882. When its charter was renewed, the name was changed to New Morgan County Building and Loan Association. W. B. Shackleford, elected secretary at the first meeting in 1882, is still serving in that capacity. The first president, P. J. Edwards, served until his death in 1914, and was succeeded by J. W. Cunningham, present incumbent.

This Association had a board of directors of nine members who met the first Saturday night in each month. Only installment stock was issued at first, with a par value of $40 per shares payable at the rate of 20 cents per share each month. Earnings were divided semi-annually, being credited to each member according to his holdings. The development of this Association was temporarily retarded by the effects of the operation in the State of several "national" associations, but it weathered the storm and has the honor of having the longest period of continuous operation of any association in the State. It is still in successful operation.

The Avondale Building and Loan Association was organized in 1887 at Avondale, now a part of Birmingham, and is still in active operation.

Cullman Building and Loan Association was organized at Cullman in the same year.

The Alabama Home Building and Loan Association, Birmingham, received its charter in 1891. Its first president, W. V. M. Robertson, continued in that office until his death a few years ago when he was succeeded by his son, W. V. M. Robertson, who still holds that office.

The Jefferson County Building and Loan Association, Birmingham, was organized in 1892. One of its organizers was W. P. G. Harding, who served as governor of the Federal Reserve Bank Board from its organization in 1913 until 1921, and subsequently was governor of the Federal Reserve Bank of Boston, Massachusetts, until his death in April, 1930. F. M. Jackson has been president of the Association since 1906.

One other association was organized in Tuskegee in 1892 and this completes the list of six associations formed in the first decade of building and loan history in Alabama.

As far as can be ascertained all the original associations issued installment stock only, for prepaid and full-paid stock were not authorized until a later date.

The early period was also marked by the appearance of several "nationals" in the State. As usual they left a trail of disrepute for building and loan principles in general, which required some time for the local associations to overcome.

Recent Growth

In 1924, after a lapse of over 40 years, building and loan associations took on activity hitherto unknown in Alabama, and by December 31, 1929, there were 40 associations doing business in the State, 14 of these being in Birmingham. During the interim between 1882 and 1929, however, a number of corporations were chartered ostensibly to do a building and loan business, but they were not in reality building and loan associations. They did business for a while and ceased to operate or changed to some other form.

This spurt in building and loan activity is probably attributable to efforts to recover from the housing shortage caused by cessation of building during the World War.

The success of building and loan associations in Alabama and the absence of any failures of importance during this long period, despite the lack of adequate protective laws, reflects great credit on their management. Permitted to operate almost without restrictions, the affairs of the associations were so conducted that losses to investors have been almost negligible.

Alabama Legislation

Under the Code of 1886 Alabama associations were given very wide powers. Then in 1892-3 came certain acts indicating attempts to cope with the "nationals" which were then operating throughout the State. Act 280 passed at that time does not apply to any association which confines its operations to its own county.[2]

When the State League was organized in 1925 it began working for better laws. In 1927 a law was passed placing

[2] *Editorial Note:* This information on the early laws was gathered from an article by John E. Huffman, "A Review of the Building and Loan Movement in the Southern States," 1895 *Proceedings of the U. S. League*, p. 63.

associations under the control of a building and loan board with the superintendent of banks as chairman, and three appointive members.[3] These members serve without pay except for a small per diem fee when actually on business of the board, and this is limited to not more than $50.00 for each member in any one month. The law requires that the three appointive members shall be men actively engaged in the building and loan business, who are experienced in that line and whose honesty and integrity are unquestioned.

Investments of building and loan associations are limited by the Alabama laws to first mortgages on real estate, deposits in banks operating under state or federal supervision, shares in building and loan associations, state and Federal Government bonds, and loans on members' certificates.

First mortgage loans are made almost exclusively on improved residential property, and rarely exceed 50% of the appraised value of land and improvements. Building and loan shares are recognized by the laws of Alabama as safe investments for trust funds.

Several types of plans are authorized in Alabama. The larger associations have found it necessary to shift from one plan to another to meet changing conditions in the business.

The 40 local associations in the State reporting to the State Superintendent of Banks December 31, 1930, the last official report, had assets totaling $29,434,882.32.

New legislation concerning building and loan associations was secured at the 1931 session of the Legislature. It is contained in Senate Bill No. 116, approved April 9, 1931.

[3] F. M. Jackson, Birmingham; O. G. Gresham, Birmingham; and G. C. Outlaw, Mobile.

« « BIOGRAPHICAL SKETCH » »



FREDERICK M. JACKSON, President of the Jefferson County Building and Loan Association, and one of the founders of the Alabama League of Building and Loan Associations, state vice president of the United States League for Alabama.

Mr. Jackson has had extensive business experience in Alabama, is a member of the Board of Directors of the Birmingham Trust and Savings Company, a former president of the Birmingham Chamber of Commerce, and an officer of several educational, civic, and church organizations in the South. He was born in Hamberg, Alabama, September 1, 1859.

ARIZONA

By A. M. FRANKLIN

ARIZONA did not become a state until 1912. In the early days when it was a territory it afforded virgin ground for certain high pressure 10% membership associations organized in other states. Business thrived for them for a time, but it was short lived and they left behind them a trail of beautifully engraved and colored certificates to remind Arizona members of a "permanent investment." Under such inauspicious circumstances was the building and loan movement born in Arizona.

Between 1888 and 1924, 14 local building and loan associations were organized in Arizona. Of these only seven lived through the first year, death in most instances being attributable to lack of knowledge and ability of management, or to too much "personal" management. Three others have weathered the storm of the earlier years and are today on a sound basis, the Citizens Building and Loan Association of Tucson, Nogales Building and Loan Association of Nogales, and the Cochise Building and Loan Association of Bisbee.

The Tucson Building and Loan Association, Arizona's first association, was organized March 3, 1888, on the mutual serial plan by Charles M. Straus, W. E. Stevens, H. B. Dodge, L. E. Hughes, S. M. Franklin, M. P. Freeman, Theo. P. F. Wilson, F. A. Hartwell, and Ben Heney. Mismanagement crept in and to prevent a crash the Citizens Building and Loan Association took over completely the assets and liabilities of the Tucson Association in 1908, merging the two Associations. The first president of the Tucson Association was Charles M. Straus, formerly of New York City. He took great interest in all civic affairs and was an enthusiastic advocate of building and loan associations. Through his instrumentality and education of others he was the guiding star of the building and loan movement in Arizona until his death.

The Phoenix Building and Loan Association was organized October 30, 1889 along lines similar to the Tucson Association and continued in existence until 1911. At that time the attorney general was seeking to place building and loan associations

on the same footing as the savings banks for taxation purposes. The directors of the Phoenix Association found it unwise and unprofitable to continue operation and the assets and liabilities of the Association were merged with the Home Builders Incorporated, of Phoenix.

The Nogales Building and Loan Association of Nogales, Arizona was organized January, 1894 as a mutual serial association. It has prospered and is still operating. Its incorporators were P. J. Zeimert, Edwin Mayer, F. J. Duffy, R. W. Wood, Thomas J. Wylie, Edward Titcomb, Fred Herreras, A. Sandoval, and A. A. Dotherty.

The Citizens Building and Loan Association of Tucson was organized in August, 1894, under a 50-year charter. Its incorporators included H. W. Fenner, H. H. Pilling, Sam Drachman, Phil Hughes, J. M. Ormsby, M. G. Samaniego, George Hickinau, J. Knox Corbett, H. D. Underwood, and I. A. Shedd. The Association, originally organized on the mutual serial plan, was reorganized in 1909 as a capital stock company.

The Arizona Savings and Investment Company of Tucson, organized February 14, 1900, went into receivership in 1907, and the Arizona Building and Loan Association at Tucson, organized April 9, 1902, likewise failed in 1911, but the Citizens Building and Loan Association absorbed the greater portion of its assets and liabilities.

The Cochise County Building and Loan Association of Bisbee was organized by members of the Copper Queen Mining Company, largely as a private Association for the purpose of building and selling homes to their employees. It is still in existence and prospering.

No terminating associations apparently ever operated in Arizona. All building and loan organizations issue installment shares. Full-paid stock is not issued. Associations do, however, issue certificates for lump sums repayable in from 1 to 10 years with interest at 6% per annum payable semi-annually.

Statistics about Arizona associations are scarce, for neither the State League nor the superintendent of banks, who is charged with the supervision of building and loan associations issues a printed report. The sole sources of such data are the annual statements presented by the separate associations to the bank superintendent. On December 31, 1930, nine building and loan

associations were doing business in Arizona. Their aggregate assets amounted to $4,838,421.

State League

The Arizona Building and Loan League was organized in 1926, with A. M. Franklin of Tucson, president, and H. E. Heighton, secretary. The organizers of the State League were John Metz, Fred Fleishman, H. E. Heighton, and A. M. Franklin.

Arizona Legislation

Prior to 1925 building and loan associations operated under the laws passed in 1885, under the title, "Savings and Loan Associations."[1] The first specific and more or less comprehensive regulation of these institutions, however, dates from 1925,[2] when an act was passed which was rather restrictive. Section 620, for example, states:

> "The amount which may be set apart as an expense fund, and the amount which may be charged for membership fees, fines, or penalties, shall be fixed by the superintendent of banks."

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[1] Rev. Stat., 1887. They were designated as corporations organized for the purpose of accumulating and loaning funds of their members, shareholders and depositors, make loans and invest the funds thereof, receive deposits of money, loan, invest and collect the same, with interest, and may repay depositors with or without interest. Such corporation must not loan money except on adequate security on real or personal property, and such loan must not be for a longer period than six years . . . They may declare and pay dividends of so much of the profits of the corporation and the interest arising from the capital stock and deposits . . . Cannot create any debt or liability against the corporation for any purpose whatsoever except for deposits . . . Can own no other property other than their office building . . . or such as may have been mortgaged, pledged or conveyed to it in trust for money loaned . . . Cannot purchase, hold or convey real estate in any other case or for any other purpose. Must be sold by the corporation within five years after title is invested in it. Cannot own or sell personal property, except such as may be requisite for its immediate accommodation or convenience, except real estate bonds, public indebtedness, gold and silver bullion and United States Mint Certificates of ascertained value . . . Married women and minors may, in their own right make and give filled receipts therefore . . . They may issue general certificates of deposit transferable by endorsement and deliver special certificates acknowledging the deposit by the person therein named by a specific sum of money . . . In case of death, pay to the legal representative of such person the amount for which such certificate was issued which discharges the corporation from all liability thereunder . . . Savings and Loan Corporations may prescribe by their by-laws the times and condition on which repayment is to be made . . . Must not make any new loans or investment until all excess of calls for money has ceased . . . No director or officer or agent can borrow any of the deposits or other funds of such Corporation . . . The surviving husband or wife of any deceased person, or if no husband or wife be living, then the next of kin may, without procuring letters of administration, collect any sum which said deceased may have left on deposit in such bank at the time of his death, provided said deposit shall not be in excess of $300.00.

[2] Rev. Stat., 1925.

Under this relatively stringent legislation five associations have been organized since 1925.

The laws were amended, however, in 1931. Section 620 now limits the gross deduction or allowance for an expense fund to 2½% of the maturity value of the shares. Section 621 has also been modified, to permit withdrawal at the end of one year instead of two, on 60 days' written notice to the secretary of the association. The discount conditions remain unchanged.

« « BIOGRAPHICAL SKETCH » »



A. M. FRANKLIN, President and general manager of the Citizens Building and Loan Association of Tucson, having served as its secretary from 1903 until 1925, and then as general manager until his election to the presidency in 1928. State vice president of the United States League for Arizona.

Mr. Franklin is a member of the bar, and prior to entering the building and loan field was active in merchandising, real estate, and insurance businesses. He was born in San Diego, California, December 23, 1857, son of Maurice A. and Victoria J. Franklin. He married Eliza Wilamon in 1895.

ARKANSAS

By H. P. LYMAN

AS models of perseverance and patience, the building and loan associations of Arkansas represent years of toil and community education. During the reconstruction period, hardy pioneers, blending native blood with pure Anglo-Saxon strain, pushed into the Southwest from the older states, materially aiding Arkansas in re-establishing the economic stability of its cities, particularly during the 80's and 90's. Among these citizens were those whose birth place was Continental Europe and these too added their thrift and energy to building a firm foundation. Among them also were those individuals trained in older building and loan communities who aided in the establishment of building and loan associations in Arkansas, thus creating 30-day credit periods in the place of yearly cotton periods. The result of these developments was a promotion of home ownership and the stabilization of Arkansas credit, which facilitated the securing of capital for various State projects.

Rich in natural resources, and with the wholesome habit of thrift as taught by its building and loan institutions as a background, the real progress of this State has just begun. This wholesome instinct to save has resulted in the creation of 66 domestic building and loan associations with 55,000 members and total assets of over $40,000,000.

Apparently the first association to be organized in Arkansas was established in 1867 and another, organized in 1869, was said still to be doing business in 1894. But these isolated facts are all that is known about these associations; no information is available as to their location or organizers. Hence, the actual history of the movement in Arkansas dates from 1880, when the continuous story of building and loan in Arkansas may be said to begin.[1]

What more worthy monument could a woman erect to her memory than an organization fostering home ownership? In

[1] *Editorial Note:* These facts were gathered from an article by John E. Huffman, "A Review of the Building and Loan Movement in the Southern States," in the 1894 *Proceedings of the United States League*, pp. 133, 135.

June, 1880, Mrs. Mary B. Murrell of Little Rock advertised that a building association would be organized. Since such institutions were unknown and a woman participating in business was equally unheard of, a large number of people were attracted to this first meeting of what was named the Ladies Building Association.



Mrs. Mary B. Murrell

Mr. Jeptha Stout, one of the oldest, and the only known living original stockholder of the Ladies Building Association, describes that first meeting at which interest centered on Mrs. Murrell—a woman presiding over a group of men. He describes Mrs. Murrell as being bright and shrewd, a brilliant talker with all necessary figures and explanations at hand. She served as secretary at the first meeting, explained the purpose of organization, and enrolled the members. The directors elected at the meeting included George H. Van Etten, Thomas Essex, D. G. Fones, N. F. Blackwood, G. T. Walker, R. B. Gress, A. R. Bragg, and J. J. Mandelbaum. Thomas Essex was chosen president. The $10,000 stock was estimated to mature in 72 months. The name selected was the Ladies Building Association, Perpetual.

The Ladies Building and Savings Association was still in operation using a rewording of the original name, until April 24, 1931, when it was merged with the Union Savings Building and Loan Association of Little Rock.[2] J. H. Bilheimer, who was elected secretary in 1890, served in that capacity until 1925, when he was elected vice president and manager, which office he held until his death on March 3, 1930, when his son Roy L. Bilheimer, succeeded to the management of the Association and continued in office until the merger referred to.

[2] The stockholders of the Ladies Association will receive credit on the books of the Union Association for all dues paid by them to the date of the merger (April 24, 1931) but for no earnings to that date. This money is to be repaid by the Union Association as follows: 5% of the principal amount on December 15, 1931; 5% on October 24, 1932; 10% on April 24, 1933 and 10% every six months thereafter, until the entire 100% is paid with interest at the rate of 2% per annum the first 12 months and 4% thereafter. The necessity for the merger was attributable, among other factors, to an accumulation in the hands of the Ladies Association of real estate for which there was very little market and the closing of the American Exchange Trust Company in Little Rock on November 15, 1930 which caused all associations in Arkansas to have an abnormal demand made upon them for the withdrawal of funds.

Failures

Building and loan associations in Arkansas have met few obstacles to their success. Of course, they suffered with the rest of the country at the time the "nationals" destroyed public confidence.

The failure of the Home Mutual Building and Loan Association of Little Rock which occurred in 1908, following the panic of 1907, caused a temporary lack of confidence among Arkansans as to the soundness of building and loan, since stockholders suffered the loss of part of their earnings.

The State bank department has officially closed only one association, since they were placed under the supervision of the bank commissioner in 1914. This was the Paramount Building and Loan Association of Helena, Arkansas, which closed on December 4, 1929.

In 1919 or 1920 the secretary of the Neighbors Building and Loan Association of Little Rock absconded with all funds of the Association, but it was liquidated by the directors themselves without placing it in the hands of the bank commissioner. The loss to stockholders is said to have been about 50%.

Arkansas League of Building and Loan Associations

The Arkansas League of Building and Loan Associations was organized November 18, 1891 with 17 associations represented at the meeting held in the rooms of the Old Hickory Club in Little Rock. The purpose of the new organization was best expressed in the resolution adopted at the second annual meeting, as follows:

> "Resolved, that this League will cooperate with any local association which may be a member of this League, in defending any litigation against them on questions touching the methods and operations of building and loan associations, and they are requested to call on the executive committee for advice in such contingency."

Officers elected at the first meeting were: John D. Kimbell, Hot Springs, president; G. H. Van Etten, Little Rock, 1st vice president; E. T. McConnell, Clarksville, 2nd vice president; J. H. Bilheimer, Little Rock, secretary; and W. C. Tunnah, Little Rock, treasurer.[3]

[3] The executive committee was composed of John D. Kimbell, Hot Springs; J. H. Bilheimer, Little Rock; George W. Clark, Little Rock; Dr. T. H. Wyse, Paragould; Thomas Lafferty, Little Rock; A. H. Colgrove, Van Buren; and George R. Brown, Little Rock.

The minutes of the second annual meeting showed that at that time (1892) 31 associations were operating in the State, 19 of which were members of the State League. Now there are 66 associations in Arkansas with combined assets of $44,810,-288.13 as of December 31, 1930.

After the first spurt of organization and the securing of a favorable court decision, the League became relatively inactive until it was revived in 1925 along the same lines as it had originally been formed. It did, however, keep sufficiently alive during the interim to watch the progress of legislation and see that the best interests of the building and loan business were not harmed by unfavorable action on the part of the Legislature.

Arkansas Laws

The first work of the Arkansas League was to conduct a case in Supreme Court of the State in 1891 which decided the vital principles upon which all associations are founded. This was handled by J. H. Bilheimer and John W. Blackwood, then secretary and attorney respectively, of the Ladies Building and Savings Association.

In 1913 through efforts of the State League, the building and loan associations of Arkansas, together with the blue sky supervision, were placed under the control of the bank commissioner, but appropriation for properly financing such supervision was omitted by the Legislature. Consequently the bank commissioner was nominally supervisor but without any funds or machinery to function. Such remained the case until 1925[4] when the commissioner was given very limited authority and still very little funds with which to function. The Legislature of 1929 passed a law[5] which is a rather complete building and loan code, providing ample funds for maintaining a separate force of examiners. It is now in effect and operating very satisfactorily. Act 128 was passed largely through the efforts of the legislative committee of the State League.

Prior to the enactment of the first building and loan act in January, 1913, the associations operated under the general corporation act.

Under the present law enacted in 1929, provision is made for two types of associations: the mutual and the guaranty or

[4] Acts of 1925, act 214.
[5] Acts of 1929, act 128.

permanent stock associations. Both of these types of associations may adopt the Dayton or optional-payment plan of maturing shares or certificates.

Any association with guaranty permanent capital may issue to its members or to non-members other classes of investment certificates, or savings certificates or pass books, upon which must be specified a fixed, definite rate of interest.

The 1929 act also provides that loans shall be made to members or certificate-holders, accompanied by a transfer and pledge of shares or units issued by the association and secured by a mortgage or deed of trust on improved real estate unencumbered except for taxes and assessment liens for improvements not yet due.

Arkansas building and loan leaders have also been active in affairs of the United States League.[6] Delegates have gone to the United States League Convention every year since its organization. It was the proud record of J. H. Bilheimer, secretary of the Arkansas League from 1891 to 1926. He had attended every meeting of the National League until 1926.

Officers of the Arkansas League took an active interest in the establishing of the United States League. George R. Brown, at the second annual meeting, made a report of the Chicago meeting which he attended with Thomas Essex of Little Rock, in April 1892, preparatory to the formation of a National Association of Cooperative Building Associations.

Building and Loan Growth in Arkansas

Prior to 1914 no reports or statistics were available to describe the progress of building and loan in the State. But with the beginning of state supervision in 1914 the collection of statistical data started and it then became possible to trace the movement and its strength quantitatively. The figures on the following page show the consistent growth of the building and loan business in Arkansas from 1914 to 1930. The growth in assets has been steady since 1914. The membership figures show a slight retrogression during the war years (See Part III,

[6] W. M. Glass was a member of the executive committee, 1928 until his death in 1929. J. H. Bilheimer served in the same capacity from 1914 to 1928, and Roy L. Bilheimer was postmaster at the 1929 convention. S. W. Adams was a member of the executive committee in 1928, vice president for Arkansas in 1929, and member of the committee on standardization in 1928 and 1929. L. E. Prall served on the membership committee for Arkansas in 1926 and 1927. H. P. Lyman was on the convention program at Dallas in 1928.

Year	Total Assets
1914	$ 9,800,385.20
1918	12,234,608.00
1923	21,299,046.99
1924	24,834,199.91
1925	27,776,403.48
1926	32,029,636.94
1927	35,830,036.75
1928	39,870,216.76
1929	43,601,365.72
1930	44,737,088.00

below, Statistical Appendix, for further details), but subsequently rose and have continued on the upgrade ever since. The number of associations doing business in the State has also fluctuated somewhat, but has increased from 38 at the time of the first report in 1914 to 66 in 1930.

« « BIOGRAPHICAL SKETCH » »



H. P. LYMAN, Secretary of the Home Mutual Building and Loan Association of Fort Smith, Arkansas; formerly a member of the executive council of the Arkansas Building and Loan League; also president of the Arkansas Land Title Association, 1924, and appraiser for the Federal Land Bank in 1917.

Mr. Lyman is president of the Lyman Real Estate Company and treasurer of the local abstract company in Fort Smith. He was born in Fort Smith, Arkansas in 1890, son of George H. and Emma Stewart Lyman. In 1917 he married Ruth Carry.

CALIFORNIA

By FREMONT WOOD

California's First Association

THERE has always been more or less uncertainty as to when the first association was established in this State. Mr. James L. Fields, deputy commissioner in 1926, found in the State library and the records of the secretary of state,[1] that articles of incorporation of the California Building and Loan Society of San Francisco had been filed February 9, 1865 with an authorized capital of $250,000. On March 14, 1865, another association with almost the same name and also of San Francisco (the California Building and Loan Association) filed articles with authorized capital of $50,000. One of its directors was Washington Bartlett, who later served as governor of the State. Nothing further is known of these two associations. The belief is that they were both active as late as 1870 and were operated on the terminating plan. They were not mentioned in the *Report* of the bank commission in 1891, which contains the first statistics on building and loan in California.

The State Commissioner's Report of 1894 named six associations which were then doing business and had been incorporated prior to 1880, to wit: Germania Building and Loan Association organized December 31, 1872, at Sacramento; Sacramento Building and Loan Association, August 26, 1874; Home Security Building and Loan Association, July 2, 1875, at Oakland; West Oakland Mutual Loan Association, July 21, 1875; Franklin Savings and Building Association, November 18, 1875; Alameda Building and Loan Association, March 7, 1876; Cosmopolitan Mutual Building and Loan Association, August 6, 1879, at Oakland.

California Building-Loan League

A history of the activities of the building and loan associations of California would not be complete without including the California Building-Loan League. It was incorporated October 16, 1890 and was formed to combat the entry into the State in

[1] See Mr. Fields' article in the Building and Loan Commissioner's *Report* for 1926, p. 303.

1889 of a number of eastern associations, then known as "nationals," which were to threaten the very existence of the "local" or "mutual" associations.

The organization meeting of the California League is thought to have been held in the office of Andrea Sbarboro in San Francisco and, although no record is extant as to who attended that meeting, it is believed the most prominent building and loan executives of the State were present, among them: Leon L. Dennery, Charles K. Clark, Thomas M. Gardiner, Andrea Sbarboro, M. L. Culver, D. Hirschfelder, Louis Blank, N. Schlessinger, Albert Meyer, Wilson S. Gould, George W. Lovie, Frank V. Wright and Charles E. Naylor. The first officers were L. L. Dennery, president, and J. G. Leibert, Jr., secretary.

The major attention of the League at this early period was directed toward restricting the activities of the "nationals" and correcting their methods of operation. In the main the efforts were successful and relief was secured through legislative channels.

These were difficult years not only for building and loan associations but for the country at large. In the five years preceding 1899 the country passed through the most severe financial strain in its history. The commissioner at that time said,[2] "That the building and loan associations have weathered the storm and emerged in as good shape as they have, is a wonder and speaks volumes in favor of the system."

Reorganization of the California League

Much of early California's building and loan history has been gathered from random records, privately and even miraculously preserved in some instances. The official records were destroyed in the San Francisco fire of 1906,[3] when the League became temporarily inoperative. No convention was held that year, but on May 24, 1907, Albert Meyer, at that time first vice president, called a meeting to reorganize the League. Mr. Meyer was the nephew of Daniel Meyer, the banker, who was generous in giving financial aid to young, struggling associations. The officers of this new League were George W. Lovie, president, and H. K. Starkweather, secretary.

[2] See Commissioner's *Report* of 1899.
[3] Much of the early information is gathered from the *Home Builder* referred to later.

Building and Loan Publications

The oldest California building and loan publication, recognized as the official organ of the State League, seems to have been *The Home Builder and Cooperative News*. This was a bright little monthly journal, 9x12 inches in size, a few random copies of which have come into the possession of the writer, to become a part of the present records of the League.[4] This magazine was originally edited by Colonel J. J. Tobin who was at that time state labor commissioner. Later Charles E. Naylor, the California League's first secretary, assumed charge of the magazine and published it as the League's official organ. To the few copies preserved we are indebted for much information regarding the early activities of associations and the State League.

There was also the *Pacific Building and Loan Journal*, another monthly publication, edited by H. K. Starkweather, who succeeded Mr. Naylor as secretary of the California League. A copy of the first issue is dated June, 1909. It was published, "in the interest of building and loan associations and their members." It is not definitely known whether the publication ever got beyond the first issue.

Later came *Our Home Building and Savings System*, started independently by Charles J. Haars and styled "the magazine of scientific cooperation." At the Stockton convention in May, 1911, upon recommendation of the resolutions committee, this magazine was endorsed as the official organ of the League.

Present day history is being preserved in the *Home Financer*, published by the California Building-Loan League.

A number of associations, then as now, issued term reports for circulation among their shareholders and others. These contained considerable building and loan propaganda.

Fine Legislative Work

At the fifth annual meeting of the State League in October, 1895, its legislative committee was given credit for the passing of legislation protecting and encouraging legitimate local associations; preparing and aiding in the passing of an act "creating a State building and loan commission empowered to enforce

[4] Ten copies of the *Home Builder and Cooperative News* have been preserved (June, 1894 to October, 1896).

rigid supervision and inspection."[5] This act, it was claimed, "locked the State door against the fraudulent "national" associations."

In 1907 a building and loan act was passed providing for the issuance of guarantee capital stock.[6] The guaranty capital stock plan was first introduced in California by the California Guaranty Investment Company in 1890. This plan creates a special class of shares which are held largely by the directors of the association and which are not withdrawable. They are designed to protect all other classes of shares against loss of principal.[7] Premiums got a hard knock about 1909 and later were generally eliminated. The California League frowned on the practice and the associations gradually abandoned the use of premiums.

The "definite contract" loaning plan was introduced in California probably by Edward B. Rambo, president of the Citizens Building and Loan Association of San Francisco, in June, 1895. This plan makes use of the amortization principle over a definite period of time.

The mutual-guarantee and so-called hybrid association[8] of California had considerable trouble and unnecessary expense over the collection of internal revenue taxes during the last 10 or 12 years. The Cambridge decision solved this problem.[9]

California is also the scene of operation for several building and loan associations organized on the chain system, with head offices in one of the larger cities.

Considerable study, thought, and work have been given to the organization of a reserve corporation under the name of Building and Loan Federation of California, Incorporated, with Mr. Charles H. Tucker of Long Beach as president and Mr.

[5] March, 1895.

[6] Stats. 1909 and Extra Session 1907, ch. 412. See also Chapter VIII, Part I, above.

[7] 1926 *Report of the Building and Loan Commissioner*, p. 305, published by the California State Printing Office, Sacramento. For further details concerning this type of plan, see Clark and Chase, *Elements of Modern Building and Loan Associations* (N. Y.: Macmillan Co.—1930), pp. 47-50.

[8] "Mutual-guarantee" associations in California have all the usual features of such associations plus the definite contract loan plan.

Pure "guarantee" associations are run primarily in the interest of their board of directors and managers, who may receive as much as 4.0% of the earnings, compared with 7 or 8% to the ordinary shareholder.

"Hybrid" associations embrace the features of both mutual and guarantee plans. For a further discussion of the guarantee plan association see Chapter VIII, Part I, above.

[9] *Cambridge Loan and Building Co. v. United States*, 278 U. S. 55 (1928).

Milo Robbins as secretary. This corporation was designed to function somewhat after the manner of the reserve banks, endeavoring to create a fund to be used for the relief of honest associations when in trouble. Through lack of support this project was abandoned. It would have been interesting to have watched its operation had it survived until the Beesemeyer incident.

Taxation upon real estate and upon building and loan associations is now being carefully studied by the State League, with a view to reducing taxation and thus promoting home ownership.

The oldest living executives of the California League now active are the following: Hon. Frank Otis, Berkeley; Julius H. Martin and C. E. Donnatin, Los Angeles; H. H. Youngken, Santa Paula; Frank Hickman, Sacramento; Arthur M. Noble and C. E. Littlehald, Stockton; M. Lewin, San Luis Obispo; Fremont Wood of San Francisco; and Wilson S. Gould of Berkeley. Several have served their respective associations more than 40 years.

A few women have served in the associations of California over long terms of years. Miss Hermine L. Kruger, secretary of the Alameda County Loan Association of Oakland, first became affiliated with that Association about 30 years ago. Miss Mary Luther of the Fidelity Savings and Loan Association of Los Angeles has served about 30 years. Miss Madie E. Dague, assistant secretary of the Redlands Building and Loan Association, commenced her work in 1908, and Miss Frances Dorsey with the State Mutual Building and Loan Association has given 13 years of service to building and loan.

Chapters of the American Savings, Building and Loan Institute have been established in San Francisco and Los Angeles. Messrs. O. H. Peterson, C. Floyd Lowe, of San Francisco; and Messrs. W. R. Gibbon, Charles Swanton, R. Holtby Myers, T. M. Stensgaard, A. J. Lockwood, and Edward Morgan of Los Angeles, have contributed to the success of the educational movement in this State. In the annual national oratorical contests, two California representatives were awarded first honors: H. R. Gillingham of Long Beach in 1929 and Miss Meitzie Wilmer of Hollywood in 1930. R. Holtby Myers of Los Angeles was national president of the Institute in 1928.

California was host in 1915 to the convention of the United States League at San Francisco.

Summary

California's contribution to the movement may be summed up in its acceptance of both serial and Dayton plans; the early use of the definite-contract loaning plan; the development of the mutual-guarantee and pure guarantee types of associations. A recent development consists of four or five chain capital stock associations, two or three of which have attained large proportions and whose effect upon the movement may be portentous.

In 1920, the total assets of the associations of California amounted to $47,851,294.44 and they now exceed $510,000,000. This great growth is ascribed to the increase in population of the State during this last decade; the elimination of local banks in many of the California towns through the development of the chain banking system, and the intelligent and liberal use of publicity and advertising which has been directed on behalf of the State League by Neill Davis, its publicity director for some years past and now secretary of the State League, assisted by Roy Crippen as publicity director.

Public support for California's building and loan activity is evidenced by the presence of several of her public officials on building and loan boards. James Rolph, present Governor of California and former mayor of San Francisco, has been an active building and loan man. Two other governors and several senators and assemblymen have served on building and loan boards.

Tragedies

A few building and loan associations of California, in common with those of other states, have had their fair escutcheons stained with scandal.[10] To the credit of California's commissioners be it said that their prompt and efficient action has averted serious loss to the shareholders in several cases.

Perhaps no building and loan scandal secured as wide publicity as did the machinations of the Continental Building and Loan Association of San Francisco, a "national" association under the management of William Corbin. An account of this affair is contained in the *San Francisco Examiner* of June 27,

[10] *Reports* of the California Commissioners.

1905.[11] In the same issue is the account of a meeting of building and loan men held in the office of the Renters Co-operative Loan and Trust Company, with a view to having Corbin's Association put out of business.[12] Officers of both "national" and "local" associations attended. Among those representing "national" association and participating were: J. H. Mallett, Jr., A. S. King, William Pardy, R. Carlton Knight, Clarence Grange, and C. J. Wade. From the "locals" came Frank Otis, president of the California League, Frederick H. Clark, and others. Notwithstanding the *Examiner's* charges, the secretary was kept in control with assistance of able legal advisers through a long period of litigation inaugurated by the building and loan commissioner. Proceedings in bankruptcy were instituted and the case removed from the State to the Federal courts. The matter was dragged out for 14 years until October, 1919, when the stockholders received their final dividends. Their loss was relatively small, for they received 78.9 cents on the dollar. This was probably one of the most mismanaged financial affairs in this State.

As a climax to all tragedies in California, the State was startled with the astounding confession of Gilbert H. Beesemyer, secretary-manager of the Guaranty Building and Loan Association of Hollywood, that he had embezzled funds of the Association. He had misappropriated funds from his Association aggregating nearly $8,000,000 which by an adroit manipulation of accounts had escaped detection for years.

Several reasons are given for the continuance of this misappropriation over a period of years without detection. The principle reasons were: lax methods or no method at all for proper auditing of the accounts; lack of proper supervision by the State. The theft was carried on during the administration of four commissioners and was not brought to the attention of the proper authorities, until discovered by a deputy of the fourth commissioner, Charles A. Whitmore. There was said to be an insufficient force in the commissioner's office which could not successfully cope with the greatly increased work resulting from many new associations and a constantly augmented volume of business.

[11] A part of this front page of the *Examiner* is preserved in the League's present records. It is a contribution of Mr. Frank Otis.

[12] The Renters Association was also a "national" organization.

By this scandal, confidence in building and loan was shaken throughout the State, but the fundamental principles were not disproved and it is believed that in the end the effect will be salutary. The extent of losses to shareholders has not yet been determined.

A movement was immediately launched by the executive committee of the California Building-Loan League and its legislative committee to amend the California Civil Code in an effort to safeguard the investing public to a still greater degree, and to equip the building-loan commissioner with more drastic powers to preclude a recurrence of the Beesemyer crime.

The efforts were successful and culminated in a new building and loan code which greatly increases the powers of the commissioner.[13]

Progress in California

May 29-30, 1894, the California League's annual convention was held in San Francisco at the time of the memorable "Midwinter Fair" and a day was set aside as "Building and Loan Day." Delegates represented 36 associations, the majority being from San Francisco. Member and non-member delegates were invited. Interest was said to have been intense.[14]

In this meeting Andrea Sbarboro said: "At the time I was first elected secretary nearly 20 years ago (about 1874) there were only four building and loan associations in California, now there are 150."

In 1895 there were 135 local associations in California, 7 "nationals," and 2 cooperative banks. Of these only 44 were members of the California League, and dues were only $10 per year.

No reporter was employed to take notes at any of the conventions of the California League, until that held at Stockton in 1918. From that time on conventions have been regularly held in various cities of the State, and the proceedings, more or less complete, published in pamphlet form.[15]

A memorable meeting of foremost building and loan men of the Nation was held in connection with the United States

[13] Laws 1931.

[14] A good account of this meeting is given in a special edition of the *Home Builder and Cooperative News*, June 4, 1894.

[15] A complete file of these reports from 1911 on is among the League's present records.

League Convention and the International Congress at the time of the Panama-Pacific International Exposition in San Francisco, July, 1915. Among many guests were President Charles Eugene Clark from the United States League, L. L. Rankin, president of the International Congress; and H. S. Rosenthal, editor of the *American Building Association News*.

Brief Comment on Prominent Personalities

Even a brief history of California's building and loan associations would fail of an important feature, if personal reference were not made to the zealous, earnest, and sincere men who have served the State League as president. Twelve past-presidents are deceased. The list is long and space permits mention of only a few and those without any intent to slight the others who served faithfully and well.

Leon L. Dennery had great faith in the building and loan plan and his broad humanitarian views abundantly fitted him as a leader and led to his selection as the first president of the newly launched California Building-Loan League. The affairs of his office were administered in 1890-1891 with signal ability. He was secretary of a number of associations in San Francisco.

Charles K. Clark was early in the field as a building and loan secretary and was the second president of the State League. His superior knowledge of the conduct of building and loan business was well known for he was considered an authority on accounting and profit dividing. It is said that at the United States League meeting at the World's Fair in Chicago (1893) he was recognized as one of the most able association men in the West. He was elected to the executive committee of the United States League, was a member of its resolutions committee, and was nominated for third vice president, but failed of election. He was secretary of a half dozen building and loan associations in San Francisco, devoting his energies continuously to the cause of mutuality.

Andrea Sbarboro was at one time secretary of eight building and loan associations. These were uniformly successful and many years after formed the nucleus for the Italian Bank of San Francisco. He was the third president of the State League (1892-1893) and was appointed a delegate to the United States League in 1895. He claimed the credit of being first to introduce

the serial stock plan in California. In one of his mutual plan associations he matured at $2,000 a series of monthly savings shares in 8½ years.

Frank Otis had the distinction of serving as president of the State League for 11 consecutive years. He also served on the League's legislative committee and contended valiantly for corrective laws during the "national" trouble. He was a member of the State Legislature 1907-1911. Mr. Otis is still an active champion of mutual cooperation.

Charles J. Wade, of Los Angeles, was prominent in the early days and is reported never to have missed an annual meeting of the State League. He was always to the front with his wise counsel. For nearly 20 years Mr. Wade was chairman of the legislative committee of the League. Upon his death in 1925, he was succeeded as president of the State Mutual Building and Loan Association by C. Howard Wade, his son.

Leon Martin, of Berkeley, was another valued past president. He was a delegate to the 22nd annual convention of the United States League and delivered an address on "A Building and Loan Clearing House."

Joseph Warren Smith, secretary of the Redlands Building Loan Association, a more recent president of the League, was an outstanding figure at all conventions. He was particularly active in the organization and development of the Pacific States Conference, now known as the Savings, Building-Loan Conference of the Pacific. At the United States League Convention, held at Portland, Maine, in 1922, he delivered an address emphasizing the necessity of an educational department within the United States League.

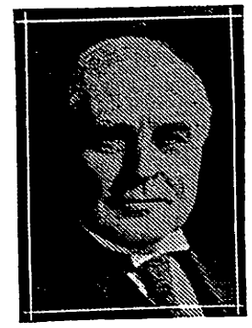
Senator Herbert C. Jones, president of the State League[16] in 1927, is a prominent building and loan association attorney. As State senator and a member of the State League's legislative committee he has aided materially in securing legislation beneficial to the associations of the State.

Walter F. McDowell, of Los Angeles, was only a short time in California. He was president of the United States

[16] We record due credit for the services rendered by recent past presidents of the California League: Frank L. Williams, Stockton; Paul Endicott, Pomona; Charles Tucker, Long Beach; Edwin Einstein, Fresno; J. M. Abbott, Santa Barbara; Harry Wanzer, Sacramento. For 15 years William E. Bouton of San Francisco has been secretary of the California League, and is the immediate past president of the Savings, Building-Loan Conference of the Pacific. Because of press of personal business he resigned as secretary of the League in 1930.

League in 1929, the first to be elected to that office from the West. He was residing in Tacoma, Washington at the time.

Frank Otis, Frank V. Wright, C. D. Barnett, Wilson S. Gould, Thomas M. Gardiner, E. S. Van Pelt, able past-presidents of earlier days of the State League, still survive and are active in the cause.



R. Holty Myers

R. Holtby Myers was the State League's president in 1924, and in 1930 he won the distinction of being the first man from California to occupy the presidential chair of the United States League. He has always been interested in the development of building and loan literature and has himself contributed many articles on building and loan to various publications. Mr. Myers should also be recorded as one of the early enthusiasts for building and loan education and was one of the promoters and first supporters of the American Savings, Building and Loan Institute.

« « BIOGRAPHICAL SKETCH » »



FREMONT WOOD, one of the founders in 1885 of the Citizens Building and Loan Association of San Francisco, and serving that Association continuously for 46 years first as assistant secretary and since 1895 as secretary. He has been treasurer of the California Building-Loan League since 1913.

Mr. Wood was previously active in newspaper work and has continued this interest by reporting the California conventions for the *American Building Association News* and contributing numerous articles on building and loan topics to that publication, as well as to the San Francisco papers.

Mr. Wood was born in De Witt, Clinton County, Iowa, son of Eugene K. and Sarah M. Wood. He married Sallie Levingston.

COLORADO

By MILTON M. SCHAYER*

BUILDING and loan associations in Colorado go back to Territorial times. The first record of the existence of such an organization is found in the *Denver City Directory* of 1873, which lists the Colorado Savings, Building and Loan Association with S. F. Bartels, president; Fred L. Schermer, vice president; George E. Crater, treasurer; and Gustav Opitz, secretary. No doubt this Association was in existence several years prior to 1873, but no mention was made of it before that time. The officers and members of this Association were largely of German descent, nearly all being connected with a singing society.

The Denver Co-operative Loan, Building and Homestead Association began business in 1873 with William N. Byers as president. He was also editor and founder of the *Rocky Mountain News*. David Rubidge, who was one of the most successful managers of early building and loan associations in Colorado, was treasurer, and Gustav Opitz was secretary of this Association, as well as of the City Savings and Loan Association organized in 1874.

All the early associations appear to be of the one series terminating type, with practically no new stockholders being admitted after the organization was completed. One reason for this was that the valuation of an interest in such a company increased to a figure which made subsequent joining impracticable. It was better to form a new group and organize another association. Thus several associations were found to be operated in one office with one man as secretary and manager of all.

When one series was paid up and the functions adequately taken care of, the associations were liquidated and the stockholders paid off. In most cases these stockholders received substantial dividends on their investments. These associations aided greatly and played an important part in the early

* The writer wishes to acknowledge his indebtedness to J. Paul Gourley, Robert Collier, and Ira M. Delong for their cooperation in assembling the facts used in this article.

development of Denver, where all Colorado associations were located until 1886.

All associations organized before 1877, except one, seem to have had a short life because in the *City Directory* of 1879 the Denver Co-operative Building and Homestead Association is the only one mentioned.

In 1880 the Home Mutual Building and Loan Association, with A. J. Woodbury as president, was organized. This Association had a prosperous career, but wound up its business 10 or 12 years later.

Prior to 1885, the largest local associations were the Provident Building and Loan Association and the Standard Building and Loan Association. David Rubidge was secretary of both, and they were liquidated with an adequate profit to the stockholders. Mr. Rubidge was also secretary of the Metropolitan Building and Loan Association in 1883 and treasurer of the Denver Co-operative Association, mentioned above, in 1873.[1]

The oldest building and loan association still in operation is the Co-operative Association, of which Robert Collier has been secretary since 1887. It was organized April 25, 1885.

The Co-operative Savings and Loan Association was an outgrowth of three social societies: Albion, Caledonian and Cambrian, English, Scotch and Welsh. The preliminary meeting to consider the organization of an association was held February 17, 1885. Three persons, one from each society, were appointed to prepare the constitution and by-laws. Several preliminary meetings were held. The first regular meeting was Wednesday, March 25, 1885, at which a board of directors was elected. The question of incorporating was taken up but deferred, the members evidently preferring to operate as an unincorporated association which was the common form of organization at that time. The directors held their first meeting on April 2, nominating W. J. Fay, the general manager of the Denver Gas Company, president; T. C. Rundle, construction manager for Hallack and Howard Lumber Company, vice president, W. D. Tod, cashier of the Union National Bank,

[1] Several other secretaries managed more than one association: In 1884 Lewis Angenger appears as secretary-treasurer of the Arapahoe Savings and Loan Association and later on secretary of the Queen City Building and Loan Association; F. Kellerman in 1885 appears as secretary of the German Building and Loan Association and later organized the Centennial Building and Loan Association. W. F. Wolfersberger had two associations, the Capitol Building and Loan Association and the Denver Home Savings Association.

treasurer; and Thomas Tonge, secretary, with a salary of $25.00 a month.

The first regular meeting of stockholders was held on April 25, 1885, at which time the first month's dues were received and 1,190 shares were subscribed by 157 persons. Loans from the Association, as was customary at that time, were auctioned off and the first loan of $1,000 was made at 8% interest with a premium of 9%.

The Association received during the first year: dues, $15,174; initiation fees, $344; interest, $615.42; fines, $9.00; premium, $732.50. The total expenses for the year including all organization expenses and purchase of a safe, books, etc., amounted to $633.84. The expenses for the second year, including all salaries, were $502.50.

On July 26, 1886, Robert Collier was appointed attorney. At the annual meeting on April 25, 1887, he was elected secretary as well as attorney, holding both positions until 1927, when his son, Malcolm E. Collier, was elected attorney.

The Association was incorporated May 4, 1891. Though small, it has met with no serious difficulties in all its existence, and has carried on its business regularly, steadily, and successfully. Nearly all of the charter members have now passed away, but the Association has on its books a number of the second generation of stockholders and several cases of the third generation.

Up until 1891 none of the Denver associations were incorporated. They were merely groups of persons banded together, terming themselves building and loan associations, in which each one pooled a certain amount of money in partnership with the other persons of the group. An incident of 1890 was probably the immediate reason for incorporation of the Cooperative Association on May 5, 1891, and very possibly for that of the Industrial Building and Loan Association, April 16, 1891.

In 1890 the secretary of a building and loan association stole or appropriated for his private use $30,000. When the affair was brought into court he claimed that the association, being unincorporated, was merely a partnership. As he claimed to be a partner, he contended that he was unable technically to steal from his partners and was allowed to go free. Protection of the stockholders and those interested in the association thus

prompted incorporation in an effort to prevent a repetition of such an occurrence.

The movement had a steady, uneventful growth until 1893, at which time 30 associations were operating in Denver and 16 in the rest of the State of Colorado according to a report made by the United States Secretary of Labor. The associations in Denver included three or four "national" organizations. The two oldest associations in the State, outside of Denver, were the Salida Building and Loan Association, founded in 1886, and the Grand Junction Building and Loan Association, started in 1888.

In 1893, 30 associations in Denver had assets ranging from $50,000 to $300,000 each. The panic of 1893, the demonetization of silver, and the closing of many mines throughout the State caused such a fall in real estate values that only three associations survived, and they continue to exist today. They are the Industrial Building and Loan Association,[2] the Cooperative Building and Loan Association, and the Midland Savings and Loan Association. The rest went out of business and paid their stockholders what they could, the foreclosures being so heavy that much of the liquidation was done by giving the stockholders the real estate involved. Many persons lost their homes, and the real estate business both in the City and in the State was in a deplorable condition. The liquidation following the panic was very slow and much of the proceedings was not cleared up for several years.

A very creditable fact concerning the building and loan associations of this period is that in only two cases could any well founded charges of mismanagement or recklessness in the business be levied. The loans had been made on the usual building and loan ratio of 60 to 75% of the total valuation. When the real estate dropped to half and less than half of its former valuation of the period before 1893, the companies could not possibly pay out, and naturally the losses were extremely heavy as they were in practically all lines of business.

Colorado associations also had to struggle against the "national" menace and rebuild a favorable building and loan sentiment after the fraudulent operations of these out-of-state organizations.

[2] This Association in its organization followed closely the by-laws of the Halifax Building Society of England.

Legislation

The first mention of building and loan associations in Colorado legislation seems to have been in 1889,[3] but the first laws of any consequence for the movement were passed in 1896 with amendments in 1897.[4]

The first legislation, however, was enacted in 1896, when a building and loan act was passed containing only six short sections, which made the associations conform to certain, not very high, standards. Several amendments were made in 1897. This law is still in use except for two changes: one in 1907[5] by which a building and loan bureau was established, and one in 1927, by which a limitation was placed on the withdrawal of membership fees.

There was no state supervision or other types of centralized control until 1907 when the Colorado State Building and Loan Bureau was created by a legislative act. The act was fostered and supported by the leading building and loan associations of the State and their officers.

Since 1907 there have been only two failures—one in 1911 and one in 1913—and the associations involved were really insolvent before the creation of the state bureau in that year. Since 1913 the associations of Colorado have enjoyed a healthy, prosperous growth with no failures and few liquidations.

In 1920 the first three permanent stock companies were organized. They are the Colorado Building and Loan Association and the Bankers Building and Loan Association, both of Denver, and the Ft. Collins Building and Loan Association.

Nearly all associations formed since that time have been organized on the permanent or guarantee stock plan. Building and loan associations have had their greatest growth since 1920 when the total assets of all associations in the State were $10,986,445 and in 1928 the official figures showed total assets of $50,000,000 with a total membership in the State of about 132,000.

The maximum membership fees charged in Colorado amount to 2% on $100 par value. No shares may be issued for less than 35c per month, and most shares are issued on a 50c per month payment basis.

In addition to installment shares a tendency may be noted

[3] S. L. 1889, p. 41.
[4] S. L. 1897, p. 121.
[5] S. L. 1907, p. 252.

to issue full-paid shares which bear different rates of interest or dividends varying according to the length of time an investor agrees to leave his money with the association.

Some associations allow withdrawal in full, without the membership fee after 36 months, and others after 48 months. Certain associations require that the certificate be carried through to maturity. A tendency is evident on the part of many associations, which are writing free withdrawal accounts, to issue only *one* share of stock regardless of the amount of the deposit.

Some of the larger Colorado associations are taking "in and out" money, and consequently the smaller associations are forced to do likewise.

The Colorado League

Colorado has a state building and loan league which was organized January 23, 1918. Its first officers were Ira M. De Long of Boulder, president, and F. P. Hawke of Pueblo, secretary.

In the early part of 1930 a Denver League was established with all of its members also being members of the State League.[6]

Both these Leagues are influential and are working to improve building and loan associations in the Rocky Mountain region.

At this writing there are 68 associations in the State, and the assets of these associations totaled over $60,000,000 as of December 31, 1930.[7]

[6] Its officers are A. J. Bromfield, Jr., president; L. R. Beam, vice president; and W. J. Wulfkuehler, secretary and treasurer.
[7] These figures include one "foreign" association. Two other such organizations are now being absorbed by Colorado associations.

« « BIOGRAPHICAL SKETCH » »



MILTON M. SCHAYER, President of the Bankers Building and Loan Association of Denver; past president, Southwestern Group of Building and Loan Associations. Former president of the Colorado State League of Building and Loan Associations, and a member of the Public Relations Committee of the United States League.

Mr. Schayer is very active in civic and banking activities in Denver. He was formerly secretary of the Denver Community Chest and director of the Denver Chamber of Commerce. Member of the Colorado Bankers Association.

Mr. Schayer was born on April 30, 1876, in Denver, son of Charles M. and Rika Saft Schayer. He married Jane S. Baer in January, 1921.

CONNECTICUT

By WILLIAM H. SKINNER

CONNECTICUT building and loan history seems to date from 1849 when the Whitneyville Building and Loan Association was organized in November of that year. Its organization preceded by one year the first legislation passed in the State governing "savings and loan associations," as they were called. The first Association in Connecticut was terminated in 1859.

The New Haven directory of 1850-1851 lists the New Haven Savings Bank and Building Association with these officers: president, Ira Merwin; vice president, William Hartley; secretary, Judson A. Root; treasurer, Frank Crosswell; and the directors include Eli Barnett, John W. Collins, George F. Smith, Philander B. Hime, Judson A. Root, Samuel Mallett, and Herman B. Storer.

In 1854, 34 of these associations with assets of $1,750,000 were in operation in Connecticut and the following year 14 more had been organized, making a total of 48. Records indicate that the experience of these associations was not as successful as anticipated, because in 1858 steps were taken to wind up their affairs, the last one being closed out in 1867.[1] All these associations were organized on a much different plan than the present day building and loan association. They were probably of the terminating type.

The beginnings of building and loan as we know it today in Connecticut may be said to date from 1881. That year and the decade which followed witnessed the founding and incorporation by special legislative charters of a long succession of building and loan associations which have continued to grow and prosper through the years.

The first of these was the New Haven Cooperative Association founded April 14, 1881 presumably by directors Issac Anderson, Franklin H. Hart, Frank S. Andrew, Charles Fabrique, Joseph L. Joyce, Charles L. Baldwin, Charles P.

[1] The associations which had their beginnings about 1850 were practically legislated out of business, presumably as a result of overworking a premium system which was operative at that time.

Armstrong, William J. Root, A. H. Robertson, Joseph Porter and Nelson Adams, with Harry F. Peck as president, John E. Bassett as vice president, Robert E. Baldwin as secretary, John A. Richardson as treasurer, John M. Peck and Hugh Galbraith as auditors, and Rufus S. Pickett as attorney.

The New Britain Cooperative Savings and Loan Association had as its first president John B. Dyson. Yeaton J. Stearns was elected first secretary. The present president Rawlings of this Association was delegate from Connecticut to the national convention in Salt Lake City, Utah in 1929, and was also selected as delegate to the Grand Rapids convention in 1930.

The first Meriden Mutual Benefit Building and Loan Association was organized March 17, 1887, with the following officers: president, W. H. Squire; vice president, Fred K. Birch; secretary, C. R. Bicknell; and treasurer H. L. Stockwell.

The first president of the Meriden Permanent Building and Loan Association was N. W. Crandall, elected in 1888, and their first secretary was J. Webb. This Association has the proud distinction of being the only Association in the State to own its own office building, which was built previous to the death of President George E. Bicknell.

Daniel M. Ford was president of the Bridgeport Savings and Loan Association from January, 1889, until January, 1895, when John Newton Standish was elected president which office he held until November, 1929. He was followed by Colonel L. J. Herrmann, the present president. Thomas H. Rylands served this Association as secretary from its inception until January, 1904, when George T. Percy was elected. He held office only 17 months and was succeeded on June 1, 1905, by William H. Skinner, the present secretary. This Association was organized by John Newton Standish, then employed by the Union Metallic Cartridge Company (now the Remington Arms Company), among the employees of this concern, but membership was not confined to their employees. The officers from the start have been selected from employees of this Company up to the present time, however. It is commonly known by many as the "Cartridge Shop Building and Loan" and for a number of years past its monthly meetings for the receipt of dues, and so forth, have been held in the office of this Company.

The Middletown Building and Loan Association was incorporated May 28, 1889. Charles R. Lewis was the first presi-

dent of this Association and George A. Craig the first secretary. For 41 years this Association has operated successfully in behalf of home builders and thrifty investors in this community.

The Norwalk Building, Loan and Investment Association is located in South Norwalk and its first president was Nelson Taylor, Jr., who served for 15 years. This Association has had only one secretary, Richard H. Golden, who was elected at the organization meeting in 1889, serving a period of 41 years up to the present time. In all these years only two foreclosures have occurred with no loss to the Association. Among the prominent men who have been or still are connected with this Association are Charles E. Hoyt, secretary of the Connecticut Bankers Association, and secretary and treasurer of the South Norwalk Trust Company, ex-Mayor Richard H. Golden, president of the South Norwalk Trust Company, General Nelson Taylor, General in the Northern Army during the Civil war, and Judge John H. Light, former state's attorney for Connecticut.

The Rockville Building and Loan Association was organized on January 1, 1890. A. Parks Hammond was elected president and J. P. Cameron secretary.

The New Haven Building and Loan Association was organized in 1890 with David Gotta as president until November, 1892, when the present president, F. L. Trowbridge, was elected. The first secretary was John I. Jacobus, while their present secretary, Edward T. Dore, has held this position since February, 1916.

The New Haven Progressive Building and Loan Association had for its first president, A. McCullough, who served this Association from November 5, 1890 until January 14, 1892. Secretary F. G. Gregory served from the start until September 26, 1895.

The Willimantic Building and Loan Association was organized April 1, 1891. The first president, George E. Stiles, served for 36 years, after which Herbert R. Chappell, present president, came into office. Dwight A. Lyman served this Association as secretary for 25 years, and was acquainted with all the property in the town. He was followed on April 1, 1916 by the present secretary, James P. Mustard. W. N. Potter has been treasurer since organization.

Connecticut was also the scene of the operations of several

so-called "national" associations during the 90's but their methods were exposed and they were forced out of existence.

Legal Background

In the year 1897 the office of building and loan commissioner was created by the General Assembly. Various persons served on this commission until the office was abolished by the Legislature in 1915[2] and supervision of building and loan associations was placed under the bank commissioner[3] where it still remains.

Previous to the appointment of the building and loan commission in 1897, special charters were granted by the Legislature to the dozen or more associations organized and doing business up to that time. After 1897 laws governing such associations were placed on the general statutes and new associations were then organized without a signified amount of capital stock[4] and functioned under the commissioner.

It is worthy of mention that since the associations have been under supervision of the bank commissioner, those holding that position have all been very friendly and willing to cooperate in everything that would tend to encourage associations and at the same time amply protect the savings of the people.

At the present time 44 associations are doing business in Connecticut, with assets of $26,000,000 and a membership of 38,000. The Connecticut building and loan law contains no special features and it does not provide for capital stock. Installment and single-payment shares are provided for and matured shares may remain in an association and draw semi-annual interest.

Connecticut Building and Loan League

The Connecticut League of Local Building and Loan Associations was organized at a meeting held in Bridgeport, May 13, 1913, called by John Newton Standish, then president of the Bridgeport Savings and Loan Association.

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[2] Pub. Acts 1915, ch. 29.

[3] Hon. Everett J. Sturgess was bank commissioner from 1915-1922 when Hon. J. K. Bissland was appointed, but death removed him from the office shortly after his appointment. Hon. John B. Byrne served from 1922-1927 followed by the present commissioner, Hon. Lester E. Shippee.

[4] Prior to this time associations had operated under special charters which specified the amount of capital stock.

Many of the men then prominent in building and loan circles attended this meeting.[5]

At this meeting, which was attended by representatives from 10 out of the 17 associations then organized in that state, the League was started with John Newton Standish of Bridgeport as president, which office he held until May 26, 1923, refusing re-election at that time. Charles H. Bissell, secretary of the Southington Building and Loan Association, was then elected president. William H. Skinner of Bridgeport acted as secretary at the organization meeting and with the exception of the second annual meeting, which was held in New Haven when D. L. Jacobus served as secretary, he has been secretary for the entire period.

At the annual meeting on May 7, 1930, the name of this League was changed to the Connecticut Building and Loan League, in keeping with the change made in the name of the United States League at the Salt Lake City Convention in 1929.

In 1914 the Connecticut League affiliated with the United States League and was represented at the annual meeting in 1914 in Washington, D. C., by John Newton Standish.

Connecticut Leaders

John N. Standish of Bridgeport was the founder in December, 1887, of the Bridgeport Savings and Loan Association, an association which was organized by a group of men in the plant of the Union Metallic Company (now the Remington Arms Company). He served on the board of management until 1895 when he became president, holding this position until November 19, 1929, when he retired as directing head on account of ill health and was made president emeritus, having served the Association over 40 years.

He was a thorough building and loan man, always interested in helping others get a home, as he himself had done through this institution. He believed in the motto "practice what you preach" and soon after the Association was formed

[5] George E. Bicknell, David F. Powers, L. S. Savage, James H. Clark, Fred S. Mills, T. S. Penny, William M. Miles, from Meriden; George A. Craig, Fred M. King, from Middletown; George W. Finley, Charles E. House, from South Manchester; S. H. Stearns, Y. J. Stearns, William J. Rawlings from New Britain; Charles C. Perkins from New London; F. L. Trowbridge, F. M. Adler, Charles H. Stanton, Andrew J. Hatch, H. W. Asher, Edward T. Dore, from New Haven; Charles H. Bissell, C. C. Perciani, from Southington; J. N. Standish, Thomas H. Rylands, Henry C. Rylands, A. V. Hartley, George H. Zink ,Jr., Charles W. Burgess, Hugh M. Robinson, William H. Skinner, from Bridgeport.

he made application and obtained a loan and built a home in Bridgeport.

In 1913 he sent invitations to all associations in this State to come to Bridgeport to a meeting with the result that the Connecticut League of Local Building and Loan Associations was formed. He was made president, serving in that capacity for 10 years.

In 1926 a City League of associations in Bridgeport was formed at the instigation of Mr. Standish which brings together at stated intervals all the presidents and secretaries of the six associations now in Bridgeport.

Mr. Standish has participated in the organization of several associations throughout this State and is held in very high esteem by the building and loan public in Connecticut. While he was president of the State League, he made a state-wide trip visiting practically every association doing business at that time. Mr. Standish died in March, 1930, at the age of 75.

Mr. Frederick L. Trowbridge of New Haven, Connecticut, one of the original members of the New Haven Building and Loan Association which was organized in 1890, was elected president in November, 1892. Mr. Trowbridge has held the office ever since. Under his directorate this Association has had a healthy growth and their assets of $1,750,000 are steadily increasing. As an active member of the State League, he has been on the executive committee for a number of years.

« « BIOGRAPHICAL SKETCH » »



WILLIAM H. SKINNER, successively auditor and secretary of the Bridgeport Savings and Loan Association, having been connected with that organization since its beginning in 1888; secretary, Connecticut Building and Loan League.

Mr. Skinner, prior to his connection with building and loan in Connecticut, was connected with the Union Metallic Cartridge Company (now the Remington Arms Company) and during the War was in charge of their Liberty Loan Department. He is also vice president of the Home Mortgage Company, and director of the American Banking and Trust Company. He was born in Bridgeport, Connecticut, son of Walter John and Frances Lathrop Skinner. In 1895 he married Nellie Frances Hinckley and they have one son.

DELAWARE

By GEORGE C. HERING, JR.

THE history of the building and loan associations in Delaware prior to 1921 is difficult to trace. The State Banking Department had no supervision of building and loan associations until the passage of the building and loan association code by the Legislature during the session of 1921. No state league was formed prior to 1922 and much of the history of Delaware building and loan associations has been lost because no organization existed to supervise or preserve official records and data on building and loan associations.

The oldest association in the State is the Newark Building and Loan Association at Newark, Delaware, incorporated in 1867[1] and the oldest Association in the city of Wilmington is the Perpetual Savings and Loan Association, incorporated in 1879. The latter organization now has assets of approximately $2,250,000 and is the largest Association in the State.

Shortly after the formation of the associations just mentioned a number of others were organized by unscrupulous persons. These were largely promoters from outside the State, whose purpose in organizing building and loan associations was dominated purely by the profit motive. Their operations resulted in the failure of several associations and for a considerable period kept the whole movement in popular disfavor. Consequently the associations then in existence grew very slowly and at the beginning of the year 1921 the State could boast of but 24 building and loan associations, having total assets of approximately $3,900,000 and total outstanding shares of less than 100,000 in number.

From these figures it would seem that Delaware—and Wilmington in particular, since it is the only city with a large population of wage earners and a demand for a large number of moderate priced houses—was delinquent in the use of building and loan methods.

Building and Loan Propaganda

Realizing this situation a number of prominent business

[1] It is not definitely known whether this was the first association ever organized in the State; it is oldest in point of continuous operation.

men of Wilmington, headed by Charles Warner,[2] president of Warner Company, organized an association of progressive citizens under the title of Building and Loan Information Bureau with the object of running an information and advertising bureau for the period of a year. The purpose was to promote the organization of building and loan associations and to educate the people as to the services which such associations could render. A subscription was taken up from real estate operators, building supply people, and others interested and with a monthly income of about $800, the Building and Loan Information Bureau, managed by George C. Hering, Jr., succeeded in organizing 14 new building and loan associations in the State. A model charter was drawn, model by-laws were furnished to the new associations, addresses were made before service organizations and in industrial plants, and numerous pamphlets and newspaper advertisements were published and distributed. As a result, the new associations received a successful start and the old associations then in business took a new lease on life. Considerable attention was also given to the new building and loan law which was enacted by the Legislature of 1921.

As a result of this movement the assets of the building and loan associations have increased from approximately $3,900,000 in 1921 to approximately $15,500,000 at the end of 1930. The number of associations in the entire State has nearly doubled (from 24 to 44), and the number of shares outstanding has been increased from less than 100,000 in 1921 to approximately 225,000 at the end of 1930.

With the exception of two "Dayton plan" associations, which were organized in Delaware in 1929 by out-of-state promoters, all associations in Delaware are operated under the serial plan. Most of them issue shares every six months and sell them on the basis of $1.00 per share per month and maturing at $200 per share. One association in the State matures at $100.00 per share and another association at $400.00 per share,

[2] Mr. Warner's first active connection with building and loan work in Delaware began in 1921 when he was requested to head up a study on the shortage of funds in the Wilmington for home building and home buying purposes. The conviction of his committee that the sound development of well organized building and loan associations would be the best step toward remedying the situation led to the formation of the Building and Loan Information Bureau.

His leadership from the beginning and through the progress of the Bureau led to his selection as president when the Delaware State League of Building and Loan Associations was formed in 1922.

running approximately 7½ years and 18 years respectively. To the knowledge of the writer, the terminating plan was never used in Delaware.

In most cases associations maintain offices in connection with real estate offices or banks and receive dues but one or two days per month. In several exceptional cases, associations maintain their own offices and receive dues any time during the month.

All associations have been very conservative in placing second mortgages, most of them restricting their activities to first mortgages. However, those associations which do place second mortgages have all followed the plan of requiring life insurance as additional collateral. A real estate committee views the property, a separate committee, known as the executive committee, passes on the applicant, and the application must receive a unanimous vote of the directors. Almost without exception mortgage loans have been confined to small residential properties and in no case do the directors and officers receive commissions for placing or securing mortgages.

The average directorate of building and loan associations of Delaware consists of approximately 20 members, most of whom are active business men giving their services without charge. As a result there are no so-called one-man associations in the State.

The first building and loan legislation in Delaware was passed in 1921.[3] It placed building and loan associations under the supervision of the state banking commission. The bill was prepared by a group of building and loan executives and the then state bank commissioner. It was enacted with but little opposition. In 1931 this act was amended. Among the changes were (1) an addition to section 7 permitting associations to borrow an amount not to exceed in the aggregate 25% of the dues actually paid in on shares of the association, and not to bear a higher rate of interest than 6% per annum; (2) an addition to Section 9 prohibiting the solicitation "for a commission of any subscription to shares of a building and loan association whether existing under the laws of this State or any other State; (3) restatement of Section 11 to provide for annual statements to be made to the state bank commissioner who also may ask at any time during the year for a list of all accounts

[3] Laws of Del., vol. 32, ch. 107.

and their condition; (4) a restatement of Section 19 to make it lawful for an association to set aside out of earnings a contingent fund.

A State League was organized in 1923 but later became inactive. Because Delaware is small in area and most of the large associations are centered in and about Wilmington, the directors and officers are able to exchange building and loan ideas and experiences in other ways than through the medium of a State League. Therefore, interest in the League had waned. However, through the efforts and an able address by R. Holtby Myers, president of the United States Building and Loan League, the State League was revived in 1930, with the idea of maintaining an active office, and has again begun to participate in the United States League. A legislative committee is now working on an amendment to the Delaware building and loan association law. The executive committee holds meetings bi-monthly and the prospects are that at an early date Delaware will have an active State League[4] with most of the associations as members. The Delaware League is glad to claim membership in the United States League.

[4] Present officers of the Delaware League are: Charles Warner, president; Howard Turner, chairman of executive committee; J. Gordan McMillan, secretary; Samuel H. Dillon, treasurer; and James J. Cohen, George C. Hering, Jr., and Edwin C. Huber, executive committeemen.

« « BIOGRAPHICAL SKETCH » »



GEORGE C. HERING, JR., Secretary Delaware League of Building and Loan Associations; executive manager in 1921-1922 of the Building and Loan Information Bureau, conducting a campaign for building and loan education in the State of Delaware.

Mr. Hering is a member of the Delaware bar and has served one term as assistant solicitor for the city of Wilmington. He is regularly engaged in the practice of law. He was born in Felton, Delaware, on June 6, 1894, son of George C. and Mary W. Hering. He married Helen Barnitz and they have three children.

DISTRICT OF COLUMBIA

By WILLIAM S. QUINTER

THE history of the building and loan movement in the District of Columbia dates from 1861, when the Oriental Building Association was formed by a few Germans who had come to this country in search of the advantages which were open to the industrious. Being tradesmen and mechanics of experience, they had little difficulty in establishing themselves. They were naturally cautious with their earnings and, encouraged by their leaders, formed a building association for the mutual advantage of all. The first meeting was held under the leadership of Conrad Schafer, John Banf, John Walter, and August Gersdorff and was opened with a membership of 112. All the original records were kept in German. The Association was started as a serial, but in 1870 was changed to the permanent plan. When the Civil War broke out, the activity of the Association was suspended until May, 1867, when business was resumed. The Oriental Association is still thriving and is one of the leading associations of the District of Columbia.

The Metropolis Building Association was organized in 1866, and the American Building Association in 1874, then known as the German American Building Association.

The first officers of the American Building Association were William Witthaft, president; Henry Buttner, vice president; Peter Vierbuchen, secretary; and Adolph Feldvoss, treasurer. Meetings were first held on Tuesday evening of each week in Witthaft's Hall on Third Street, Southeast, in the rear of the present office. Later the Association purchased a one-story brick building on the northeast corner of Third and B Streets, Southeast, where business was conducted until 1909, when a three-story brick apartment and office building was erected on the site of the old office.

The Equitable Co-operative Building Association was organized in 1879, the initial meeting place being St. Martin's Hall. James H. Saville was the first president and John Joy Edson the first secretary. Mr. Edson has been connected with

the Association continuously and has been its president since 1884.

The largest association in the District, the Perpetual Building Association, with over $24,000,000 in assets, was not started until 1881. Mr. Charles F. Benjamin, one of its early secretaries, was also secretary of the Building Association Council of the District of Columbia and several times the District representative to the United States League.

At least one large so-called "national" association (the Washington National Building and Loan Association) is known to have been operating in Washington in the early 1900's, and to have failed some four or five years later like most of the associations of that type. Exact information, however, concerning the operations and duration of this Association are not available.

The District Council

In October, 1908, the call went out for the organization and first meeting of the Building Association Council of the District of Columbia. It read as follows:

> The first annual meeting for the election of a board of seven directors and the transaction of any other appropriate business, will be held in the Chamber of Commerce, Brentano Building, Twelfth and F Streets, N. W., at 8 o'clock sharp on Thursday evening, October 29, 1908.
>
> Each building association whose real estate securities are taken wholly within the District of Columbia is entitled to have three representatives present and voting, and the names of the representatives should be certified to the secretary of the standing committee before the day named above, so that he may prepare a proper roll call for the meeting.
>
> The need of a permanent organization for the local associations has been so often discussed and demonstrated at their general and emergent meeting during the last three years, that a full representation and attendance at the approaching meeting is a matter of importance to all of them.

The Council was formed, as were many of the state leagues, to combat threatened excessive taxation. Associations in the District pay a local tax of 2% on gross earnings which is much heavier than in many states. The first officers of the Council were Julius A. Maedel, president, and Charles F. Benjamin, secretary.

The District Council first sent delegates to the United States League in 1909, in Philadelphia, the representatives being J. Clarence Price and James F. Shea. Mr. Price was the

first member of the executive committee of the United States League for the District.

In the report of the delegates who attended the United States League meeting in Atlantic City in 1912, the following paragraph appears:

> "At this annual meeting of the League the defect was plainly brought out of precious time consumed in reading of academic essays, and the want of time for floor discussion of practical questions of present day interest. Some of the delegates from far off states expressed their dissatisfaction so emphatically that the meeting was glad to adopt the motion of our Mr. Schulteis that hereafter the Executive Committee of the League should select the topics of papers to be read, and apportion the time in such wise as to assure opportunity for profitable discussion of the real questions of the day."

In 1912 the Council appointed a committee to arrange for co-operative advertising but very little was ever effected along this line.

The local Council entertained the United States Building and Loan League in Washington, D. C. at its annual convention in 1914.

In 1926 the Council was honored by the election of a past president, C. Clinton James, to the presidency of the United States League. Mr. James had been a delegate to the League for many years and chairman of the legislative committee since 1923. (See Chapters XIII and XIV.)

Among the prominent national figures who have been active in building and loan work in Washington is John Joy Edson, president of the Equitable Association. He is treasurer of the National Chamber of Commerce and well known for his many banking and civic connections. Harley V. Speelman is another nationally known figure. As Register of the Treasury for many years, his name appeared on all United States currency. He helped to organize the Mount Pleasant Building Association which was absorbed by the District Building and Loan Association. He has served the latter Association first as treasurer and now as vice president.

The District Council[1] has always supported the United States League and all associations in the Council hold memberships in the United States League. It was the first area with 100% membership in the United States League.[2]

[1] The present officers of the Council are: Edward C. Baltz, president; Chapin B. Bauman, vice president; William S. Quinter, secretary; and Millard T. Dixon, treasurer.

[2] New Jersey is the only other 100% area.

The executive committee consists of the four officers with the exception of the treasurer and C. Clinton James, J. L. Sherwood, James F. Shea, John B. Geier, George M. Emmerich and Carl J. Bergman. Mr. Baltz, president of the Council, is secretary of the Perpetual Association, the largest in the District of Columbia, and has represented the District at a number of United States League Conventions. Vice President Bauman is attorney for the Oriental Association.

On December 31, 1930, Mr. Kane, head of the Bureau of Statistics, United States Treasury Department, reported 24 associations in the District with total assets of $75,403,591.72.

All building and loan associations of the District of Columbia come directly under the authority of the United States Treasury Department and report semi-annually to the Comptroller of the Currency. Examinations are made twice a year at irregular periods by the United States National Bank Examiners.

The code applying to building and loan associations is very brief and efforts are now being made to have a bill passed by Congress making it necessary for a new building and loan association to secure the consent of the comptroller before starting business. Impetus has been given to this proposed legislation by the recent organization of two associations charging a 5% membership fee—a practice to which the Council is very much opposed.

Under the present code associations may issue practically any class of shares or stock they desire. Most of the associations, however, issue only prepaid and running stock and pay a 5% dividend on all such stock.

« « BIOGRAPHICAL SKETCH » »



WILLIAM S. QUINTER, Secretary of the Building Council of the District of Columbia since 1927, and previously president of that organization. Representative to the United States League since 1920. One of the reorganizers of the District of Columbia Building and Loan Association, and successively assistant secretary and secretary.

Mr. Quinter had previous experience in the insurance and real estate field. He is active in civic and fraternal circles in Washington. He was born in Washington, D. C. on May 13, 1877, the son of Joseph R. and Clara E. Quinter. He married Elizabeth M. Camp.

FLORIDA

By C. W. LOVELAND

IN sketching the history of the building and loan movement in Florida the name of Captain H. B. Shaw stands out most prominently as the promoter and organizer of nearly all the early associations in the State. He was instrumental in organizing the first building and loan association of a purely local and mutual nature at Ormond, Florida, known as the Ormond Building and Loan Association, on February 25, 1888, when he and 55 other residents of the town applied for letters patent for a corporation. The first officers of the association were: president, Washington Watson; vice president, E. W. Amaden; secretary, William E. White; treasurer, William Watson. This Association is still active.

On August 31, 1897, Captain Shaw organized the Equitable Building and Loan Association at Daytona and served for a time as its president. Two of the directors of this association, Colonel C. M. Bingham and Bert Foster, have served continuously on the board since its organization. Edward G. Harris, the present cashier and manager, was its first secretary. This Association has played a prominent part in the development of Daytona Beach and has demonstrated the practicability of aiding the colored as well as the white people to save their earnings and to own their own homes.

In 1901 Captain Shaw promoted and organized the Dade County Security Company at Miami with an authorized capital of $100,000. At one time it had resources of approximately $20,000,000, thus becoming the largest Association in the State. It has had a stormy career in the last five years. A series of cataclysmic events have matched their strength with that of the Association: two terrible and disastrous hurricanes, one of the greatest real estate booms in history, the subsequent deflation of real estate values, the consequent demand on building and loan associations for withdrawals, the machinations of unprincipled brokers. Under the pressure of these adverse forces this Association finally had to liquidate. In an attempt to stem the tide during its later days of operation, Frank A. Chase, a

building and loan worker of national reputation, was elected president and he was later appointed as receiver. This Association is gradually being liquidated and the recent upward trend in land values at Miami and Miami Beach tend again to increase the value of its assets. The ultimate outcome for the shareholders is still in doubt. Much depends upon the recovery of business conditions and the trend of land values, for the Association holds much valuable real estate.[1]

On August 1, 1903, Captain Shaw promoted the organization of the New Smyrna Investment and Loan Company with Dr. L. B. Bouchelle as president and W. P. Shyrock as treasurer, both of whom have served in these offices continuously to date.

Captain Shaw also organized the Tropical Home Building and Loan Association in Miami in 1903 but it was later consolidated with the Dade County Security Company. In 1925 he organized the Peoples Building and Loan Association of Jacksonville, which is now operating under his management. In 1921 Captain Shaw organized the Home Building and Loan Company of Jacksonville which has grown to be one of the larger building and loan associations in the State, and has taken a prominent part in the building and loan history of Florida. The present officers are C. S. Pike, president; W. H. Slappy, chairman of the board; and Mrs. E. M. Miller, secretary-treasurer. Consolidated with the Home Building and Loan Company is the Jacksonville Mortgage and Guaranty Company which Captain Shaw organized as a building and loan association.

Previous to Captain Shaw's activities in Florida there had been no building and loan associations of a purely local and mutual type in the State.[2] In the earlier days a number of "national" associations had invaded the field but they failed, and brought about disaster and distrust of all building and loan associations. It is a great tribute to the zeal and enterprise of Captain Shaw that in the face of this considerable prejudice resulting from the failure of "nationals" and in the face of a lack

[1] The experience in Dade County is not typical of other Florida associations except of a few small ones on the lower east coast which was also the scene of boom activity.

[2] *Editorial Note:* An article by John E. Huffman on "A Review of the building and loan movement in the Southern States" in the 1894 *Proceedings of the United States League*, p. 135, states that there was an association in Florida in 1881. Whether or not this was one of the "nationals" mentioned here by Mr. Loveland is not known. At any rate the Ormond Association described above apparently has just claim to being the oldest, if not the first, association organized in Florida.

of knowledge of true building and loan practice by the residents of the State, he was able to imbue so many key men in so many widely separated cities of Florida with genuine building and loan principles and thus to build up so many highly successful, local and mutual building and loan associations. Nor was his influence restricted to the several associations which he organized, but was spread throughout the State by his ready willingness to give advice and encouragement to the younger associations in other cities. Almost all the associations organized by Captain Shaw were of the Dayton type and were not serial or terminating associations.

The State League

The Florida League of Building and Loan Associations held its organization meeting at Miami in May, 1924, with nine associations represented; Mr. J. I. Wilson of Miami was elected president and S. R. Shearston of Miami, secretary.[3] The first annual convention was held at Orlando on November 12, 1924, and annual conventions have been held every year since. During the relatively short life of the League various prominent Florida leaders have shown an interest in building and loan activity. At the State convention in 1927, Governor John Martin spoke. In 1931, Senator Duncan Fletcher addressed the convention. Both praised the work of the building and loan associations in Florida.

Nearly all active associations joined the League which developed a tremendous power for good in the building and loan field.

Florida Legislation

During recent years the League has been instrumental in securing a model building and loan law[4] which will compare favorably with the laws of any other state. A few years ago a number of parasitic promoters, who were attempting to trade on the good name of building and loan for their own pernicious

[3] The presidents who have served the League are J. I. Wilson (deceased) of Miami, H. W. Barr of Orlando, Mrs. E. M. Miller, of Jacksonville, W. E. Magers of West Palm Beach, C. W. Loveland of Palatka, W. H. Slappy of Jacksonville, and L. J. Halbe of of Fort Pierce. S. R. Shearston acted as secretary for the first four years and was succeeded by Mrs. E. M. Miller who has served the organization in that capacity ever since.

[4] Laws of 1927, amending Laws 1925, ch. 10028, secs. 1-33. The 1925 legislation had repealed Act of 1915, ch. 6971 and Act of 1923, ch. 9147. According to the article by Mr. Huffman referred to above, the first legal recognition of building and loan in Florida dates from 1892.

purposes, invaded Florida. A group of high pressure salesmen finding that the sale of ordinary stock was meeting too much resistance joined forces with certain building and loan associations which were in need of additional funds for building purposes. Together they put on high pressure campaigns on the basis of selling installment stock or paidup stock on a 5% commission which in every case was added to the investment of the shareholder.[5] As soon as shareholders realized what this amounted to they ceased to pay the association and hundreds of thousands of dollars were taken out of various Florida cities. But before they could accomplish a great deal of damage, the State League publicity program made the path of these promoters difficult, and they were finally driven out of the State by the enactment of legislation which reduced to 1% the premium which could be collected. This is perhaps the outstanding achievement of the League.

For the most part these various regulatory measures[6] have been passed without opposition. An exception might be in connection with the 1927 legislation, when under-the-surface antagonism was evident, coming largely from disgruntled stock salesmen just referred to who had been selling installment stock on a 5% commission.

Prior to the enactment of the model law, although the machinery had been set up for state examination of building and loan associations, no funds were available to pay examiners and no real examinations were made.

While waiting for action by the Legislature, the Florida League made a working arrangement with the state comptroller, the Honorable Ernest Amos, by which the League paid the salary and expenses of an examiner to inspect all associations of the State, whether members or not. In other words, the League insisted that all associations be examined and willingly paid the expenses of the self-determined examination, which is a unique achievement in the history of financial institutions of the country.

The new law referred to provides for prepaid, fully paid, and installment shares of stock, and stock may be issued in

[5] For example: They would sell 10 shares of installment stock upon payment of $50, which they kept, and upon which the association received only a promise to pay a monthly installment of $10 per month.

[6] Further amendments are being sought at the 1931 session. They pertain primarily to the matter of withdrawals.

series if the by-laws of the association so provide. No membership fee or "premium" of over $1.00 for each $100.00 of stock may be charged. The law also makes notes and mortgages taken by building and loan associations non-negotiable. A contingent fund must be built up until it reaches 5% of the assets of the association. Supervision is placed in the hands of the state comptroller and yearly examination is required.

« « BIOGRAPHICAL SKETCH » »



C. W. LOVELAND, Secretary-treasurer of Palatka Building and Loan Association in Palatka, Florida. Former president, Florida League of Building and Loan Associations; member, executive committee of United States Building and Loan League. Author of various articles and booklets on building and loan subjects.

Prior to entering the building and loan field Mr. Loveland was a teacher, then entomologist for the state of Rhode Island, finally engaged in business, largely in the real estate field. He was born in Wethersfield, Connecticut, March 4, 1872, son of H. Eugene and Dora Porter Loveland. He married Louise Bray, and they have two children.

GEORGIA

By HORACE RUSSELL

THE conditions prevailing in Georgia following Sherman's march to the sea presented an unusual opportunity for the benefits attainable through use of building and loan methods. Altanta, a prosperous city of about 20,000 population and the capital of Georgia, had been burned to the ground, and when her citizens returned in 1865 they set about rebuilding the city.

Georgia was populated by ambitious people who, however, had spent all of their money and all of their resources of every kind upon the prosecution of the war. Furthermore, at that time no outside capital whatsoever was available. In 30 years, from 1865 to 1895, building and loan associations flourished throughout the State and were one of the greatest instrumentalities for the rebuilding of Georgia.

When the Gate City Building and Loan Association was incorporated in 1865 the lawyers obtaining the charter gave it its name but did not specify its object. Fortunately the judge of the superior court of Fulton County specified in the order granting this charter that it was a corporation to accumulate the funds of members to be used by the members to acquire homes.

From 1880 to 1890 there were more accounts in the building and loan associations in Atlanta than families in the city and nearly every home was being paid for by building and loan financing.

The case of *Parker* v. *Fulton Building and Loan Association*[1] was an early test case involving the validity of the corporate form, the constitution of that association, and the legality of the rate charged for loans. All were approved by the Supreme Court of Georgia and building and loan associations were commended for their laudable purpose.

Some of the early associations in Georgia were operated on the serial and some on the permanent plan.[2] All associations

[1] 46 Ga. 166 (1872).

[2] Huffman (1894 *Proceedings of the United States League*, p. 135) reported a small association formed in 1866 which terminated in about 8 years.

were incorporated under the general incorporation law which permits either the serial or permanent plan.

In these early days the payments usually required on $200 shares in these associations were $1.00 per share per month and the premium charged on loans was an additional $1.00 per share per month. In addition to these charges the money was so much in demand it was auctioned off at the monthly meetings of these associations at a minimum discount of 40% and very frequently sold for 80% discount. Thus on five $200 shares for a total of $1,000, the one securing the loan and paying $10.00 per month would secure only between $200 and $600, depending upon the bidding at the meeting.

It is of interest to note that many of Atlanta's leading citizens of that day considered that their service in these institutions was of the greatest they were ever able to render. In a recent newspaper report at the time of the death of Joel Hurt of Atlanta, one of the greatest capitalists of the State, a builder of street railways, office buildings and various industries, he was reported to have taken great pride in his connection with the early building and loan development in Georgia.

Unfortunately we are compelled to add an unpleasant side to this picture. Many of the wealthy citizens of Georgia of this day made their fortunes improperly out of the savings of the poor in the building and loan associations of that early day. Still more unfortunately must we report that, while these institutions were well managed and were altogether good for a long time, many of them eventually fell into the hands of unscrupulous persons who became officers and directors and defrauded the people in a most scandalous manner.

Many of the institutions in the latter part of this period became "national" in character, accumulated the largest reservoirs of capital in the State at that time, and were conducted solely for the profit of those in charge of their operations. The eventual outcome was the failure in the 90's of many of these "nationals," resulting in very heavy losses and such complete discredit of the name of the building and loan business in the State that the managers of the surviving local institutions changed their names and the building and loan business practically disappeared from Georgia. Now only one licensed association, the Dalton Building and Loan Association at Dalton, extends back into the nineteenth century. It was a local, mutual

association and did not fall into the hands of unscrupulous officers and directors. This temporary lull of building and loan activity in Georgia occurred at approximately the turn of the century. It marked the end of the first period in building and loan history in Georgia, a period concerning which details are scarce, because of the absence of state regulation or state organization of the business.

Looking backward upon this great experience in thrift and home ownership in Georgia, the value of a state building and loan league, properly directed, is very fully appreciated. Furthermore, a sound state regulation of the business was conspicuous for its absence.

The New Day

In 1925, the Dalton Building and Loan Association continued to operate as a local, mutual institution. The Cartersville Building and Loan Association, with J. W. Vaughan as secretary, was 15 years old and was rendering possibly the greatest service in Georgia. The Citizens Building and Investment Company at Rome, of which L. N. Shanahan, Jr., was secretary, was seven years old and very useful. The Home Building and Loan Association, also at Rome, had been recently organized and the only others known to the writer were Elberton Building and Loan Association and Waycross Building and Loan Association, located at towns of the same name. At the same time there were many financial institutions in the State, a few of them called building and loan associations, but operated as closely held stock companies and doing an ordinary mortgage business.

The sale of securities in Georgia is regulated by the Georgia Securities Commission and the State was extremely fortunate in having S. Guy McLendon as secretary of state and chairman of the Georgia Securities Commission. Mr. McLendon permitted a meeting to be called in February, 1925, in his office. Among those present were George W. West of Atlanta, L. N. Shanahan, Jr., and Barry Wright of Rome, Horace Russell of Atlanta, and another very valuable state officer, Thomas Connor, chief examiner of the Georgia Securities Commission. At this meeting the Georgia Building and Loan League was organized and George W. West was elected its first president and Horace Russell its first secretary. A legal advisory com-

mittee consisting of Harry Wright, chairman, Horace Russell and W. D. Tutt of Elberton was appointed with instructions to draw up a set of rules and regulations for the approval of the Georgia Securities Commission. These rules which were promptly approved by the commission permitted (1) the sale of shares by associations in Georgia under a license for the sale of real estate securities if the associations had charter provisions requiring that they maintain their capital at par, invest only in first mortgages on local improved real estate or, in the absence of loans, in government securities; (2) prohibited the sale of shares at more than 3% above par; and (3) contained all other provisions for the sound operation in Georgia of a local mutual institution for the accumulation of savings and for first mortgage home financing.

The Georgia Building and Loan League has functioned regularly from that time to the present and, whenever any unsound practices have developed in the State, the League has taken vigorous action and has prevented fraud. The Securities Commission has cooperated in every possible way, and the future of the business in the State is indeed bright. In Georgia 37 local mutual building and loan associations are operating with a paid-in capital of $6,039,453.36, as of December 31, 1930. The business is young but is pursuing a sound course and rendering a service which is proving very satisfactory to the people.

Georgia does not have a definite building and loan statute, but under state regulation associations are permitted to issue running shares and also a limited dividend share. There is no provision for guarantee capital stock.[3]

Prominent Personalities

S. Guy McLendon, secretary of state and chairman of the Georgia Securities Commission, was an old man and hopelessly crippled but he had a genuine love for the common people and especially for the home life of the people. He was willing to use his great influence in the State in the interest of developing local home financing funds. His advice was sound, his conduct enthusiastic, and his judgment always good. The building and loan business lost its best friend in his death in 1927.

[3] Huffman, *op. cit.*, states that the Code of 1882 included regulation of building and loan; also act of 1888; Laws of 1890-91 give nationals all rights and immunities of local associations.

Among others who have been prominent in Georgia building and loan affairs should be mentioned J. W. Vaughan of Cartersville, present president of the Georgia League; and George W. West of Atlanta, one of the promoters of the State League and a former president of the Atlanta Chamber of Commerce.

If there were space, a full chapter could be written about other personalities in Georgia, such as: C. A. Mathews, president of the Decatur Building and Loan Association, and former president of the Georgia Building and Loan League; T. A. Damar, secretary of the Home Building and Loan Association of Rome and vice president of the Georgia Building and Loan League; and many others.

« « BIOGRAPHICAL SKETCH » »



HORACE RUSSELL, President of First Mutual Building and Loan Association of Atlanta; one of the organizers of the Georgia Building and Loan League; author of the first draft of regulations concerning Georgia building and loan associations; chairman, executive committee and past president, Georgia Building and Loan League; vice president, United States League of Building and Loan Associations from Georgia.

Mr. Russell is a lawyer practicing at Atlanta, and a member of the firm of Jones, Fuller, Russell, and Clapp. He has served on the general council of the City of Atlanta, and is president for 1930-31 of the Atlanta Chamber of Commerce. He was born in Rankin County, Mississippi, on November 7, 1889, son of Virgil and Eleanor Everett Russell. In June, 1916, he married Julia Myers and they have three children.

HAWAII

By RICHARD H. TRENT

Hawaii's First Association

THE Pioneer Building and Loan Association probably has the distinction of being the only association in the United States of America whose charter was obtained from a monarchical government. During the reign of King Kalakaua, monarch of the Kingdom of the Hawaiian Islands, a few thrifty Americans met in the Chamber of Commerce rooms in Honolulu on February 1, 1890 and decided to form a building and loan association. An organization committee was appointed including five of the City's most alert and progressive citizens: George E. Boardman, Samuel B. Rose, Theodore F. Lansing, Charles L. Carter, and George W. Smith.

Because of the lack of applicable statutory laws, the securing of a charter was delayed but at a meeting of the organizers on June 19, 1890, the committee reported that after much effort it had succeeded in drafting a charter which met with the approval of the cabinet ministers and that on June 12 a charter had been issued by His Majesty's Government. To this charter were affixed the signatures of L. A. Thurston, Minister of the Interior; Jona Austin, Minister of Foreign Affairs; S. M. Damon, Minister of Finance; and Clarence W. Ashford, Attorney General, and it bore the royal seal.

The Pioneer Association was organized as a serial association and still operates on that plan. Warren Dease, the present secretary, refers to it in meetings of the Hawaii League of Building and Loan Associations as "the daddy of them all." Theodore F. Lansing, who introduced the building and loan idea into Hawaii, and who was first secretary of the Pioneer Association, is now retired from active business life.

Building and Loan Progress in Hawaii

Through the various changes of government, which preceded Hawaii's union with the United States, the original Pioneer Association steered a safe course, and patiently edu-

cated the community to the advantages and benefits of the building and loan idea. Other associations followed, the order of incorporation being as follows: Mutual Building and Loan Society of Hawaii, Ltd., 1904[1]; Security Building and Loan Association, Ltd. 1918[2] (name changed later to Hawaii Building and Loan Association, Ltd.); Kaimuki Building and Loan Association, Ltd., 1921[3] (name changed later to Territorial Building and Loan Association, Ltd.); Guardian Building and Loan Association, Ltd., 1923[4]; Maui Cooperative Building and Loan Association, Ltd., 1923[5]; International Building and Loan Association, Ltd., 1925[6]; and Honolulu Building and Loan Company, Ltd., 1929.[7]

As of December 31, 1930, these eight associations had aggregate resources of $3,528,505.01.[8]

Membership

The total membership in Hawaiian associations, as of April, 1931, is 14,174 but the interesting fact concerning this figure is its distribution among the various nationalities.

Japanese members		6,014
American	"	3,545
Chinese	"	1,665
Hawaiian	"	1,399
Portuguese	"	871
Filipino	"	394
Korean	"	33
Other	"	253
		14,174

Thus the Japanese, who constitute a large proportion of the total population, also lead in the use of the building and loan opportunities.

[1] James L. McLean, president; J. A. Lyle, vice president; Richard H. Trent, secretary; and C. H. Cooke, treasurer.

[2] Alvah A. Scott, president; T. D. Collins, secretary; and H. A. Truslow, treasurer.

[3] H. G. Davis, president; A. B. Kroll, secretary; and J. R. M. MacLean, treasurer.

[4] E. W. Sutton, president; George S. Waterhouse, vice president; W. W. Chamberlain, vice president; and M. B. Henshaw, secretary and treasurer.

[5] C. D. Lufkin, president; Edwin C. Moore, secretary; and John A. Templeton, treasurer.

[6] Wade Warren Thayer, president; Goro Nakayama, vice president; C. H. Cooke, vice president; and M. V. Ferry, secretary and treasurer.

[7] W. G. Matthias, president; C. H. Chiswick, vice president; Wayson Weatherbee, secretary; and L. L. Gardner, treasurer.

[8] In addition to these locals, two Utah associations, both with head offices in Salt Lake City, maintain branch offices in Hawaii, and at the same date showed local resources of $969,048.60.

Legal Status of Associations in Hawaii

Until 1927 no special statutory law governed building and loan associations in Hawaii, and they were operated under the limited liability corporation act,[9] which controlled all ordinary corporations organized or doing business in the Territory. This corporation statute did not properly cover the building and loan business and every withdrawal of capital was in violation of the law, but no restraining hand was held out by the authorities. The 1927 Territorial Legislature passed a comprehensive building and loan act,[10] modeled largely after the California statutes. Associations doing business in the Territory are under the supervision of the Territorial bank examiner. This law provides for the issuance of shares on the serial, permanent, or guarantee capital plans, and in the last named instance interest-bearing investment certificates are authorized. Shares may be issued to minors in their own names, and handled on same basis as adults' shares, except that no penalties or fines may be charged against such shares during the owner's minority.

In 1913 the Territorial Legislature[11] amended the building and loan act (1) to reduce the required reserve fund (or permanent guaranty stock) from 10% to 7½% of aggregate book value of all stock and investment certificates outstanding; (2) to allow a maximum fee of $2.00 per share which may be taken entirely as a membership fee or split 50/50 between membership and withdrawal fees; (3) to require associations issuing investment certificates to maintain a cash reserve equal to 5% of the book value of all such issued and outstanding certificates; (4) to exempt from payment of territorial income taxes "the return paid or credited on or apportioned to the withdrawable shares and investment certificates, but in no event exceeding 6% per annum;" (5) to make it unlawful for any building and loan association to employ any agent for the sale of its shares and certificates unless such agent shall first be licensed by the Territory, and pay an annual license fee of $2.00.

Hawaii Building and Loan League

Feeling the need of closer cooperation among the building and loan associations in Hawaii, a group of leaders in the local field held an informal meeting in the offices of Trent Trust Company, Ltd., in Honolulu, on December 10, 1926, at which the following persons were present: D. W. Anderson of the Guardian Building and Loan Association; Warren Dease, of the Pioneer Association; Edward Towse, B. Howell Bond and J. R. M. MacLean of the Territorial Association; W. W. Thayer, of the International Association; Richard H. Trent, of the Mutual Association; E. C. Moore, of the Maui Cooperative Association; and H. A. Asch, deputy territorial bank examiner. A tentative organization was formed and other meetings followed at intervals, with the result that on January 18, 1927, the Hawaii League of Building and Loan Associations was formally organized, with Warren Dease, president; D. W. Anderson, vice president; Edwin C. Moore, secretary; and B. Howell Bond, treasurer.

[9] R. L. 1925, ch. 189.
[10] S. L. 1927, Act 208.
[11] S. L. 1931, Act 283.

The League has been successful, in cooperation with Henry Asch, the deputy territorial bank examiner and the supervising authority, in securing the passage by the Territorial Legislature of "an act to provide for the incorporation and government of building and loan associations," which had operated under general corporation laws prior to July 1, 1927, and in promoting a very helpful spirit of friendly cooperation among its constituent member associations. The Hawaii League is affiliated with the United States League, and several of the local associations of Hawaii hold individual memberships in the national organization.

Leaders in Building and Loan Activities

The boards of directors of the local building and loan associations have always included men who were leaders in our Island community. Hon. Charles L. Carter was a prominent attorney in Honolulu during the reign of Queen Liliuokalani and was later a member of a commission sent by the Republic of Hawaii (successor to the monarchy) to Washington to negotiate a treaty of annexation with the United States. Mr. Carter lost his life in the insurrection of 1895, when the royalist party, under the leadership of Robert Wilcox, made an unsuccessful attempt to restore Queen Liliuokalani to the throne.

Hon. George W. Smith held many civic positions of high honor. He was long identified in an important capacity with the famed Queen's hospital and did fine constructive work as chair-

man of the board of supervisors of the County of Oahu when local self government was first instituted in the Islands in 1905. Mr. Smith died in San Francisco in 1928.

Of those still in the service the following are worthy of special mention: James Alexander Lyle and Charles Crozier, who were both active in the organization in 1904 of the Mutual Building and Loan Society and are still active in its management. Hon. Wade Warren Thayer, president of the International Building and Loan Association, is also president and manager of the International Trust Company, Ltd., a Japanese-American Institution. By appointment of President Wilson, Mr. Thayer served as secretary of the Territory of Hawaii in 1912-1914, and during those years was acting governor on occasions.

Women in Hawaiian Associations

Contrary to expectation, the oldest association in the Islands, the Pioneer, is the only one which has been modern enough to have women on its board of directors. Mrs. Maria K. Naopala, a full-blooded Hawaiian woman, was for many years a very active member of its governing board, and was instrumental in getting many of her compatriots interested in building and loan. Mrs. Naopala died in 1929.

Other women who are prominent in building and loan affairs in Hawaii are Mrs. Elsie K. Brown, treasurer of the Pioneer Association, and Mrs. Rebecca M. Potter, cashier and adviser in the office of the Mutual Society.

« « BIOGRAPHICAL SKETCH » »



RICHARD H. TRENT, Secretary, Mutual Building and Loan Society of Hawaii, Limited, since its organization in 1904; president and manager, Trent Trust Company, Limited, since its incorporation in 1907.

Mr. Trent was first treasurer of the County of Oahu in which Honolulu is located. He was a member of Hawaii's First Territorial Land Board, and personal representative in Hawaii of the United States alien property custodian during the World War. He is also a director of various Hawaii corporations. He was born in Somerville, Fayette County, Tennessee, on September 14, 1867, son of William C. and Mary Bonner Trent. In 1919 he married Marcia Potter Ireland, a widow with three children; they have one daughter.

IDAHO

By C. H. SHATTUCK

BEFORE Idaho became a State in 1890 it had already committed itself to the doctrine of thrift and home ownership by calling a building and loan association into existence at Boise. Thirteen others have since been organized and are now operating under state permits.

Idaho has been fortunate in the high character of the men who have elected to devote their lives to the building and loan movement in the State and practically all these organizations have shown a steady growth. All are in excellent condition and enjoy the confidence and support of the communities where they are located. A brief digest of each is here given, arranged in the order of assets as of January 1, 1931.[1]

Survey of Idaho Associations

The Idaho Building and Loan Association at Boise was chartered in August, 1889, and organized on the mutual plan.[2] Judge Samuel H. Hays, one of the pioneers in the building and loan movement in Idaho, was the Association's first and has been its only president, serving in this capacity 41 years. He has been prominent in Idaho history since territorial days, serving the State as attorney general and the City of Boise as mayor. He is still the active head of this Association.

Charles A. Clark, now deceased, was the Association's first secretary, serving for years without pay. He was untiring in his efforts for the upbuilding of building and loan, although his main line of business was real estate and insurance. A. O. Rennison has been the secretary and treasurer for the past 14 years. The phenomenal recent growth of the Association amply testifies to his ability. He has also served the Idaho State

[1] *Editorial Note:* In submitting the copy for the Idaho history, Dr. Shattuck included a very comprehensive chart describing in summary form each association, together with its location, date of organization, type of plan for operation, current officers, and membership status in both the Idaho and United States Leagues. Space does not permit reproduction of this chart here, but it has aroused considerable interest among those seeking information about building and loan in Idaho. The editor, therefore, refers interested readers to Dr. Shattuck for copies of this chart.

[2] Its growth is shown in the following summary of assets taken from the annual statements: October 1, 1890, $7,297; March 1, 1902, $112,805; March 1, 1910, $304,612; March 1, 1920, $394,300; January 1, 1931, $1,140,239.

League as president since it was organized in January, 1926. The Idaho Association is not only the first building and loan institution in the State but also the oldest association still in operation.

The Mutual Building and Loan Association of Twin Falls was organized on the mutual plan in January, 1916.[3] E. J. Finch, prominent in the life insurance business, was the first president and together with L. J. Bracken, the first secretary, was most active in organizing the Association. Under the present management the Association has experienced a rapid and wholesome growth, serving the community ably and completely.

The Mountain States Building and Loan Association was founded at Idaho Falls in December, 1916, under the guarantee-fund plan, as is the Idaho Falls Building and Loan Association with a cash capital of $20,000 and authorized capital of $60-000.[4] The first president was C. C. Campbell, president of Anderson Bros. Bank, and the first secretary was W. L. Shattuck, president of the Eastern Idaho Loan and Trust Company. Seeing the need for building and loan service, these men were active in forming the organization, consisting of 20 business and professional men of the City, each paying in $1,000 cash to start the organization.

In February, 1919, the authorized capital was enlarged to $1,000,000 and the name changed to the Mountain States Building and Loan Association. Otto E. McCutcheon, a leading attorney of Idaho Falls, then became president, serving ably to the present time, and Dr. C. H. Shattuck was made secretary, devoting his entire time to building up the organization which he still serves. The authorized capital was again enlarged in January, 1921, to $5,000,000. The Association has grown steadily in assets and in service rendered to home owners and savers of Idaho.

The Home Building and Loan Association at Mampa, organized in January, 1920, is another guarantee-fund association.[5] J. H. Cowell, the present general manager, and R. N.

[3] The annual statements show a rapid growth in assets: January 1916, $3,376; December, 1920, $94,963; December, 1925, $244,849; January, 1931, $744,231.

[4] Assets taken from selected annual statements are as follows: November, 1918, $22,635; November, 1920, $99,705; November, 1925, $284,141; January, 1931, $725,235.

[5] Annual statements reveal growth in assets as follows: January 1, 1921, $21,539; January 1, 1925, $129,999; January 1, 1931, $447,318.

Gilbert, the present secretary, were the chief organizers. They have worked ably and consistently with president F. C. Mock, editor and banker, for the good of the Association. The growth of assets and the high standing of this Association in the community it serves both testify to the ability of these men.

The State Building and Loan Association of Wallace is a mutual plan association started in November, 1915.[6]

Don A. Calahan, lawyer and prominent mining man, also State Senator, together with G. A. Mortimer, were among the most prominent in forming the Association. The Association has made steady gains and is rapidly approaching the half million mark. It enjoys the patronage of a wealthy mining district.

The next association, the Lewiston Savings and Loan Company, was founded at Lewiston in 1920 on the mutual plan.[7] R. S. Erb and Arthur F. Lewis were active in organizing the association and are still serving it as president and secretary, respectively. The Association has made steady gains and is rendering a much needed and useful service in a wealthy fruit and lumber center.

The Northern Idaho Savings and Loan Company at Coeur D'Alene is a guarantee fund association organized in June, 1916.[8] Its organizers include A. V. Chamberlain and R. H. Elder.

The Capital Savings and Loan Association was formed in 1927 at Boise on the guarantee-fund plan.[9] J. B. Dollard and Dr. C. V. Genoway were prominent among the organizers of the Association and now its president-general manager and vice president-chairman respectively. The Association has grown rapidly from the start. The substantial growth of the Association shows it to be under energetic and able management.

The Provident Savings and Loan Association at Boise was organized in January, 1924, on the guarantee-fund plan.[10]

[6] No early statements are available, but the annual statements of December 31, 1926 and December 31, 1930 show that the assets more than doubled during that period ($200,740 compared with $407,475).

[7] Assets of the Association practically doubled ($188,906 to $375,638) between December, 1926 and January, 1931.

[8] Steady growth is revealed in the annual statements of assets: January 1, 1917, $81,009; January, 1923, $200,195; January, 1928, $328,087; January, 1931, $340,267.

[9] Selected annual statements show assets as follows: January, 1927, $25,500; January, 1928, $81,000; January, 1929, $168,000; January, 1930, $282,614.

[10] Annual statements show assets as follows: December, 1925, $6,000; December, 1925, $57,446; December, 1927, $92,499; December, 1930, $171,848.

Wm. L. Barrett, Herman L. Brandt, and Dr. J. H. Murray were early leaders in the development of the Provident Association, which has shown consistent gains each year.

The First Security Building and Loan Association was formed at Pocatello in October, 1927, also on the guarantee-fund plan. Between December, 1929 and December, 1930 its assets increased from $64,528 to $141,827.

The Caldwell Building and Loan Association of Caldwell, Idaho, dates from 1903 and is of the mutual type. It is a purely local association handling a small number of selected loans in Caldwell. As of December 11, 1930, its assets amounted to $117,351.

The Guaranty Savings and Loan Company was founded recently (1929) at Pocatello on the guarantee-fund plan.[11] It was organized by J. S. Russell and D. H. Gove who are its present president and secretary-treasurer. This Association is Idaho's building and loan baby, and, like all last arrivals, is the most wonderful baby that ever happened. The high character of those responsible for its appearance and who now direct it assures its future career. As No. 14 in the Idaho building and loan family, it removes the jinx (No. 13) under which we have trembled since the last arrival.

The Meridian Building and Loan Association of Meridian, organized in March, 1911 on the mutual plan, is another local association formed to care for a small number of selected loans in Meridian. Its assets as of December 1930, were $64,451.

The Nampa Savings and Loan Association was established in February, 1920 at Nampa with a guarantee-fund type of organization. This Association seems to be rendering only local service in the form of a few first mortgage loans.

From this summary it is clear that the majority of Idaho associations are not local in the strict sense but do a more or less state-wide business. Those which are described as local take care of loans made from money subscribed by the stockholders and put into specially selected local loans. They do not sell savings certificates and are, therefore, not considered as state-wide in their operations.

Information available does not indicate that the so-called

[11] Its annual statements show assets as follows: June, 1930, $40,790; January, 1931, $80,562.

"nationals" have ever operated in Idaho. However, two foreign associations do business in Idaho.[12]

Idaho League

The Idaho State League was formed at Boise on January 25, 1926, with five member associations.[13] A. O. Rennison, secretary of the Idaho Association, was chosen president and R. N. Gilbert of the Home Association, secretary. Both have served continuously since that time. The committee on legislation, consisting of R. N. Gilbert of the Home Building and Loan and Robert H. Elder, attorney of the Northern Idaho Savings and Loan, and A. Mortimor of the State Building and Loan, now ably guard the legislative interests of the League.

Since its organization seven more associations have joined the League.[14] Twelve of Idaho's 14 associations belong to the State League, and 7 are members of the United States League.

To date the activities of the Idaho League have been directed primarily toward formulating and trying to secure the passage of a building and loan code. But its efforts have not yet met with success.

Idaho Legislation

Idaho does not have among its statutes a distinct building and loan code. Supervision is under the department of finance in accordance with the Idaho blue sky law. This department has been reaching out to get control of all types of investment companies operating in the State. A former attorney general ruled that building and loan associations did not fall under the supervision of the blue sky director. However, in 1921[15] and again in 1924, building and loan associations were examined and since that time the blue sky law has been amended[16] to include building and loan associations within the scope of such supervision.

[12] These are the Pacific Savings and Loan Association of Tacoma and the Security Building and Loan Association of Billings.

[13] Idaho Building and Loan Association of Boise; Provident Building and Loan Association, Boise; Mutual Building and Loan Association of Twin Falls; Mountain States Building and Loan Association of Idaho Falls; and Home Building and Loan Association of Nampa.

[14] Lewiston Savings and Loan Association of Lewiston; Northern Idaho Savings and Loan Association of Coeur D'Arlene; Capital Building and Loan Association of Boise; State Building and Loan Association of Wallace; Nampa Savings and Loan Association of Nampa; First Security Building and Loan Association of Pocatello; and Guaranty Savings and Loan Association of Pocatello.

[15] Comp. Stat. 1921, ch. 206 did not specifically mention building and loan associations as under the supervision of this department.

[16] Amendments in 1925 and 1931 define investment companies.

In the absence of a State building and loan code, the types of stock or shares which may be issued have been arbitrarily controlled by rulings of the commissioner of finance. At the present time, guarantee capital or reserve fund stock, serial shares, various types of preferred installment shares, and preferred full-paid shares are issued in Idaho.

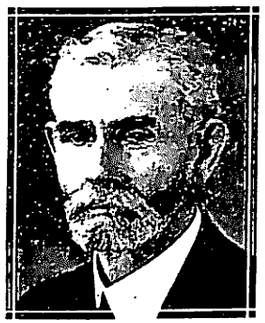
At least one association issues first mortgage gold bonds to bring in lump sums to the business.[17] The maximum membership or withdrawal fee allowed is 2%.

With 7,000 people of Idaho using building and loan associations for thrift and home building purposes, the State is laying itself a sure and safe foundation.

[17] This is the Mountain States Building and Loan Association. The financial statement of December 31, 1930 shows that two issues of $50,000 each have been put out. Of the first issue $10,000 has been redeemed and of the second, $31,000 has been sold. These bonds are secured by first mortgages put in trust. No special grant for the issuance of such securities has been secured, nor, on the other hand, is there any rule against such issues.

Editorial Note: This is an innovation, and to the editor's knowledge the only instance of such practice.

« « BIOGRAPHICAL SKETCH » »



C. H. SHATTUCK, Secretary and manager, Mountain States Building and Loan Association since 1919. Secretary-treasurer, Eastern Idaho Loan and Trust Company since 1919.

Dr. Shattuck entered the building and loan field after a long academic career, having been successively professor, vice president, and registrar of Washburn College, Topeka, Kansas; professor in the Universities of Idaho and California. He has a Ph.D. degree from the University of Chicago, and has contributed to numerous scientific journals. Dr. Shattuck was born in Vandalia, Missouri, on November 21, 1867, son of Warren Charles and Matilda Houston. In 1895 he married Maud Elizabeth Stackhouse.

ILLINOIS

By C. C. BURFORD

THE building and loan movement in Illinois is already old enough to have celebrated the Golden Jubilee of the organization of its State League on October 8-10, 1929, at Springfield. This celebration marked more than half a century of actual service by building and loan associations to their respective communities.

Early Associations

The formation of the first building and loan associations in Illinois was effected by special charter grants from the State Legislature. The first of these associations, according to the best information available, was the Chicago Building Association organized under special act of the legislature dated February 1, 1851. The organizers were: William H. Danenhower, H. B. Hind, John H. Kedzie, John W. Waughop, Stephen Bronson, Jasper A. Hoisington, John G. Atkin, Franklin V. Pitny, Nathan Bolles, William Stacey, and Thomas W. Moody. The records do not reveal how many years this Association was in operation. The capital stock consisted of "not exceeding five hundred shares of two hundred dollars each, of which no one stockholder shall own more than ten shares." The law provided for interest on loans at the rate of 6% per annum and that the board of directors "must award loans to stockholders only at the highest premium paid therefor at public auction."

In 1852 the Jerseyville Building Association was organized, also by special act of the Legislature. The men effecting this organization were Anderson M. Blackburn, Charles H. Roberts, Charles Jackson, Wright Casey, Samuel McGill, C. H. Knapp, Robert L. Hill, and Alexander B. Moreau. The object and powers of the Association were similar to those enjoyed by the Chicago Building Association with the exception that the rate of interest, in addition to the bid premium, was fixed at 9% per annum. The capital was the same.

The Legislature also granted by special act a charter to the Alton Building and Savings Institution in 1859. The organizers were Washington I. Miller, James A. Cooley, Jacob Haas,

Bartholome Ruenzi, John Lock, C. K. Reigart, H. C. Sweitzer, C. Soule, Harvey Veech, E. Levis, John Challacombe, William A. Platt, William Hall, John E. Hayner, W. C. Johnson, Augustus L. Chonteau, G. I. Brown, James H. Lee, and John H. Kuhn.

The capital stock was $50,000 divided into shares of $100.00 each to be paid in installments of not less than 1% per month nor more than 2% per month. The law provided for such premium or premiums as the stockholders may bid, while for the first five years the loans were to be limited to not less than $100 nor more than $1,000. After five years the amounts of the loans were left to the discretion of the directors. Sections 7 and 8 of this law are of interest because the association was authorized to receive deposits, while Section 9 prohibited the officers or directors to borrow any of the funds of the association nor could the directors receive any pay for services rendered.

Apparently the first association formed under the general law of the State was the Chicago Cottage Building and Loan Association, organized March 10, 1863, by Thomas M. Halpin, Benjamin Haskell, and Charles McDonnell. This Association was organized under an act of 1859 entitled: "An act for the corporation of benevolent, educational, literary, musical, scientific and missionary societies including societies formed for mutual improvement or for the improvement of arts." The original duration was for two years only although the incomplete records show that this Association existed until 1873 when it was dissolved.[1]

Not until 1869 do we find upon the session books of Illinois an act specifically concerning the incorporation of building and loan associations. The requirements of this law concerning incorporation provide that "any number of persons, not less than three, may associate and form themselves into an incorporated company for the purpose of accumulating a fund for the purchase of real estate in large tracts, paying off incumbrances thereon, the improvement thereof, and the subdivision

[1] It will be noted that the law of 1859 under which this Association was organized was not specifically a building and loan statute, but it was construed to permit of the organization of this particular society because no doubt there was no other general law on the books at that time providing for the organization of such societies.

into lots and parcels suitable for homesteads and the distribution of such lots or parcels among the shareholders."[2]

The broadness of these powers is interesting and it should be noted that the act provides for "purchase of real estate."[3]

This first law which specifically authorized the organization of building and loan associations required that charters be secured through the office of the secretary of state. Under the law of 1869 several associations were organized which are still in existence. These are Atlanta Building and Loan Association, Atlanta; Danville Benefit and Building Association, Danville; the Peoples Loan and Homestead Association, Joliet; the Ottawa Building Homestead and Savings Association, Ottawa; the Peoples' Loan and Homestead Association of Peoria and the Workingmen's Loan and Homestead Association, Peoria; Quincy-Peoples' Building and Loan Association, Quincy; the Citizens Savings and Loan Association, Shelbyville; the Workingmen's Savings and Homestead Association, Springfield; and the Virginia Building and Savings Association, Virginia. Of these the Ottawa Association has the distinction of being the oldest association in continuous operation in Illinois. It was formed on August 21, 1871.

Legislation

In addition to the laws of 1859 and 1869 which have already been mentioned and which were concerned primarily with the organization of building and loan associations, the

[2] Additional provisions of this act are as follows:
"It shall be lawful for the trustees to call in and demand from the shareholders, respectively, all such sums of money by them subscribed, at such time and in such payments or installments as the articles of association shall prescribe, under the penalty of forfeiture of the shares of stock subscribed for, and all deposits, assessments and previous payments made thereon towards the principal funds of the association, and the property acquired therewith and owned by the association, if payment shall not be made by the stockholders within ten days after a personal demand and notice requiring such payment shall have been published at least thirty days, in a newspaper of general circulation in the city, town or county where the office of such corporation is located.'
"All corporations formed under this act shall have the power to borrow money for temporary purposes, not inconsistent with the objects of this organization, and to loan to their own members or other persons, any moneys belonging to such corporation, and not needed for immediate use, but no loan for such purposes shall have a longer duration than two years, nor shall such indebtedness exceed, at any one time one-fourth of the aggregate amount of the shares and part of shares and the income thereof actually paid in and received. Shareholders may borrow upon the security of their shares or the land so purchased."

[3] *Editorial Note:* These broad powers which include provisions for the purchase of real estate may perhaps reflect the conditions prevailing in Illinois at that time. The state was still comparatively young and land sales and speculation were a subject of dominating interest.

statute books of Illinois contain numerous additional laws, some of which will be described in more or less detail.

The Legislature of 1871 passed a law concerning corporations which were under the jurisdiction of the secretary of state and, while building and loan associations were not especially mentioned therein, no doubt many associations organized under this particular act.

The first relatively comprehensive building and loan legislation in Illinois dates from 1879. In that year the Legislature passed an act entitled "An act to enable associations of persons to become a body corporate to raise funds to be loaned only among the members of such associations." This act was in force July, 1879, and provided for a plan of organization, powers of the board of directors, and further provided that the number of directors could not be increased or decreased nor their term of office changed without the consent of owners of 2-3 of the stock and that the secretary only should be entitled to compensation and that the treasurer should give bond to be approved by the directors.

Under the issue of stock, its maturity value was listed at $100, deemed as personal property in the hands of the owners, and payable in periodical installments as determined by the by-laws, but no payment was to be made exceeding $2.00 on each share. It required 30 days' notice to withdraw and provided that only ½ of the funds received could be used for withdrawal purposes. This provision is still in force. This act required that money be offered in open meeting for bids and the stockholder who bid the highest premium for privilege of priority was entitled to the loan. The act further provided that these associations being of a cooperative nature, no premiums, fines, or interest on such premiums should be deemed usurious. Attached to this act is a certificate of the secretary of state of Illinois certifying that the Governor, having failed to return this bill to the general assembly during its session and having failed to sign it and place it in the secretary of state's office with his objections 10 days after, the bill then became a law without the signature of the Governor.

This act of 1879 continued in force with a few major amendments until 1919 and then became the basis in large part for the legislation of that year.

The Legislature of 1887 re-enacted Section 11 providing that, since building associations were of a co-operative nature, no premiums, fines, nor interest on such premiums shall be deemed usurious.

In 1889 a bill was passed authorizing the president of associations to release mortgages and trust deeds of record where such transfer had been made in the name of a trustee.

In 1891 the law was amended to give associations the right to loan money not only to the highest bidder but at such a rate of interest or premium as might be provided for in the by-laws. The section covering usury was again written into this amendment.

Legislation of 1891 also added sections 15, 16, 17, and 18 to the act of 1879. Among other things, the new amendments provided that the associations should make annual statements to the auditor of public accounts, and the auditor was required to publish an annual report of the associations. The first annual report of the auditor, under the new act, was published on December 1, 1892. It appeared that 1,006 associations had been organized under the 1879 act but many of these had either closed and liquidated their affairs or for some other reason had ceased to do business and only 482 associations organized under the laws of this State filed reports for 1892. Seven associations organized under the laws of other states made reports during 1892. The assets and liabilities of the 482 Illinois associations for the fiscal year ending November 30, 1892, were $56,313,-276.41.

In 1893 two other important amendments were added, one of which prohibited foreign associations from doing business in Illinois unless they first deposited with the auditor $100,000 in cash or bonds of the United States or Illinois or of any county or municipal corporation of said State. The other amendment required the auditor or his deputy to examine annually into the affairs of each and every association doing business in Illinois. Such examinations were begun in July, 1893.

As early as 1893 some associations issued what they called full-paid stock on which a fixed rate of interest was paid and the report of the auditor further states that some associations were then doing business on the permanent plan.

The present Illinois Act was passed in 1919 and contained the greater part of the provisions in the Act of 1879 with sufficient changes to take care of the present day needs. This act provided that associations may operate either under the serial or permanent plan or both and shares are issued as required or at set periods designated in the by-laws payable in such amount or amounts and at such time or times as the by-laws should provide. Associations are authorized to issue single-payment, optional-payment, and matured stocks.

The shares might be issued with a minimum payment or a single payment and upon such single-payment shares it would be lawful to waive participation in the general profits and accept a fixed rate of interest for profit. This act further provided for the consolidation and liquidation of such institutions.

In 1894 the Supreme Court of Illinois declared unconstitutional that section of the law which exempted building and loan associations from taxation. However, in 1895 the Legislature passed an act making the taxation of building and loan stock a matter of individuals and not of associations.

Supervision

Supervision, however, was not secured without a struggle. Before 1891 the Illinois League had not been in favor of state supervision because it feared that the cost of such supervision might be levied against the individual associations which were at that time financially unable to bear the expense. But in 1891, the executive committee of the State League sponsored a bill providing for one annual report to be rendered by each association to the state officer, and for examination of an association upon the request of nine or more stockholders or when deemed necessary by the state auditor. The latter provision was aimed at the "national" associations. The authority for supervision was finally provided in 1893, as noted above.

Growth in Illinois

Under these laws and regulations building and loan associations in Illinois have grown and prospered.

This progress can best be traced by reference to the following tabulation at 10-year intervals, beginning in 1883 when the first figures are available.

Date	Number of Associations	Assets
1883	563	$ 70,250,000
1893*	669	75,771,559
1903	500	39,000,000
1913	591	82,000,000
1923	771	232,000,000
1930	933	470,000,000

* Figures for 1893 taken from Ninth Annual Report, Commissioner of Labor (1893) on Building and Loan Associations.

The decline in number of associations and in assets between 1883 and 1903 was attributable to the rise and decline of the "national" associations and their detrimental influence on the local associations. Several of these "nationals" had entered Illinois and about 1890 even threatened to monopolize the field. Promises of a rate of return ranging from 17% to 30% on the investment caused many of the gullible to invest their funds in these wildcat organizations. But these organizations whose expenses were totally out of line with their receipts were destined soon to be put out of business and to cause heavy losses to their investors, and a consequent blot on the fair name of building and loan which took some years to erase. This "national menace" was one of the major concerns of the Illinois League in its early years. The legislation of 1893, already referred to and sponsored by the Illinois League, struck a death blow to these associations.

After the removal of the "nationals" from the scene and beginning about 1903, the growth of Illinois associations both in number and assets has been steady. Illinois is now surpassed in its building and loan resources only by Pennsylvania, Ohio, New Jersey, Massachusetts, and California.

Illinois League

The Building Association League of Illinois was organized in June, 1880, in Chicago. Its membership originally numbered

11 associations.[4] The call was issued by the officers of the Mechanics and Traders Savings, Loan and Building Association and the Peoples Building Association of Chicago. In that first meeting J. R. May and C. G. French, both of Chicago, were elected president and secretary respectively.

Among the early leaders who helped to develop the Illinois League into a going concern, in addition to the two officers already mentioned, were George F. Penfield, Mark D. Rider, J. N. C. Shumway, B. G. Vasen, Lake W. Sanborn, Albert Barnes, and Julius Stern.



Ward B. Whitlock

After a long struggle, the Illinois League has grown steadily. At the present date it boasts a total membership of 933 associations which are practically evenly divided between the Cook County and the down state areas. It employs a full-time secretary in the person of Ward B. Whitlock who was chosen to that office by unanimous vote of the Illinois League at its convention in 1924. Mr. Whitlock is also second vice president of the United States League.

The Cook County Leagues

No picture of building and loan organization in the State of Illinois would be complete without reference to the various Cook County Leagues. With the coming of a large number of foreign-born citizens into the Chicago area, bringing with them their old world hunger for a home and a bit of land of their own, it was only natural that they should seize upon the building and loan movement as an instrument of great good for their people. Consequently many building and loan associations were formed among these groups and the associations of different nationalities have clubbed together in their own smaller leagues and are working in close harmony with the Building Association League of Illinois. These four associations are the American-Czecho-Slovak Building and Loan League, the Polish-American Building and Loan League, the Swedish Building and Loan League, and the Lithuanian Building and Loan League. Each of these Leagues meets frequently in Chicago where they discuss in their own language the problems confronting their particular associations. The various foreign groups have contributed in no small measure to Americanize the thousands of aliens who have come from different parts of the world to make Chicago their home.

[4] Streator Building and Loan Association; People's Loan and Homestead Association of Peoria; Citizens Savings and Loan Association of Shelbyville; German-Savings Loan and Building Association of Springfield; Mt. Pulaski Homestead Loan and Building Association of Mt. Pulaski; Quincy Building and Homestead Association of Quincy; Jacksonville Benefit and Building Association of Jacksonville; People's Loan and Homestead Association of Joliet; Mechanics' and Traders' Savings Loan and Building Association of Chicago; Peoples Building and Loan Association of Chicago; Oakland Building Association of Chicago.

Illinois in National Affairs

Illinois leaders and Illinois organizations have played prominent roles in the national history of the building and loan movement. Illinois has furnished four presidents to the United States League: Julius Stern of Chicago in 1896; Lake W. Sanborn of Galesburg in 1898; J. N. C. Shumway of Taylorville in 1908; and Mark D. Rider of Chicago in 1920. Chicago has been three times host to the national convention. It was the scene of the organization of the United States League in 1893 and of the preliminary organization meeting in 1892. Chicago subsequently entertained the convention in 1907, and again in 1920.

Chicago is also, since 1930, the home of the executive department of the United States League. The decision to combine the executive work of the United States Building and Loan League and of the American Savings, Building and Loan Institute into one office with an executive manager in charge and the location of the new general office in Chicago, the birthplace of the United States League, was an important event in Illinois building and loan history, as in the years to come Chicago will doubtless become recognized as the real building and loan center of the Nation. H. Morton Bodfish has been selected as executive manager and is now in charge with offices in the Buckingham Building, 59 East Van Buren Street, Chicago.

American Savings, Building and Loan Institute

A chapter of the American Savings, Building and Loan Institute was organized in Chicago in the fall of 1930, known as Illinois Chapter No. 64. This Chapter broke an all-time Institute record in heading the membership roll of Chapters both in percentage of quota and total Chapter membership. Having been given a quota of 75 members by the Trustees, it closed its year with a total of 175 members.

Illinois Leaders

The list of the individuals who have made notable contributions to the development of the building and loan movement in Illinois and in the United States is long. Only a few of the most prominent can be mentioned here.

Three of these leaders who became president of the United States League together with B. G. Vasen, who was the first secretary of the National Organization, have already been mentioned in the chapter on the Development and History of the United States League.[5] A few further details concerning them may be added here.

Lake W. Sanborn was a public spirited man who always held the confidence and esteem of the people of his community. He organized the Mechanics Homestead and Loan Association of Galesburg, Illinois, firmly believing that it would bring a new era of growth to his City by providing a means through which wage-earners might secure homes of their own on easy payments. The charter was granted to this Association on April 14, 1882, and the organization still flourishes. Mr. Sanborn took active interest in the affairs of the Illinois State League and served for many years as its treasurer. Illinois was early affiliated with the United States League and Mr. Sanborn was active in those formative years; he was chosen president of the United States League in 1898. He was mayor of Galesburg in 1905, and gave that City a businesslike administration characterized by needed reforms and substantial progress.

Benjamin G. Vasen was first associated with building and loan work in 1874 as a clerk in the office of Morton and Nichols, when H. C. Nichols was the secretary of the Quincy Building and Homestead Association at Quincy, Illinois. In 1883 he organized and was the first secretary of the People's Saving, Loan and Building Association and his name appears among the pioneers of the Building Association League of Illinois, being elected secretary of that organization in 1889, which office he held continuously until the time of his death in 1916. At the time of the organization of the United States League in 1892, he was appointed a member of the Order of Business Committee, which played an important part in the organization, and was elected the first secretary of the United States League. He was a prime mover in the adopting of modern laws in the State of

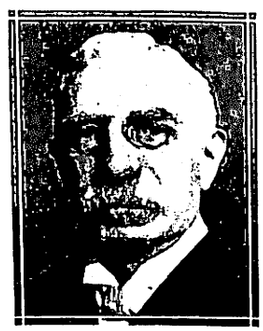
[5] See Chapter XI above.

Illinois. His attendance at United States League meetings and the Illinois conventions was continuous from the early days of its organization until the time of his death.

Among those who have given many years of their lives to the promotion of the building and loan movement should be mentioned J. N. C. Shumway of Taylorville, Illinois, who at the time of his death in 1907, was president of the United States League. He had also served as president of the Illinois League for four years and for 23 years had been secretary of the Taylorville Savings and Loan and Building Association which he had organized in 1882. Mr. Shumway served two terms in the Illinois senate and gave much valuable support to the strengthening of building and loan legislation in Illinois.

The fourth Illinoisan to hold the presidency of the United States League was Mark D. Rider of Chicago. Like the other Illinois predecessors in this office he had also served as president of the State League and was for many years president of the Garden City Mutual Savings, Loan and Building Association of Chicago. His first connection with the building and loan movement was as a member of the Phoenix Building and Loan Society of Chicago but he later transferred his energies to the Garden City Association. He was an untiring advocate of publicity for the building and loan cause and took an active part in the revision of the Illinois building and laws.

It remains here, therefore, to mention the one past-president of the United States League who is still living. Julius Stern, of Chicago, was one of the organizers of the United States League and its third president, presiding over the convention which met at Philadelphia in 1896. He had been for many years prominent in the affairs of the Illinois League, was its vice president for several years in the early 90's, chairman of the executive committee and chairman of the committee on law. He served on the latter committee for over 30 years, retiring in 1924. Mr. Stern was an eminent lawyer and had a considerable building and loan practice during the period when he was active in the legal profession. He represented the Illinois League in im-



Julius Stern

portant legislation before the Supreme Court of that State, notably in the case of *Mutual Building and Loan Association* v. *Tacott*, construing the proper method of calculating premiums and the case of *People's Loan and Homestead Association of Joliet* v. *Keith*, involving the question of the exemption of building and loan associations from taxation under the laws of the State of Illinois.

He was also particularly active and effective in the attack upon the "nationals."

When the United States League held its first annual convention at Chicago in 1893 during the World's Fair, Mr. Stern was chairman of the Committee on Arrangements and Co-operation, and much of the success of the Congress was attributable to his able guidance and direction in handling the preparatory details of that committee. Mr. Stern also delivered numerous addresses before the annual conventions to the United States League. He is now retired from active practice and is residing in Chicago.

« « BIOGRAPHICAL SKETCH » »



C. C. BURFORD, Secretary of the University District Building and Loan Association at Champaign and chairman of the publicity committee of the Building Association League of Illinois.

Prior to entering the building and loan field, Mr. Burford spent some time in teaching, in newspaper work, and in business in Champaign. He was born March 28, 1882, in Farmer City, Illinois. In 1923 he married Lyda Bond, who died in 1925; in 1929 he married Clara Jane Grizzell.

INDIANA

By GEORGE F. OGDEN

THE first record of a building and loan association in Indiana is that of the Home Building Association No. 5 organized September 2, 1873, at Madison. As the serial number indicates, this Association was undoubtedly preceded by four earlier associations, whose affairs had been terminated prior to the organization of the Madison Association. The first officers of the Home Building Association No. 5 were: James Stewart, president; Thomas W. Smith, vice-president; John W. Verry, secretary; David N. Reed, treasurer; and Walter S. Roberts, attorney. It is an item of considerable interest that this Association is still doing business in Madison.[1]

The next association was organized on May 14, 1874, under the name of the Celtic Savings and Loan Association of Indianapolis. The Celtic Association has grown to be one of the largest associations in the United States and is one of the recognized financial institutions of Indianapolis. John R. Welch became its secretary in 1884 and has been with the Association in that capacity continuously until 1931 when he was advanced to the presidency.

Subsequently, many other associations were organized and building and loan became very popular, particularly after 1880. About the year 1885 certain promoters saw the possibility of making money out of the business and organized several associations under the "national plan", charging a fee for membership, and taking 1% of all money paid in for their own profit. These "nationals" flourished for a time until a group of building and loan men met on March 4, 1892, and organized the Savings and Loan League of Indiana for the distinct purpose of combatting the "nationals", and protecting the people from the evils of this plan.

The Indiana State League

The organization meeting of the Indiana State League was held in the State House at Indianapolis. The following persons were present: J. D. Johnson, J. E. Vaile and A. H. Hunt of

[1] Its present secretary and manager is J. F. Niesse.

Kokomo; Edmund Johnson of Anderson; Howard Kimball, N. S. Byram, Tharp Block, A. A. Young, W. A. Bristor, C. A. Dale, C. N. Thompson, J. W. Smith, C. R. Jones, and R. C. Kelsey of Indianapolis. The first officers were: J. D. Johnson of Kokomo, president; W. B. Steele of Terre Haute, 1st vice president; Edmund Johnson of Anderson, 2nd vice president; R. C. Kelsey of Indianapolis, secretary; and A. A. Young of Indianapolis, treasurer. It was then decided that all associations in the State should be invited to the next meeting to be held in Indianapolis on March 18, 1892.

This second meeting was also held in the State House in Indianapolis, with about 80 persons present. The organization was ratified and the Savings and Loan League of Indiana came into being.

Several of those who attended this meeting later became prominent in the Savings and Loan League of Indiana and also in national building and loan affairs. Among them were: J. H. Weibers, of LaFayette; W. D. Reed, of Attica; C. E. Holloway, of Indianapolis; J. W. Robb, of Clinton; W. T. Cannon, of Indianapolis; John R. Welch, of Indianapolis; I. H. C. Royse, of Terre Haute; Judge R. W. McBride, of Elkhart, and others.

At this meeting two delegates were appointed to attend the United States League meeting to be held in Chicago in 1893. R. C. Kelsey, secretary of the Indiana State League, was one of these delegates. I. H. C. Royse represented Indiana at the 1893 meeting in Chicago.

At the annual meeting of the League, on March 2, 1894, A. L. Gutheil of Winchester was elected secretary of the Indiana League and served in this capacity for many years.

Taxation was a very live question at this early date and some phase of the problem has been before almost every legislative session since that time. The major concern has been with the incidence of the tax. The State League has taken the position that the individual should pay taxes on his shares as he does on his bank deposits.

Legislation

The first comprehensive legislation concerning building and loan associations dates from 1911, but prior to that date

certain rather important isolated acts had been passed.[2] The first building and loan statute was passed in 1857. It authorized the organization of associations on the terminating plan for a duration of eight years; loans could be made to members only; it also limited the number of shares an individual might hold to 10 and the amount of capital stock to $100,000. This law was amended in 1875 and again in 1877.

In 1896 new legislation provided for the operation of associations on the terminating, serial, or permanent plan. It also provided for the submission of annual reports to the state auditor, and laid down special stipulations concerning foreign associations. The legislation of 1911 rewrote the existing building and loan legislation and placed associations under more stringent supervision with the result that failures in Indiana have been remarkably few. The 1911 enactment, with few changes, is practically the building and loan law at the present time. It was rewritten largely as a result of the efforts of the Indiana League and its passage met with but little opposition.

Under the early laws of Indiana only two kinds of organization were allowed: the serial, and the Dayton plan types. The serial plan is still in use by many associations in the State. Since the enactment of the 1911 legislation, however, and the subsequent amendments thereof, three distinct types of building and loan associations are in operation in Indiana: the serial, the domestic, and the guaranty. The first of these, the serial, is well known. The domestic association is the most widely used of the three because it permits a larger range of operation. In a domestic association the value of each share is fixed by law, and it is specifically provided that the value of such shares cannot be less than $100 nor more than $500 each.

In 1913 the Legislature passed a rural savings and loan law which permitted the organization of guaranty associations in Indiana. Under this law there are two kinds of stockholders: the guaranty stockholders, in whom rests the voting power and the management of the association, and the common stockholders who merely have the ordinary privileges of subscribing for stock and receiving such dividends thereon as the management may elect to pay them.

[2] These data are taken from an address by I. H. C. Royse, "Legislation and Judicial Construction Affecting Building Associations," 1896 *Proceedings of the United States League*, p. 44 ff.

The owners of guaranty stock have a double liability and, if the association should fail, could be assessed for a sum equal to the amount of their actual stockholdings. The common shareholders have no voice in the stockholders' meeting and are in about the same relation to the association as are the depositors in a trust company. They may subscribe for shares of common stock and pay for them in the same manner as do the shareholders in a domestic association.

Paid-up and prepaid shares may also be issued. All associations under the law must be cooperative and deal exactly the same way with all members, paying to all members in the same class the same rate of dividend.

In 1925, certain promoters entered the State to organize and promote building and loan associations which have come to be known as the "$10 associations." The shares of stock were fixed at $10 per share and the salesmen went out to sell these shares in blocks of not less than 10 to a person with a charge of 50 cents per share. These salesmen took all they could get from an individual and then gave him enough shares to use up all the money they had received in membership fees. Many persons paid in sums as large as $500 and more, receiving in return nothing but an empty passbook. They never received a cent of what they paid in, for that was used as membership fees. Fifteen such associations were organized before the State League could secure any action as the Legislature was not then in session. When the Legislature convened in January, 1927, a law was passed which prohibited this kind of promotion and these operators left the State.

At the close of the fiscal year December 31, 1930, there were 398 associations in Indiana with 429,447 members and with assets of $306,870,182. A recent report of the department shows only eight failures in 12 years, and these were caused by defaulting officers.

Prominent Personalities

A. L. Gutheil began his career in building and loan work as secretary of the Winchester Home and Savings Association at Winchester and was elected secretary of the Savings and Loan League of Indiana at the annual convention held at Indianapolis in 1894, which position he held for many years. He is one of the few men living who attended the second

United States League convention held at Buffalo in 1894 and has attended most of the United States League conventions since that time. At the convention held in New York City in 1905 he was elected president of the United States League. The Governor appointed him building and loan clerk for Indiana, which position he held until 1929. While he is now living a retired life, he maintains his interest in the progress of the building and loan movement.



A. L. Gutheil

One of the outstanding figures in the early history of building and loan in Indiana and also in the early days of the United States League was Judge I. H. C. Royse of Terre Haute, Indiana. The record of his activities shows him to have been a pioneer in numerous ventures, particularly in the building and loan field. In 1890 he organized the Mechanics Building Loan and Savings Association at Terre Haute and continued as its president until 1904. In 1894 he organized the Terre Haute Trust Company, one of the largest banking institutions in the City, and served as its president until his death. He was one of the organizers of the Savings and Loan League of Indiana and a regular attendant at its meetings all his life. He participated in the organization of the United States League and was chosen second vice president of that organization at the first meeting. Judge Royse was particularly active in securing building and loan legislation in Indiana and was one of the leaders in the attack on the "national" building and loan associations.



Judge I. H. C. Royse

In the spring of 1887 there was a very destructive strike of all the railroad switchmen of Indianapolis which threatened to reach all other branches of railroad workmen.

In July of that year W. T. Cannon, then a clerk in the office of the Indianapolis, Peru and Chicago Railway, conceived the idea that if these railroadmen of Indianapolis could be in-

terested in saving their money and owning their own homes it would tend greatly to lessen the possibility of their participating in any such strike movement as the one just experienced. Mr. Cannon talked the matter over with J. E. Pierce, who was then a clerk in the Merchants Despatch Transportation Company (N. Y. C. Lines) office and also connected with the North Noble Street Building and Loan Association. Together they conferred with the superintendents of the various railroads entering Indianapolis who also approved of the idea, and Mr. Cannon and Mr. Pierce then went to Dayton, Ohio, to gather information and to visit the building associations there which were operating under the "perpetual" plan. On August 11, 1887, these two men, with the following representatives of the Railroads—I. H. Wilson, I. B. and W. Railroad; M. W. Mansfield, Pennsylvania Railroad; D. F. Whitcomb, Indianapolis Union Railway; George Reck, Pennsylvania Railroad; J. M. O'Boyle, I. B. and W. Railroad; B. F. Sipp, Big Four Railroad; and J. Q. Van Winkle, Big Four Railroad, filed articles of incorporation of the Railroadmen's Building and Savings Association, with the secretary of state of Indiana and on August 31, 1887, began business at 24 South Pennsylvania Street in the office of Mr. Pierce, where all payments on stock and all loans were made for a number of years.

The first officers of the Railroadmen's Building and Savings Association were: I. H. Wilson, president; D. F. Whitcomb, vice president; W. T. Cannon, secretary, and J. E. Pierce, treasurer. Mr. Cannon retained the title of secretary until the death of President D. S. Hill on July 9, 1913, when he was elected president and Mr. Pierce was elected secretary. Mr. Cannon held this position until his death January 18, 1931.

Others who have contributed to the movement in Indiana are: John R. Welch, one of the organizers of the Savings and Loan League of Indiana; E. E. Katterhenry, secretary of the Plymouth Savings and Loan Association of Indianapolis; and Harvey P. New of Lebanon, known as the father of the guaranty idea in Indiana. By virtue of his years, John R. Welch is the dean of Indiana building and loan men. He has been actively connected with the association which he helped to organize since 1874. His wise counsel and unfailing attendance at the state conventions have won for him a pre-eminent place in the building and loan history of Indiana.

In the person of Carl J. Weber, the 7th District of the United States League has an executive who has been directly connected with the building and loan movement for over 45 years. His activities in this line have been centered largely in Fort Wayne where he has personally built and financed 132 homes. Mr. Weber has been secretary of the Home Loan and Savings Association from 1901 to 1931 when he became president. In 1922 he was appointed to serve on the executive board of the Savings and Loan League of Indiana as a director of the 12th District and succeeded to the presidency of that organization in 1929. Mr. Weber is one of the outstanding building and loan executives in the central West, and is in demand as a popular and convincing speaker on building and loan subjects.

« « BIOGRAPHICAL SKETCH » »



GEORGE F. OGDEN, secretary, Savings and Loan League of Indiana. Since January, 1927, Mr. Ogden has devoted his full time to the affairs of the State League. Prior to that date he had served as secretary-treasurer of the Home Saving and Loan Association of Peru, Indiana. He also served for some time as Examiner in the Building and Loan Division of the State Banking Department.

In addition to this building and loan activity Mr. Ogden had many years' experience in the banking business as cashier of the Laketon State Bank of Laketon, Indiana, and also had held public office on several occasions, including service as representative in the State Legislature in the session of 1923. He was born in Wabash County, Indiana, November 25, 1864, son of Hayden and Charity Ogden. He married Orra D. Strouse and they have four children.

IOWA

By W. H. BRUNN

ACCORDING to C. C. Stiles, Superintendent of the Public Archives Division of the Historical, Memorial and Art Department of Iowa, the records of the State indicate fairly definitely that the first building and loan association to be organized in Iowa was the Workingmen's Mutual Benefit Loan and Building Society of Burlington, incorporated on January 6, 1868, and recorded in the secretary of state's office on October 3, 1870. Charles Starker was its first president, and A. U. Parsons, secretary. The incorporators were F. W. Barhydt, B. J. Hall, R. Spencer, H. J. Jarvis, Theodore Geulich, J. S. Schramm, C. A. Dunham, Charles Starker, Thomas E. Lloyd, Fred Funck, Lionel Foster, and H. H. Scott.

Prior to the appearance of the Workingmen's Association, there had been incorporated on December 29, 1856, and recorded by the secretary of state on March 30, 1857, the Dubuque Home Assurance and Savings Fund Association whose purpose was to insure the homes of its members against fire, and so forth, and also to accept funds for deposit. However, it is the opinion of Mr. Stiles that this early Dubuque concern did not come technically under the classification of a building and loan association.

Mr. Stiles also reports another interesting early organization in Iowa known as the Merchants, Farmers and Mechanics Building Association, of Hawleyville, Page County. It was incorporated March 27, 1868, and recorded April 6, 1868, for "the purpose of beautifying the town of Hawleyville by buildings, and so forth, but without pecuniary profit to its members."

The oldest building and loan association now existing in Iowa, the Keokuk Loan and Building Association of Keokuk, was organized March 1, 1872, and has been in continuous operation ever since. The next one organized was the Perpetual Savings and Loan Association of Cedar Rapids, which began business in 1875. This Association is one of the most active in the State, and at the present time the largest in Iowa. In February, 1876, the Dubuque Building and Loan Association of

Dubuque, was organized and has been in operation since that time. It is today one of the most progressive and influential in the State. The Davenport Loan, Building and Savings Association was organized in June, 1877, and is still an active and prosperous concern. The Waterloo Building and Loan Association was organized in March, 1878, and has enjoyed a steady growth since that time and is today the second largest building and loan association in Iowa.

So far as is known all these early associations were formed on the serial plan and there is no evidence to indicate that the terminating plan was ever used in Iowa.

On December 31, 1930, 74 building and loan associations were operating in Iowa with combined resources of $50,000,000 and, with the exception of one association, all are active and in prosperous condition. This one association, formed in a small town, finds that the town is declining instead of progressing and is now in process of orderly liquidation because its town and community will not provide loans in sufficient amount to warrant its continuing. The expectation is that no loss will be incurred by the stockholders in winding up the affairs of this association.

The State League

The Iowa Building and Loan League was organized in January, 1890, by a small group of associations, and for many years continued on a small scale. However, during the past 10 years it has grown considerably so that at the present time practically all associations in the State are members, and a very active interest is taken in its work by the various member associations. The first officers were M. D. Snyder of Davenport, president, and E. P. Howard of Eldon, secretary. Among other early active members were F. D. Denlinger, C. H. Reynolds, J. D. Dewell, Lewis Lichty, and W. H. Brunn. C. H. Reynolds, then secretary of the Dubuque Building and Loan Association, was one of the earliest presidents and thereafter a secretary in the League for a number of years. F. D. Denlinger, secretary of the Cedar Rapids Building and Loan Association, was also among the early presidents and occupied that position for a considerable period.[1]

[1] The present officers of the League are H. R. Hanger of the Dubuque Building and Loan Association, president; H. H. Bennett of the Cedar Rapids Building and Loan Association, vice president; and O. R. Kreutz of the Sioux City Building and Loan Association, secretary and treasurer.

The Iowa League has never had any publication of its own. It has directed its energy to the promoting and strengthening of the building and loan movement in general in the State and attempting to secure equitable laws governing building and loan associations.

Legislation

Probably the first building and loan legislation placed on the Iowa statute books was the law of 1872,[2] which permitted the incorporation of mutual loan associations formed by five or more persons under the general corporation laws of the State; it does not specify the types of organization which will be allowed. It does make the stipulation that the sum total of the various payments collected from members shall not amount to an usurious rate. Not more than 10% of earnings may be set aside for expenses and the remainder of earnings shall be credited to the shareholders.

In 1896 the Legislature passed what were then considered drastic building and loan laws,[3] possibly with the idea of legislating building and loans out of existence. A considerable number of state-wide and foreign building and loan associations of the "national" type were operating in Iowa in such a manner as to bring discredit upon all building and loan associations. However, this legislation did not affect the true building and loan movement, and it has continued to grow while those at whom the legislation was aimed quietly folded their tents and departed.

Since 1896 no special building and loan legislation has been enacted and very few amendments have been made. For the last few years the State League has felt that an entire new code of building and loan laws should be written, and two years ago a legislative committee was appointed to draft such proposed laws. This committee made a report at the meeting in 1930. Its recommendations were adopted by the League to be submitted for passage at a coming session of the Legislature.

In 1913 Iowa associations were put under the supervision of the state auditor to whom annual reports must be submitted and who makes examinations of the accounts of the associations.[4]

[2] Laws 1872, ch. 30 (Code of 1873, §§ 1184, 1185, 1886, 1187).
[3] Laws 1896.
[4] Supp. to Code 1913, ch. 13a.

Under the present state law both the serial and permanent types of organization are permitted in Iowa.

Local Leaders

Among the first active members of the Iowa League should be mentioned C. B. Minnis, of Des Moines. He was regarded as one of the old guard of the building and loan movement in Iowa, and he did very outstanding work along almost every line for the furthering of the building and loan cause.

A few of the older and longer established associations have supplied various items of historical interest.

The Keokuk Loan and Building Association, referred to above as the oldest Association now operating in the State, was organized by leading bankers and business men of the community who reversed the usual name of building and loan because they argued a loan had to be made before a house could be built. The Association was organized and has always been conducted on a most conservative basis and for the greatest benefit to the borrower. It claims to have the lowest rate to borrowers in the State and a very low expense ratio. In its early years no one received any compensation except the attorney who received $5.00 for checking up the title to property upon which loans were to be made. At that time its office was open only on Saturday afternoon and night to receive applications for loans, and on Thursday, Friday, and Saturday of each month to receive payments. But in 1875, J. A. M. Collins was elected secretary and the customary business office hours were observed from that time. Mr. Collins served as secretary until March 1, 1904, when the present secretary, J. D. Ecker, was elected.[5]

The Perpetual Savings and Loan Association of Cedar Rapids was organized in 1875, the Constitution being almost identical with what is now known as the Dayton plan. The first president was Peter S. Robertson. The present president, W. R. Boyd, graduated from the State University of Iowa, was for 10 years editor of the *Cedar Rapids Republican*, leaving that work 16 years ago to become chairman of the finance committee of the State board of education, in which capacity he

[5] The present officers and directors are: J. A. Dunlap, president; R. W. Wood, vice president; J. W. Ecker, secretary; E. R. Cockran, treasurer; L. W. Parsons, attorney; and John Temelty, L. J. Montgomery, J. L. Annable, H. N. Culkin, and M. E. Tate, directors.

has done a great work. The Association has as one director, W. A. Robertson, son of its first president, who has been with the Association since its organization.

The Perpetual Association has had during its existence five secretaries, the present secretary, F. D. Denlinger, having held the office for 30 years; during this period, the assets have grown from $150,000 to $6,000,000 and the Association has never passed a dividend. Loans are made at 7.02% with dividends of 6.6% to shareholders. In spite of the narrow margins between earnings and dividends, a contingent fund of $167,500 has been accumulated.

The Dubuque Building and Loan Association was established February 1, 1876.[6] Edward T. Keim, to whom stock certificate No. 1, first series, was issued, was the first secretary of the Association. He died in Denver, Colorado, in 1929. So far as is known, only two original owners of the first series are still living: Jacob A. Roesner, who is now 75 years old, and H. B. Gniffke, whose father, as trustee, took out certificate No. 11 on February 1, 1876, for three shares of stock. Mr. Gniffke is at the present time, and has been for some years, a director of the Association. C. Bayless, who was in the second series, holds the record for continuous service on the board of directors. He was a director, vice president, and president for a period of over 45 years. He died in June, 1927.

The Davenport Loan, Building and Savings Association was organized in June, 1877. The first president of this Association was Edward Russell, who was Postmaster of Davenport during the first administration of Grover Cleveland, and editor of the *Davenport Gazette.* His son is the well-known writer and author, Charles Edward Russell. George P. McClelland, one of the original members, was a prominent manufacturer of Davenport and president of the Association for 15 years. W. H. Wilson, a well-known attorney of Davenport, was president from 1902 to 1915.

Joseph Shorey, another well-known attorney of the city, has been president since 1915,[7] and for 13 years prior to that, secretary.

[6] The present officers of the Dubuque Association are W. M. Clewell, president; G. D. Rose, vice president; H. R. Hanger, secretary; and T. E. Buechele, treasurer.

[7] In addition to President Shorey, the other directors are: George Klindt, vice president; A. J. Jansen, secretary; C. U. Schaefer, treasurer; H. F. Camp, John Corry, G. H. Koch, William Pohlmann, and J. N. Reimers.

The Waterloo Building and Loan Association of Waterloo was organized in March, 1878, in response to public demand for a lending agency which could provide funds for building homes for the influx of workingmen caused by the location of the Illinois Central Railroad shops and round house in Waterloo. It was organized at a public meeting held in the city hall at which Matt Parrott was selected as the first president. Mr. Parrott was the publisher of the *Iowa State Reporter* and later served as lieutenant governor of the State. Lewis Lichty was elected secretary and retained this position until about 1898. Lewis Lichty was a prominent attorney and one of the leading citizens of Waterloo. He was for a time city attorney and, for a number of terms, mayor.

C. B. Halliday succeeded Mr. Lichty as secretary and held this position for about two years, and in 1900 W. H. Brunn was chosen as secretary, and he continued as secretary until about 1926, when he took over the office of president, and R. S. Eickelberg was chosen as secretary.

The building and loan associations of Iowa have had an outstanding reputation for permanency and safety. In the last 30 years not a single building and loan association in the State of Iowa has failed or been taken over by the State department.

Many prominent State leaders have been active in Iowa building and loan affairs. J. H. Johnson of Knoxville, director and officer in the Knoxville Association, was speaker of the House of Representatives in the 1930 session. J. S. Dewell, secretary of the Missouri Valley Association, was a judge of the district court, and Matt Parrott of the Waterloo Association has been lieutenant governor of Iowa.

« « BIOGRAPHICAL SKETCH » »



W. H. BRUNN, President, Waterloo Building and Loan Association since 1925, and secretary from 1900 to 1925. Former president, for several terms, of the Iowa Building and Loan League, and chairman of its legislative committee.

Mr. Brunn is a lawyer having practiced prior to 1915, when he began to devote his entire time to building and loan affairs. He has held various public offices in Blackhawk County and was for 22 years secretary of the Waterloo schools. He was born at Waterloo in 1873, son of D. H. and Mary Brunn. He married Addie A. Felsing and they have two children.

KANSAS

By CHARLES S. ELLIOTT

EVERY loyal Kansan is proud of its history. It is as romantic as that of any of the older states.

> "Perhaps no other commonwealth admitted to the Union during the last half of the last century has a greater historical interest. Born in the storm and stress of national political controversy, cradled in the tumult of civil war and reared to full statehood in an era unparalleled in the arts of peace; the life of Kansas has been one of intense action.[1]

Admitted to statehood in 1861 and populated by citizens from all states, largely veterans who had participated in the war against the Union, Kansas immediately began the fight to build one of the most prosperous and wealthy states in proportion to its population.

As expressed by one of Kansas' greatest poets, Eugene Ware (Ironquill)

> "States are not great
> Except as men may make them;
> Men are not great except they do and dare."

Citizens of this description immediately entered a contest, which resulted favorably, against drouth, hot winds, grasshoppers, and political unrest and dispersed the reputation of Kansas as a cyclone state among its neighbors. Kansas is known as the greatest wheat producing state in the Union and has made progress every year.[2]

Is it any wonder that one of Kansas' finest poets,[3] after an extensive tour, wrote of her State:

> "Sweeter to me than the salt sea spray,
> the fragrance of summer rains;
> Nearer my heart than these mighty hills
> are the wind-swept Kansas plains.

[1] Blackmar, *History of Kansas*, (Chicago: Standard Publishing Co., 1912).

[2] The climax was reached when in 1929 the value of its agricultural products amounted to $548,421,056; mineral products, estimated at $170,000,000; petroleum production, 40,658,170 barrels, and Kansas manufactured ⅛ of the nation's airplanes, valued at $9,000,000. Kansas also still leads the other states in the percentage of college students per 1,000 population. (Charles P. Beebe, *Kansas Facts*, pub. by author at Topeka.)

[3] Kather Clark Hill, *The Call of Kansas and Later Verse*, Cedar Rapids, Ia., Torch Press.

> "Dearer the sight of a shy, wild rose
> by the roadside's dusty way,
> Than all the splendor of poppy-fields
> ablaze in the sun of May."

First Association

Gathered as its citizens were from all parts of the country, they immediately began to build towns and their minds naturally turned to the methods used in their home states. The organization of building and loan associations was the logical result. By exploring the history of early associations, we find that someone sent to Pennsylvania for a set of by-laws.[4] As far as can be ascertained, the first association was the Topeka Building and Savings Association, which was chartered April 16, 1869. This preceded, by only four days, the start of the Atchison Building and Savings Association, chartered on April 20, 1869.[4]

The organizers and directors of the Topeka Association were all prominent German citizens: Henry Moeser, C. Kreipe, Phil Moeser, R. Engel, Jul. Herman, A. Thoman, Hugo Kullack, Ed. Tape, John Lahmer, G. Tauber, C. Kuendig, A. Burkhard, and Hy Sicher.

Likewise the organizers of the Atchison Building and Savings Association were prominent business and professional men, many of whom became celebrities in State history: S. A. Kingman, member of the supreme court; John A. Martin, afterwards Governor of Kansas; Albert H. Horton, chief justice of the supreme court of Kansas; J. J. Ingalls, United States Senator from Kansas; C. G. Foster, Judge of United States District Court; John M. Price, state senator; D. Auld, president of the First National Bank of Atchison; Clements Rehr, mayor of Atchison; W. R. Stebbins, who established the first Western Union office in the State; W. C. Smith, merchant; C. J. Drury, wholesale grocer; Dr. W. W. Cochran, famous physician from Kentucky and postmaster at Atchison; Owen E. Seip, builder.

Following the Topeka and the Atchison Associations came

[4] *Editorial Note:* According to evidence found in a paper by C. S. Hartough, "Building and Loan Associations of Kansas," 1897 *Proceedings of the United States League*, p. 66, we find that an association existed in Kansas slightly prior to the one at Topeka. Mr. Hartough says: "The first building and loan association in Kansas was chartered on November 28, 1868, at the historic city of Lawrence. It was not strictly a mutual association, as the organizers received the profits accruing, and when it ceased to be profitable, after a few years of doubtful success, it wound up its business."

the Citizens Building and Savings Association of Topeka, chartered on December 11, 1869, with the following organizers and directors: Orrin T. Welch, mayor of Topeka; John Guthrie, judge of the district court; Fry W. Giles, banker and one of the incorporators of the townsite of Topeka; S. E. Sheldon, prominent physician; George W. Crane, proprietor of a large printing house; John G. Searle, Wallace McGrath, B. J. Richer, and Samuel D. Wilson.

These three were terminating associations and are not now in existence.

The distinction of being the oldest association still in operation belongs to the Citizens Association of Emporia, chartered as the Union Building and Loan Association, on March 26, 1880. On its board of directors were the fathers of two prominent building and loan men in Kansas, W. H. Eastman of the Shawnee Association, Topeka, and E. C. Ryan of the Mutual Association at Emporia.

Results of Supervision

When building and loan associations started in Kansas, there was no law governing them. Hence no record of the associations' achievements is available until after the passage of a general law in 1899. The passage of this law was one of the most interesting chapters in the history of Kansas associations. The law of 1899[5] was written entirely by persons outside the state of Kansas, and without the assistance of any Kansas building and loan men. In fact, these outside promoters refused for a time to accept any amendments suggested by Kansas building and loan operators. As it was enacted, the law was a combination of Minnesota and Missouri building and loan legislation. It authorized the issuance of installment, prepaid, full-paid, deposit shares, and permanent stock. Section 6 permitted definite contracts both to investors and borrowers. Permanent stock, as the name signifies, cannot be withdrawn until all other contracts are fulfilled, and all liabilities paid, and therefore stands in the nature of guarantee stock. The law in no way limited the organization nor the development of the mutual associations.

[5] Laws 1899, ch. 78.

The associations were placed under the control of the bank commissioner.[6] In the first report he stated that, while he knew the law was defective, he was making every effort to carry out the intent of the Legislature and to provide efficient supervision for associations with a view to protecting investors.

The defective character of the law of 1899, resulting from its preparation by persons unfamiliar with Kansas conditions who tried to foist upon the State regulations developed elsewhere, naturally aroused opposition throughout the State. As Kansas had been overrun with "national" associations, both within and outside its borders, romping over the State and issuing cutthroat contracts, the law, as a result of the pressure from associations within the State, was amended in many particulars. This, together with the desire of the Legislature to make a good law, resulted in one that was not homogeneous. This non-homogeneity was attributable, of course, to the conditions described above under which the law was passed. The activities of non-state operators of differing points of view resulted in a law which was lacking in unity and coherence. The many amendments attached to this law further complicated it and increased its non-homogeneity.

Kansas was fortunate in the Commissioner who put the law into effect. He was a loyal citizen, a man of great integrity. His ambition was to control associations which were not doing an honest business and which were not complying with the new law. By his zeal in administration he materially strengthened the condition of those associations which were doing a legitimate business and thus improved their position in the public eye. After a year of strenuous work, he closed several "nationals." The law itself operated to refuse admittance to foreign associations. The final result at the close of 1899 was a total of 60 associations with resources totaling $3,667,186.63, divided $2,880,764.30 to locals and $786,422.33 to "nationals."[7] Of these, 29 are still in existence and 31 have been either liquidated or absorbed.

[6] Laws 1899, ch. 78, § 26.

[7] The term "national" as used in Kansas should be explained here. In 1899 in Kansas "nationals" were associations doing business outside their own counties. Some of these associations are still doing business in Kansas; an example is the Aetna Building and Loan Association of Topeka which is the largest association in the State. It is no longer considered a "national" as that term was applied in 1899.

The associations continued to grow, as is indicated by a summary of their assets at 10-year intervals:

Year	Assets	Percentage Increase	Members
1899*.....	$ 3,667,186.63	———	———
1909.....	10,107,663.01	275%	———
1919.....	33,110,230.49	327%	———
1929.....	132,186,747.97	399%	211,938

*Assets for 1899, include $786,422.33 belonging to "national" associations.

There are 155 associations in Kansas: 53 "mutuals" and 102 "permanent" associations, with combined assets of $132,362,649 as of December 31, 1930. Two of the mutual associations, whose resources total about $31,000,000, do a statewide business.

A general picture of the scope and character of building and loan operations in Kansas can most easily be secured from the following data which are of the date, December 31, 1930:

Loans to members	$106,820,557.25
Loans to non-members	1,136,361.28
Rural credit loans	3,231,064.64
Real estate mortgages	3,803,913.70
Shares in other associations	769,201.43
Municipal and government bonds	1,549,849.78
Investment in home office buildings	1,023,220.30
Real estate owned	3,384,771.07
Loans assigned by other associations	842,976.69
Outstanding installment shares	54,263,709.18
Prepaid shares	6,024,460.93
Deposit shares	4,291,941.36
Full-paid shares	44,501,569.07
Permanent stock	1,628,418.00
Rural credit installment shares	7,370,873.40
Rural credit full-paid shares	4,981,068.07
Contingent fund	1,498,349.38
Undivided profits	2,108,103.17

Distinctive Features

Kansas, we believe, is entitled to some distinction as having organized, at Topeka in 1893, the first permanent stock association in the middle west. Afterward, the law, when passed, approved this style of organization, both the Legislature and associations having taken the idea from the Minnesota law. Kansas also has the distinction of having a mutual association in Topeka, which, since its organization in 1891, has successfully made loans all over the State and later in the State of Oklahoma. This is the Aetna Building and Loan Association.[8] Another distinctive factor is that, while Kansas is not a State of large cities, there are 34 associations with assets of $1,000,000 or more, and nine of these are in towns where the population is less than 10,000. Their membership and loans are secured from surrounding counties and towns, and these associations are of great benefit to the territory they serve.

Since the passage of the law but two failures have occurred in the State of Kansas, and one of these was a small association. The total loss to shareholders in both failures was .19% of the total invested in the association in 30 years.

The loss on real estate, $180,218.34, in 30 years is but .09% of the total loaned during this period.

Legislation

The Legislature has been very kind to building and loan associations. After the law was put in operation, as defects were found and as improvements could be made, amendments were, almost without exception, passed by the Legislature. Some of the important features may be mentioned.

Associations are permitted to invest surplus funds in Kansas mortgages, municipal and government bonds. This has proved of great benefit at times when money was plentiful.

Associations are also allowed to assign mortgages and notes upon the approval of the Supervisor, when funds are needed for the purpose of paying withdrawals and maturing shares or to complete loans to waiting borrowers; these securities are to be reclaimed when funds will permit.

The general subject of taxation is a serious one in this State. An intangible tax law including building and loan shares was enacted. A mortgage registration fee law was also passed, providing for a registration fee at the time of recording and exempting such mortgages from further taxation. The Legislature of 1931, however, passed a new law, whereby the association itself pays the tax and the shares are not subject to any further levy.

[8] This Association makes loans throughout Kansas which is most unusual since Kansas associations are almost entirely local organizations. In Kansas the word "mutual" merely describes those associations which do not have permanent stock.

In 1927 the Legislature finally created a separate department with a supervisor at the head, who has entire charge of all associations. They also created an advisory board with whom the supervisor consults at least four times a year.

Rural Credit Law

In 1915 what is known as the rural credit law[9] was passed, permitting associations to issue rural credit shares which are exempt from taxation. These funds, whenever possible, are loaned on farm properties in the immediate territory at a rate not exceeding 1½% above the rate paid the shareholders. The law provides for no commission and allows exceedingly favorable terms of repayments. The exemption feature has been declared constitutional by the supreme court of the State.[10]

State League

On October 24, 1895, the Kansas Building and Loan League was formed in Topeka. The officers elected were C. S. Hartough of the Citizens Mutual Association, Leavenworth, president; W. H. Eastman, of the Shawnee Association, Topeka, vice president; George Stumpf of the Interstate Building and Loan Association, Kansas City, second vice president; J. B. Smith of the Pittsburg Building, Savings and Loan Association of Pittsburg, secretary; and George S. Murphy of the Manhattan Building, Loan and Savings Association, Manhattan, treasurer. The League immediately affiliated itself with the United States League with C. S. Hartough as its member of the executive committee. He attended the general meeting in Detroit in 1897, and presented a paper on "Building and Loans Association in Kansas." Mr. Hartough was a high-minded, patriotic citizen and a dominant figure in building and loan in Kansas up to the time of his death. The League has always taken an active interest in the passage of amendments to the law and has done much toward building up the movement in Kansas. The League is also affiliated with the Kansas Bankers Association.[11]

The State League has maintained a strong organization by

[9] Laws 1915, ch. 96.

[10] *MacKinnon v. Tax Commission*, 132 Kans. 3 (1931).

[11] State League officers as of December 31, 1930, were as follows: Charles W. Thompson, Aetna Building and Loan Association of Topeka, president; T. W. Atkins, Parsons Building and Loan Association of Parsons, first vice president; I. C. Stevenson, Lawrence Building and Loan Association of Lawrence, second vice president; E. E. Lake, Barber County Building and Loan Association of Medicine Lodge, treasurer; and Paul B. Morrison, Topeka, executive secretary.

retaining the past presidents and current officers as members of its executive committee.[12] This committee also included[13] a member of the executive committee of the United States League, who is C. A. Sterling of the Capitol Building and Loan Association, Topeka, and will be followed by L. E. Roush of the National Savings and Loan Association, Wichita. Chan B. Campbell of Garden City, a past president of the State League, having ceased to be active in the work, resigned as a member in accordance with the by-laws.

The work of the League had become so extensive that in 1928 J. L. Hersh of the Postal Building and Loan Association, Topeka, who had been secretary for 10 years, recommended a full time secretary and suggested Paul B. Morrison for the position. This was approved by the League.

Kansas has always taken an active interest in the Southwestern States Group Building and Loan Conference and has had the honor of having the office of president filled by two of its members, J. L. Hersh of Topeka and C. A. Sterling of Topeka, and for the past four years, Clarence T. Rice of the Anchor Building, Savings and Loan Association, Kansas City, has been active secretary.

American Savings, Building and Loan Institute

A chapter of the American Savings, Building and Loan Institute was organized at Topeka in 1925, and with only one exception, an Institute course has been offered every year since that time. Clarence T. Rice, president of the Anchor Savings and Loan Association of Kansas City, is the first vice president of the national organization.

Kansas is proud of the work its associations have done in

[12] At this time, its membership is composed of C. W. Thompson, of the Aetna Building and Loan Association, Topeka; A. H. Plumb and E. C. Ryan of the Mutual Building and Loan Association of Emporia; C. J. Bryant, of the Independence Building and Loan Association, Independence; C. B. Dodge of the Homestead Building and Loan Association, Salina; C. S. Elliott of the Capitol Building and Loan Association, Topeka; L. W. Bauerle of the Southwest Building and Loan Association, Wichita; M. A. Noble of the United Building and Loan Association, Wichita; W. L. Bowersox of the Prudential Building and Loan Association, Great Bend; C. A. Beeby of the Hays Building and Loan Association, Hays; T. W. Atkins of the Parsons Building and Loan Association, Parsons; E. E. Lake of the Barber County Building and Loan Association, Medicine Lodge; I. C. Stevenson of the Lawrence Building and Loan Association, Lawrence.

[13] Members of the executive committee who have passed away are: W. H. Eastman and T. B. Brown of the Shawnee Building and Loan Association, Topeka; J. F. Knoblauch of the American Building and Loan Association, Wichita; A. J. Applegate of the Wichita Perpetual Building and Loan Association, Wichita; and L. H. Rose of the Kansas Building and Loan Association, Kansas City.

assisting in the building of the State and the results show that these associations have been officered[14] by those who were extremely interested in these institutions, and the work they do fully exemplifies the meaning of the motto, "Builders of American Homes and Wealth."

[14] An interesting sidelight is the fact that 16 associations in Kansas now have women secretaries.

« « BIOGRAPHICAL SKETCH » »



CHARLES S. ELLIOTT, organizer in 1893 of the Capitol Building and Loan Association of Topeka, and now president of that Association. Formerly secretary and president of the Kansas State League, and a member of the Executive Committee of the United States League.

Before entering the building and loan business, Mr. Elliott was connected with the Sante Fe Railway, and later secretary of the State Board of Railroad Commissioners. He was born in Winterset, Iowa, son of George S. Elliott and Mary David Elliott. In 1905, he married Carry Bartholomew, and they have two sons.

KENTUCKY

By H. A. SCHROETTER

KENTUCKY'S record of 52% of its homes owned in 1920, when for the country as a whole this figure was only 46%, may be attributed largely to the good work of 119 local building associations which had at that time been faithfully operating throughout the Blue Grass State for 50 years without a failure.

The building and loan history of Kentucky falls into two parts, from 1868 to 1876, and from 1876 to the present. The main distinction between the two periods is that prior to 1876 all corporations were chartered by the Legislature.

The Mechanics Cooperative and Building Association of Louisville, the first association in Kentucky, was chartered by the Legislature of Kentucky and approved January 27, 1868. The founders were: Henry J. Lewis, Oliver H. Stratton, Charles G. Shrorock, G. F. Barth, W. R. Hyden, Robert V. Snodgrass, and Frank B. Jones. Their object was to improve and purchase homes, but the individual members of the board could not themselves be borrowers. Facts as to the activity or permanency of this Association are not available.

The oldest building association still existing in Kentucky with perpetual usefulness and expansion is the General Building Association of Covington, Kentucky, chartered on January 19, 1869, with 13 German-American and one American charter member. One of the originators, George Welling, is the grandfather of one of the present directors, Harry R. Welling. Another was C. Rosenthal, a relative of Henry S. Rosenthal, editor of the *American Building Association News.* Other charter members were F. Ficke, F. Fischer, C. Winston, L. Schneider, L. Branker, F. Kohl, H. Wenzel, H. Schleutker, C. Koch, J. Hempel, A. Alberecht, and C. Rosenthal. The capital was to be $100,000.

All of the associations formed prior to 1876 received special charters from the Legislature upon payment of a capitalization tax of .1%[1] and were organized on the terminating plan. Sev-

[1] Kentucky still holds on to a capitalization tax and it is .1% to be paid into the State treasury, that is, on forming an association with a $500,000 capital, somebody must have faith and money enough to advance and pay $500.00 to the secretary of state, which is an expense that eats up the profits for some time to come. But even this feature is considered a benefit.

eral of them, after their expiration and upon the paying of their shares, were continued under the same names and designated No. 2, No. 3, etc. Subsequent to the legislation of 1918 all became perpetual associations.

For many years building and loan associations had an uphill struggle. Between 1900 and 1910 the "national" building associations invaded Kentucky and operated from Louisville all over the State. With big promises and high premiums they defrauded thousands of the unwary who were not satisfied with getting the help of their local building associations and who did not investigate the men and methods of the "nationals." Consequently they were beguiled into an experiment for which they had to pay dearly and suffer much loss. Local building associations not only survived, but gained eventually in popularity by the honesty and integrity of their officers and directors.

The Avery Building Association of Louisville was organized in October, 1886, as the Home Savings Fund Company, but after the death of its founder in 1907, its name was changed to the Avery. It is the oldest Association remaining in existence in Louisville today.

About 1916 a weekly mutual savings association, headed by W. H. Wright, negro lawyer and financier, was started at Louisville. The Association was successful, and many colored citizens have been taught to save and have been assisted in the purchase of homes.

The Kentucky State League

A meeting was called for February 15, 1896, at the Y. M. C. A. hall, now Peoples Liberty Bank, in Covington, when six associations and 12 representatives responded. Honorable Fred Bader and Henry S. Rosenthal, both leaders in the United States League, were present. H. A. Schroetter was elected president pro tem, and J. H. Westover of Williamstown, secretary pro tem. A second meeting was called for February 29, 1896, and 33 associations out of a total of 74 then operating in Kentucky responded. Richard O. Ernst, C. W. Nagle and others made addresses, and a committee of seven, together with the above officers, was appointed to draft a constitution which was adopted at a subsequent meeting, March 21, 1896. The delegates then resolved themselves into the first meeting of the

Kentucky League of Local Building Associations and elected as its first officers: H. A. Schroetter, president; James W. Schanks, 1st vice president; R. H. Elliston, 2nd vice president; J. H. Westover, secretary; and S. G. Dunks, treasurer, with an executive committee composed of C. W. Nagle, M. J. Brown, W. B. Thomas, M. T. Shine, John J. Seiler, and Ben Von Hone.

Until 1911 only the northern counties joined the League but in 1912 W. H. Benjamin, manager of the Young Men's Building Association of Mayfield, attended the annual meeting as first downstate delegate and has been present at every meeting thereafter.

In 1913 the Avery Building Association and Portland Building Association from Louisville joined. The 1915 annual meeting was held in Louisville and Thomas A. Barker was elected 1st vice president. In 1916 Charles Eugene Clark, who had been president since 1908, and who had been called west by his realty holdings, asked Mr. Barker to preside, which led to his advancement to the presidency, which position he held until 1930 when he insisted upon being relieved. Phil J. Veith of Newport was elected his successor.

While Kentucky experienced no building and loan failures in 50 years, it had several defalcations of secretaries, one about 10 years ago, another about 20, and another 30 years ago. In each case the secretaries exercised more power than they should have had, amounting almost to a one man rule. In the recent case, a 30% loss was assumed by all the shareholders, and the association proceeded under new, careful management to greater success. In each of the previous cases the losses were small, and were adjusted under new officers.

Legislative Work

Thomas A. Barker and many other leading attorneys sponsored and secured the passage of the first comprehensive building association law in 1915.[2] Prior to 1915 Kentucky building and loan associations had operated under the authority of two acts. The first, passed in 1891,[3] gave very wide powers to the association and the second in 1899[4] was more specific, permitting the issuance of serial and full-paid stock and

[2] Laws of 1915, §§ 854-78.

[3] Acts 1891, ch. 171. This fact was taken from an article by John E. Huffman, "A Review of the Building and Loan Movement in the Southern States," 1895 *Proceedings of the United States League.*

[4] Stats. 1899, §§ 854-78.

requiring that reports be made to the secretary of state and that foreign corporations secure a license to operate in Kentucky. The 1915 law was supplemented in 1917 by an act embodying most favorable tax legislation.[5] The rate of taxation is .1% per $100 of assets less a credit of all amounts paid in by all borrowers on their respective loans. This payment to the State on July 1 of each year is in lieu of all other municipal or county taxes.

In 1918 a more comprehensive law, placing building associations in a separate department under the jurisdiction of the State banking commissioner, was introduced and passed,[6] and Kentucky has ever since exercised an excellent supervision. This law also permits the issuance of the following classes of stock: serial, juvenile, and paid-up.

Under the leadership of Charles Eugene Clark, as president, and H. A. Schroetter, as secretary, with a congenial executive committee, the Kentucky League entered the United States League. The local associations responded to the invitation of the officers. Henry S. Rosenthal and Herman F. Cellarius were regular visitors at the meetings of the State League, and brought many highly instructive and inspiring messages.

One hundred and sixty-one building and loan associations are in active operation in Kentucky, with combined assets of $118,928,259.06 as of December 31, 1930.

Personalities

Charles Eugene Clark of Covington, Kentucky, is a lawyer by profession, and has given much time to the building and loan movement throughout the Nation. He served as attorney and treasurer of the Forest Hill Building and Loan Association of West Covington, and was for many years (1908-1916) president of the Kentucky League of Local Building Associations. He was elected president of the United States League of Local Building Associations on July 29, 1914, at Washington, D. C., and presided over the 23rd annual convention of the United States League at San Francisco. He was elected as one of the delegates



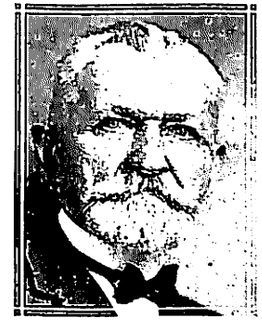
Charles Eugene Clark

[5] Laws of 1917, ch. 14, § 4019-a-6.
[6] Laws of 1918, §§ 854-78 amending Laws of 1915, §§ 854-78.

to the International Congress of Building and Loan Associations, Housing Societies, and Cooperative Banks, which was held, in London, England, August 11 and 12, 1914. Mr. Clark was also a delegate to the International Congress, which met in San Francisco. He has delivered many building association addresses in various parts of the Union, and is well and favorably known in all building and loan circles throughout our country.

Other Kentuckians who have served the building and loan cause well are Thomas A. Barker, for several years president of the Kentucky League and instrumental in securing favorable legislation in the State and Phil J. Vieth, another State League president.

« « BIOGRAPHICAL SKETCH » »



H. A. SCHROETTER, President, Cottage Building Association of Covington, Kentucky; one of the organizers and first president of the Kentucky League of Local Building Associations. He has been connected with the building and loan movement in Kentucky since 1877, and has been active in state and national building and loan affairs.

Mr. Schroetter was born in Berlin, Germany, on September 12, 1852, son of Captain F. A. and Julia Bruehl Schroetter. He came to the United States in 1876. In 1879 married Louise Dohrmann, and they have two sons.

LOUISIANA

By HERMAN J. SEIFERTH

LOUISANA adopted the building and loan idea almost 60 years ago and consequently has already celebrated its 50th birthday with appropriate ceremonies. The movement was first patterned in Louisiana after the Pennsylvania model, but subsequently the Ohio and other plans have been adopted and utilized to achieve splendid growth. The building and loan principle has been subjected to various tests, but it has survived and has demonstrated the stability and strength of the structure and indicated possibilities for the future.

First Association

The credit for the planting of the building and loan idea in Louisiana belongs largely to Thomas G. Rapier, former editor of the *Daily Picayune*. He saw in the building and loan principle and its fostering of home ownership a possible solution for many of the ills which handicapped the country's prosperity and progress. He had heard of the benefits accruing from the operation of building and loan associations in other parts of the country, particularly in Philadelphia, and he resolved to experiment with the idea in Louisiana.



Thomas G. Rapier

Accordingly on September 11, 1873, the New Orleans Homestead Association was chartered and began operations, the first in Louisiana. The members and money imperative for the start were personally procured by Mr. Rapier, although his characteristic modesty impelled him to decline any office. The Association was vastly different from the institution of today. Its scope and life were limited to a single series of shares, its existence to cease upon the maturity of the shares, i. e., in approximately 10 years. The investors in its stock were mainly prosperous men of affairs more intent upon speedy profit than upon the improvement of civic conditions. There were threatening signs

of impatience which influenced the unremunerated officials to lose interest and even abandon the undertaking. Mr. Rapier did not share in the misgivings, and contributed to salvation by inducing John T. Gibbons,[1] a trusted and successful merchant on his own account, to accept the presidency. But the contrary tide was not entirely controlled. The series still had three or four years to run, and stockholders clamored for immediate liquidation. Mr. Gibbons was a man of means as well as vision, and courageously let it be known that any members insistent upon withdrawal could turn in their stock and he would, out of his purse, advance the funds demanded. The money saved in dividends, under the charter's stipulations, and the increasing popularity of loans speeded maturity, and at the stipulated date all remaining savers, who had paid in $130 on each share held, received $203.85 in return.[2]

Other Early Associations

The outcome focussed favor upon the building and loan method of encouraging thrift and facilitating home financing, and Mr. Rapier was besieged to form an association that would take advantage of the changes in method which had already appeared. Ohio had broadened the manual and there were immigrants from that section not only familiar with the alterations, but eager to participate in the replanting. So on September 14, 1882, the People's Homestead was launched, and its continuity guaranteed by adopting the method of an unlimited number of series, maturing in regular order, another being started as soon as its predecessor was fully subscribed. A little extra financing was required whenever a maturity date approached, but that only enforced larger and more liquid reserve and expert investment of surplus. The People's Homestead is one of the few in the State which still uses the serial system, although it also has combined with the serial plan some permanent or Dayton plan features.

Credit Problems of the Homestead

During the industry's infancy in Louisiana, the compara-

[1] Brother of the famous American Cardinal.

[2] An article by John E. Huffman "A Review of the Building and Loan Movement in the Southern States," 1894 *Proceedings of the United States League*, p. 135, states that this Association terminated in 1883 with a profit of $73.95 on each $200 share. It was immediately succeeded by a serial association which in 1894 had assets of over $500,000 and "which matured and paid off $114,000 of free shares in 9 years, 5 months, and 5 days."

tively insignificant sums accumulated were inadequate to satisfy the borrowing demand, so whenever there was money to loan the applicants were notified and appeared at board meetings to bid for the debtor's privilege. The record shows that some bidders bound themselves to pay premiums as high as 25%. The Homesteads themselves deplored the status and developed other agencies for the purpose of arranging for the credit which would enable relief. Mr. Rapier himself was wont to tell the story of the acuteness of his disappointment from failure to convince money sources of the validity of homestead demands, and his amazed delight when R. M. Walmsley and J. C. Morris, the foremost New Orleans bankers of that period finally stated that the credit would be forthcoming. Loans by the banks were liberal ever after, up to the time of the recent business depression.

Growth

Building and loan growth in Louisiana began instantaneously and has never stopped. A year to the day (September 11, 1874) after the People's Homestead was organized, was born the American Homestead, of which Mr. E. O. Ducros has been secretary since foundation. The Mutual Building and Homestead Association was brought into being a few months later by Espy W. H. Williams, a famous dramatist and a power in the development of both the State and national movements.

All of these organizations survive. So do the five associations established in New Orleans in 1887, which year also marked the spread of the movement to the remainder of the State. The Shreveport Mutual, the Iberia, of New Iberia, and the Monroe Homesteads were the pioneers in the parishes, as Louisiana styles its counties, and still are factors in progress.

The institution at Shreveport is the largest in the State, with assets around $13,000,000. The Shreveport Association has included in its personnel many men who have attained national prominence in the building and loan circles, including William J. Bayersdorffer and Philip Lieber.

The Security Building and Loan Association which was chartered in October, 1893, has also contributed several outstanding figures to both state and national building and loan activity. One of its first secretaries was E. W. Dodsworth, who deserves additional credit for preserving the historical materials

about early Louisiana building and loan history. His distinguished successor was George H. Kostmayer. The Security Association was the first in New Orleans to operate under the Dayton plan.

The growth of the building and loan movement may probably best be summarized by reproducing some of the figures from the reports of the banking department, which began its supervision in 1902. The following tabulation tells the story of growth in terms of number of associations as well as the total assets.

Date	Number of Associations	Total Assets
1903	39	$ 6,609,242
1908	53	11,523,000
1914	66	21,062,792
1918	64	27,586,000
1921	67	55,911,962
1923	86	87,896,857
1924	94	106,931,401
1925	94	129,924,059
1929	106	190,561,316

The division of these assets according to the type of plan used by the several associations shows interesting trends in the development of building and loan operations in Louisiana. On June 30, 1903, investment in serial plan stock totaled $4,034-,365, in Dayton plan stock $653,185 and in full-paid stock, $780,000. At the end of 1929 full-paid stock subscriptions had increased to $110,679,527, Dayton plan to $47,507,214 and serial to $4,838,146, beside $1,989 of matured stock, and $301,998 of permanent stock. The membership had grown to 204,496.

The "Nationals" in Louisiana

The first serious menace to building and loan progress in Louisiana was the advent of the "national" associations. Other states awoke to the danger and waged war earnestly, but opposition in Louisiana was not rallied promptly in full strength and a legislative campaign was delayed. The get-rich-quick lure inveigled many wealthy citizens to seek position on the "ground floor" and considerable patronage was obtained and narrowed the local association field. One of the newcomers,

headed by a reform mayor, erected a building more elaborate even than any of its local successors. John E. Huffman, one of the most brilliant of the pioneer, local association secretaries, initiated a literary attack on these organizations which had its effect, as did the direct attacks valiantly launched all over the land, and eventually the locals completely captured confidence. The real basis for the overthrow was the practice of the "nationals" of forfeiting such stock payments as remained delinquent for a certain period, and the conviction in the public mind that the "national" method was purely mercenary while that of the locals was cooperative in character.

Secretaries' Association

Between 1886 and 1888 expediency and efficiency recommended an association of New Orleans secretaries, and cooperation proved valuable to the members and the industry. The necessity for a broader scope was evident, and in November of the last named year there was a meeting of city delegates which organized what was then called the Homestead Advisory Board for the State of Louisiana, to which the associations outside of the City were likewise eligible. Frank L. Richardson, a leading attorney, was elected president, and D. A. Given the secretary. Shreveport, Lake Charles, Lafayette and New Iberia joined inside of two years, and monthly meetings were more the rule than the exception.

The most troublesome question at that stage confronting the homesteads was the system of double taxation, property holders paying like outright owners, and the associations being taxed in turn on the same property. Two years of arduous labor resulted in averting litigation and securing a settlement which was such an improvement over the confiscatory method which preceded that it has served satisfactorily until the matter was brought up to the existing single standard.

Louisiana State League

The necessity for united action against the "nationals" and the victory which that union brought strengthened the resolution to expand the State Homestead Advisory Board, which had been in existence about three years, into a State League. Consequently on May 22, 1891, the Louisiana League was formed with John W. Fairfax of New Orleans as president;

and W. E. Dodsworth of the same city, as secretary. Soon after the League was formed came the invitation of Judge Seymour Dexter, president of the New York State League, to meet at the Columbian Exposition in Chicago for the purpose of establishing the United States League. Louisiana responded at once, and Espy W. H. Williams, president of the State League, was on the first national board of directors.

The young State League became active at once and in 1896 a new constitution was adopted and a consequent reorganization followed it.

One of the major concerns of the League has been to clarify and improve the legal status of homesteads in the State. It made the first move for regular official examinations and control as necessary for the progress of the movement and as a safeguard and promoter of public confidence. Some opposition was at first met to the proposal for an audit by certified accountants because of the increase of expense involved and the desire to maintain individual and private rights. But that opposition has long since disappeared and most homesteads now employ the services of auditors permanently. The powers of the state examiners have steadily increased. The League and the state department are now actively cooperating in framing a uniform and adequate building and loan code for Louisiana.

The first great victory along the line of legislation resulted in the passage of a general homestead act which in the main is still operating. All the homestead attorneys at that time, as well as patriotic pioneers who laid the foundations, combined in the preparation and passage of Act 120 of 1902, which was not amended for nigh 20 years, and then not in any essential particular. The statute amply protected the building and loan name, and specified the methods of organization and incorporation. The borrowing power is limited to 50% of mortgage loans, the way is paved for federal home loan financing banks, associations are barred from New Orleans unless possessing $100,000 actual capital, and the stock is divided into current or installment, full-paid withdrawable, and permanent shares. Withdrawals, as finally specified in 1916, must be paid in the order of filing, and whenever the money is not available within 60 days, the associations must apply one half of their receipts to such liquidation. Loans must be secured by first mortgage.

Gross earnings may be distributed as dividends after deducting expenses and setting aside 3% for contingent losses, and dividends must be actually earned. Whenever the state examiner finds conditions unsound, he must demand dissolution and report to the attorney general for the institution of proper proceedings.

Subsequent acts penalized false entries and statements and excepted homestead officials from the parole laws and privileges, authorized homesteads to lend to and invest in each other's stock, and liberalized to some extent the labor lien law provisions as they affected homesteads. The courts were as favorable and protective as the lawmakers, and a recent decision which it is hoped some day to incorporate into the law provided that sales for delinquent taxes convey titles subject to the indebtedness to the homesteads on the property involved.

The exceptional conditions of the last two years prevailing throughout the country impressed upon building and loan leaders of Louisiana the necessity for additional changes in the laws. A program was endorsed for presentation to the Legislature and no opposition was discernible in the office of the State Examiner, but an overcrowded docket prevented the enactment of this legislation.

Prominent Personalities

Louisiana has a proud record for furnishing leaders to the national movement and to her state organization. New Orleans has been three times host to the convention of the United States League; once in 1901, again in 1908, and finally in 1920.

The State has also furnished four presidents of the national organization, George H. Kostmayer of New Orleans in 1902; W. G. Weeks of New Iberia in 1909; W. J. Bayersdorfer of Shreveport, in 1914; and Phil G. Ricks of New Orleans in 1921.

George H. Kostmayer gave up a legal career to devote his time and energy to building up the building and loan business. He was secretary of the Security Building and Loan Association and laid the foundation for its supremacy and prosperity by a house to house canvass to attract investors as well as borrowers. In addition to his activities in national building and loan affairs he served as president of the State League, as president of the

New Orleans secretaries' association, and helped to expand it to a City League.

W. G. Weeks of New Iberia, Louisiana was the second man from Louisiana to be chosen president of the United States League. He presided at the national convention held in 1909 at Philadelphia. Mr. Weeks is a lawyer and his building and loan activities include the secretaryship of the Iberia Building Association and a directorship in the Columbia Building and Loan Association of New Orleans.



W. G. Weeks

William J. Bayersdoffer was one of the organizers of the Shreveport Mutual Association and a member of its first board of directors. He became president of the Association in 1909, and in the same year was elected to the presidency of the Louisiana League. In 1914 he became president of the United States League.



Phil G. Ricks

Phil G. Ricks, another representative of Louisiana to occupy the presidency of the United States League, is a building and loan man by heredity as well as by his own choice. He is the son of Adolph G. Ricks who was one of the organizers and president of the Mutual Homestead. In 1890 Phil Ricks became auditor of the Mutual and in 1908 was promoted to the secretaryship, a position he has held since that time. In addition to the presidency of the United States League, Mr. Ricks has also occupied the executive chair of the Louisiana State League.

Two other personalities deserve mention: the one, Thomas G. Rapier, because of his early activities; and the other, Philip Lieber, for his present leadership and contributions.

Thomas G. Rapier is credited with having put building and loan ideas into operation in Louisiana, but he did not assume active leadership until his newspaper career was nearing its close. After the first success of his initial association, he was requested by many other groups to assist in the organization

of new associations which might take advantage of the constant improvements that were being developed in building and loan practice.

Philip Lieber is the president of the Shreveport Mutual Building Association and has been active in national affairs. He is the present president of the American Savings, Building and Loan Institute. At the 1930 convention of the United States League, Mr. Lieber was honored by being selected as the individual who had contributed most to the progress of building and loan in the United States during the preceding year. This was the first year that such an award had been made by the United States League.

« « BIOGRAPHICAL SKETCH » »



HERMAN J. SEIFERTH, Editor, *Times Picayune* department devoted to real estate and building and loan news; developer of a regular column for building and loan items. First chairman of the Centennial Committee created by the United States League; director of the Security Building and Loan Association of New Orleans. He has been connected with the *Times Picayune* in various capacities, including city editor, for the past 52 years.

Mr. Seiferth came to this country at four years of age and settled at New Orleans. He married Cecilia Cohen, and they have four children.

MAINE

By CLAYTON REYNOLDS

Beginnings

IN 1853, before the enactment of any general legislation pertaining to loan and building associations in this State a voluntary association was organized in Portland, called the Portland Mutual Loan and Savings Association and in 1854 an act was passed by the Legislature incorporating an association by that name.[1] This act, a printed copy of the by-laws found in a second hand store, and the records in the registry of deeds of a few mortgages, notices of foreclosure, and deeds between the years 1853 and 1864, seem to be the only evidence that such an organization ever existed, while the memory of it has entirely passed away. Its incorporators were: Nathaniel F. Deering, president; Edward P. Gerrish, Nathaniel Ellsworth, John Purington, Joseph H. White, Charles Davis, Thomas H. Talbot, Benjamin Kinsbury, Jr., Charles R. Coffin, Harris C. Barnes, surveyor; John H. Williams, attorney; Edward Shaw, secretary; and Daniel Winslow, not recorded as an incorporator, was vice president. This Association was operated on the terminating plan and continued in business for several years.

In common with other New England states, savings banks were at that time the popular and recognized thrift institutions in Maine, and in fact, are so now, to a large degree.

Maine first recognized the loan and building association idea, except as stated above, by providing at its legislative session of 1877 for the incorporation of organizations of this type.[2]

The first loan and building association in the State incorporated under this act was the Bangor Association, which was organized at Bangor, and began business March 8, 1886. There were 62 original subscribers for stock, among whom was Charles

[1] Technically this act of incorporation (Special Laws of Maine, 1854, ch. 245) was the first building and loan legislation enacted in the State, but actually it amounts to little more than an authorization to do business.

[2] Laws 1877, ch. 198. This was a general incorporation law applying to all business organizations and doing away with the necessity for separate acts incorporating each individual association.

H. Adams who was elected president of the Maine League on October 26, 1929. Mr. Adams died April 18, 1930. The first officers of the Bangor Association were: William T. Pearson, president; Lester Dwinel, vice president; Albert F. Thompson, secretary; Arthur F. Stetson, treasurer; and directors including, Lester Dwinel, Henry A. Wood, Michael C. O'Brien, James A. Boardman, and F. H. C. Reynolds. The Bangor Association is still in existence and prospering. It was organized on the serial plan, incorporation papers providing for "not more than 3,500 shares to be issued in one or successive series as shareholders may vote."

Growth

On December 31, 1930, 36 associations were doing business in Maine with assets of $24,230,078.57. This will seem small to those in the larger states, but Maine is one of the smaller states with a relatively large number of other savings institutions with which our people are familiar, and in which they have great confidence, as the volume of their deposits therein amply proves.

The conditions under which Maine associations operate are not in any sense peculiar. The salient features of building and loan operation may be listed briefly as follows: serial and permanent plans; matured shares; premiums not in excess of 40 cents per share; interest not less than 5 nor more than 8%; foreclosures authorized when three months in arrears; associations subject to inspection of the banking department of the State.

Litigation

The reports of our supreme court record only two distinct loan and building cases, since the organization of the Bangor Association in 1886. Neither of these cases developed any indication of financial unsoundness of the association concerned. In each, the decision of the court sustained the contention of the association,[3] and both have continued successfully in active business.

[3] The first was a case (*Ulmer v. Loan and Building Association, 93* Me. *392* (1899)), where a dissatisfied ex-official of an association undertook to challenge some phase of the business of the association and brought a bill in equity against the association. The decision found that under Maine law this could be done by the bank commissioner only; consequently the bill was dismissed and no further action was taken.

The second (*Tibbets v. Loan and Building Association, 104* Me. *404* (1908)), was a question of determining the amount due where settlement was forced by the association against a non-paying borrower and that primarily determined the method of computing under Maine law.

Official Endorsement

The bank commissioners of Maine have, in addresses and reports, generously endorsed the association plan, as well as the management of the individual associations which they inspect with great care. A safe statement to record here is that these associations are doing a substantial service and have won the approval and respect of the people of Maine.

Liquidations

In 1892 an association, organized in another state, was licensed to operate in Maine. In 1894 it suspended business and its affairs were closed in court with losses. Five Maine associations have ceased to do business, but of these, four have liquidated without loss. One is now in the hands of a receiver. In this case there will be some loss, the extent of which is not yet determined.

Maine League

The Maine League was organized on May 10, 1900. Its first officers were: president, Edward C. Reynolds; vice president, Lewis W. Haskell; secretary and treasurer, Alpheus L. Hanscome; and the executive committee included George W. Vickery, Harry O. Gurdy, Sidney F. Fuller, Norman H. Fay and Frank A. Nolin.[4] Annual meetings of the League are held regularly and are well attended and always interesting.[5] These sessions are usually addressed by national building and loan leaders as well as by persons prominent in public life and in building and loan circles in Maine. The list is too long to give in detail and to select individuals is an invidious task. But to indicate the nature of building and loan support in the State and the esteem in which it is held, it is appropriate to record that several Maine officials and congressmen have been active in building and loan work. Judge Scott Wilson of the United States Circuit Court is a director of the Deering Loan and

[4] Of those who were present at the organization of the Maine League, in 1900, the following have served as president: Edward C. Reynolds, 4 years; Thomas J. Lynch, 2 years; Frank A. Nolin, 2 years; James P. Hutchinson, 2 years; Norman H. Fay, 2 years; Harry O. Gurdy, 2 years. The League has had three secretary-treasurers: Alpheus L. Hanscome, 1900-1904; Harry F. Thompson, 1904-1924; Leo G. Shesong, 1924.

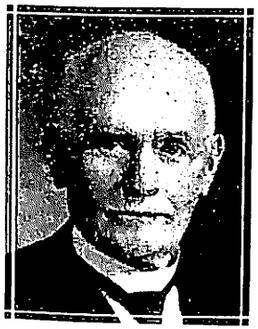
[5] The present officers are: president, Ruel W. Smith; vice president, Thomas A. Sanders; secretary and treasurer, Leo G. Shesong; executive committee: Belle A. Leavitt, Will H. Bowden, Edward S. Anthoine, A. L. White, A. W. Meserve, and R. F. Partridge.

Building Association. Judge John A. Peters, also of the United States District Court, and formerly a member of Congress, was for many years a building and loan director. Other prominent public figures in building and loan work in Maine include governors, customs officials, mayors, and numerous city and county officials.

United States League

The Maine League has been represented in conventions of the United States League by delegates who have been very loyal supporters of organizations. Those who have attended more than one national convention are: Ruel W. Smith of Auburn, Sumner W. Johnson, and Thomas A. Sanders of Portland. Their activities were rewarded in committee appointments and in the naming of Portland as the National League's convention city in 1922. That convention created much local interest and gratified local pride. It was a pleasure to have the national association leaders, with whose names we were familiar, with us. At this meeting J. E. Kinney was elected president, and Miss Anne E. Rae first vice president. Portland must have for them, as well as of them, a pleasant memory. The convention closed in a very gracious mood for it left us with this assurance: "And we assure them one and all that our visit to this historic city will be long remembered with pleasure."

« « BIOGRAPHICAL SKETCH » »



EDWARD CLAYTON REYNOLDS, Director Cumberland, Maine, and Federal Loan and Building Association in Portland. Formerly president of the Maine League of Building and Loan Associations, and of the Cumberland Loan and Building Association.

Mr. Reynolds is a lawyer practicing in Portland since 1880. He has been active in public life having served as a member of the school board; register of probate; State senator; mayor of Portland; judge of the municipal court; and president of the State public welfare department. He is a director of various business corporations, and a former president of the Cumberland Bar Association. He was born in Braintree, Massachusetts, November 15, 1856, son of Lorenzo D. and Elvira Wing Reynolds. In 1902 he married Sophie Ulmer and they have two children.

MARYLAND

By ROBERT BRUCE BIGGS

THE earliest associations in Maryland were voluntary, unincorporated organizations, but the business which they were doing appears from their mortgages to have been a conventional one, substantially the same as that carried on by their corporate successors. The earliest mortgage of this character found among our land records is that of August 29, 1849, and was made to the Baltimore Building Society of St. Joseph, of which Joseph Eberle was president. The Society is no longer in existence, and since it was a voluntary association, the date of its commencing business cannot be found, and nothing is known at this time of its officers. Undoubtedly there were earlier association mortgages than that given above, but the Maryland system of indexing has prevented their discovery. Its mortgages do not indicate that it operated on the terminating plan, although that assumption seems justified.

Apparently also there were a number of voluntary associations, but little can be ascertained as to the volume of their business or of their activities. Their importance and their usefulness in the community, however, had been demonstrated, and at the session of the Maryland Legislature held in January, 1852, an act was passed authorizing the incorporation of building associations and providing a method by which the then existing voluntary building associations might become incorporated under the act. The preamble of this act is interesting, and reads as follows:

> "Whereas, diverse persons, chiefly from amongst industrial classes, in various parts of this State, particularly in the City of Baltimore, have associated themselves together for the meritorious purpose of accumulating, by small periodical deposits, a savings fund by which they may be enabled to procure for themselves respectively, a homestead, and for their mutual benefit; thus presenting to persons so associated a strong motive or inducement to economy and frugality, the exercise of which can not but promote their individual welfare**;
>
> "And Whereas, it is the dictate of sound policy that the protection and encouragement of the Legislature should be given to associations having in view ends and objects so commendable in their character."

Immediately after the passage of this act, a number of

voluntary associations were incorporated, the first of these being the North Baltimore Building Association. Its charter[1] is dated July 28, 1852. Its officers and directors were: John L. Yates, president; John Bolgiano, vice president; Elisha Harrington, secretary; William H. H. Turner, treasurer; L. Morris Cochran, solicitor; and Isaac G. Roberts, Nicholas McCubbin, Frederick Sturgeon, Robert K. Crawford, Henry I. Scarff and William H. Beckley, directors. This Association also went out of existence, and nothing is known of its history.

A study of the charters of the various associations availing themselves of the act of 1852 shows that all were terminating mutual associations; the number and the par value of the shares were fixed, and investing and borrowing members were interested in the profits and responsible for losses in proportion to the number of shares which each held.

Under the act allowing the incorporation of associations, the number of shares could not exceed 1,000 and as they were not all to be subscribed for at the same time, two results followed. The members not joining at the time of the organization would, of course, have stock which did not mature at the same time as those of an earlier date of issue, and at first premiums and bonuses were charged to offset this inequality; subsequently the practice of organizing associations in series running more or less concurrently came into use.

Neither plan was entirely satisfactory, and later on the charters provided for a duration of 40 years, the same as allowed by the general incorporation laws of the State for other incorporated bodies. The associations then began to adopt the word "perpetual" as a part of their corporate title, and a number of such associations were organized and are still functioning, but the mutuality feature was still uniformly preserved.

In 1868 the Maryland Legislature authorized the formation of corporations "for the purpose of loaning money on real property," etc., which were given the powers incident to the original building associations, but having various superadded powers. Under the provisions of this act, the plan known as the "drop interest plan" came into use. Under this the borrowing member paid dues and interest in the usual way, but as soon as the payment of dues amounted in the aggregate to the par value of a share, the rate of interest payable each week dropped by the

[1] Charter records, Liber E. D., No. 1, folio 1.

amount representing the interest charged for that share; and as soon as the mortgage loan was paid in full, the mortgagor ceased to be a member of the association. While it was probably not intended, the result which followed was that the feature of mutuality between the investing and borrowing members disappeared, and our courts have held that the relation existing between the borrowing member and the association is that of debtor and creditor, notwithstanding the fact that the literature of the mortgage preserves the original membership idea. This form of association has been very popular. Today it is the plan almost uniformly prevailing in Maryland and only a few of the associations still operate on the earlier building and loan plan.

For nearly 80 years since 1852, the State of Maryland has fostered the growth and progress of building associations, and while we have no state supervision, it may with justice be said that the associations have been managed so successfully and conservatively that losses as a result of mismanagement or speculations have been negligible. About 1,000 associations are now operating in Maryland with combined assets of approximately $200,000,000.

In 1920 the Maryland League of Building Associations was organized. Its officers were: Herman Loock, president; B. A. Grob, treasurer; and Samuel T. Richards, executive secretary. And its board of directors included: John J. Kelly, R. P. German, Louis A. Mueller, John M. Stoll, A. J. Storck, Robert C. Jones, Herbert U. Dove, and William S. Dubel.

The League has undoubtedly given a new impetus to association life in Maryland and improved the morale of the association membership and has fostered a wider outlook upon the duties and responsibilities of the associations toward the community. At its last annual report the League[2] had a membership of 140 associations, with assets of $79,794,325.42, and with aggregate surpluses of $3,384,482.93.

It will appear, of course, from the foregoing, that the larger associations became members of the League while a great many of the smaller ones have not found it to their interest to do so.

[2] The present officers of the Maryland State League are as follows: William S. Dubel, president; George E. Muhly, treasurer; F. H. Bartholomee, executive secretary; and William S. Dubel, F. H. Bartholomee, Henry Beimschal, William J. Boeckel, J. Blaine Diven, Dr. John A. Evans, J. Stewart McKenzie, George E. Muhly, Charles E. Sonnenburg, James Walker, and William Harvey Wiggins, board of directors.

From this numerous group of small associations comes the principle opposition to state supervision, but there is a growing feeling that such supervision will lend strength to the associations operating in Maryland, and it is confidently believed that an act of the legislature bring about state supervision will be enacted soon.

« « BIOGRAPHICAL SKETCH » »



ROBERT BIGGS, an attorney practicing in Baltimore. He has been active in civic, social, and charitable activities in the City and in the State. He has also served in the Maryland Senate. He was born in Frederick County, Maryland, on February 23, 1861, son of Joshua and Phebe S. Biggs. He married Alice C. Betes of Baltimore and they have one daughter.

MASSACHUSETTS

By ERNEST A. HALE

THE early beginning of the co-operative banking movement in Massachusetts, known generally elsewhere as building and loan, is lost among those unrecorded activities of the early 19th century. The first books on building and loan associations appeared in 1852 and the earliest law governing such associations was passed in 1854, while the first statistical matter was gathered in 1856 and published by the Insurance Department of Massachusetts in 1857.

Loan and Fund Associations

The first building and loan associations known as "Loan and Fund Associations" were organized in Boston as voluntary, terminating associations. The first incorporated association of which we have record is the Suffolk Mutual Loan and Accumulating Fund Association which was incorporated May 22, 1852, and commenced business June 10, 1852, "being the first in the enterprise in this city." The officers were Robert Cowdin, president, and W. P. Smith, secretary.[1]

Estimates indicate that in 1854 about 20 associations were doing business in Boston.[2]

On April 29, 1854, the General Court of Massachusetts authorized the business of loan and fund associations.[3] The act provided that not less than 50 persons might become a body corporate for the "purpose of accumulating a fund to be lent on real estate security or divided among its members," and for the annual publication in the month of January, in one or more newspapers, of the statement of condition of each association, sworn to by its president and secretary, and the deposit of a copy of the sworn statement in the office of the secretary of the Commonwealth. The act also required that the associations should lend their "funds on real estate security only" and provided for the termination of the associations.[4]

[1] W. P. Smith, *Building and Loan Associations, their Character, Operations and Advantages* (Boston, 1852).
[2] William Franklin, *Building Associations of Connecticut and other States Examined* (New Haven, 1856).
[3] A. P. Blake, *Articles of the United States Loan Fund Association* (Boston, 1885).
[4] Acts 1854, ch. 454, an act to authorize the business of loan and fund associations.

On April 27, 1855, an act was passed requiring an annual inspection by the insurance commissioners, giving them free access to the books and papers of each association, and authority to inspect thoroughly and examine all the affairs and make any and all inquiries necessary to ascertain the condition of the associations and their ability to fulfill all engagements made by them. They were also to determine whether the association had complied with the provisions of the law applicable to their transactions.[5]

This legislation was followed in 1857 by an act requiring the insurance commissioners to submit annually to the Legislature a report in print of the general conduct and condition of the several loan and fund associations, and authorizing them to report any violation of the law immediately to the attorney-general who was authorized to prosecute said association, or said officer, as the case should be.[6]

In the *First Annual Report* issued by the Insurance Commissioners in 1857 they state:

> "The ostensible purpose of loan and fund associations is to supply the means by which the middling classes of our community, particularly, mechanics and laborers, whose income and sole means of support are derived from their daily toil, may procure for themselves and those dependent on them, a homestead, by the payment at frequent times, of but little more than they are usually required to pay in rent."[7]

It was estimated that 32 associations were acting under corporate powers and that the number of unincorporated associations acting under boards of trustees without availing themselves of the provisions of the law of 1854 exceeded the number of incorporated ones.

In the *Second Annual Report* a more comprehensive governing law was suggested, and in subsequent reports the insurance commissioners repeatedly called attention to their suggestions which proposed a more equal distribution of profits and benefits from membership in the associations, and which would make more certain the precise time that the associations "would be able to close their careers" and also do away with the "uncertainty as to the actual cost of loans, which if not a

[5] Acts 1855, ch. 236, an act for annual inspection by the insurance commissioner.

[6] Acts 1857, ch. 50, an act requiring annual inspection and reports upon loan and fund associations by the insurance commissioners.

[7] *Annual Reports of the Insurance Commissioners*, 1857 to 1866.

radical fault, is one which must operate to discourage borrowers."[8]

The uncertainty as to the time in which a terminating association would close its business led to the adoption of the permanent plan. The People's Perpetual Loan Fund Association was incorporated under this plan and commenced business in August, 1854. William F. Goodwin was president and W. W. Bullock, secretary.[9] While this plan was a distinct improvement over all the terminating plans and was the "model plan so far as Massachusetts is concerned" it still contained many of the weaknesses of the early association plans.[10] Just what became of the People's Association is not known but the last information concerning it indicates that it was in existence in 1865, although no further facts have since been discovered.

In subsequent reports the insurance commissioners stated

> "In spite of the inherent defects of these associations, and the abuses in practice, they have a large degree of usefulness, and have demonstrated, perhaps even better than if they had been better constructed, the value of the principal of repaying loans by small monthly installments."[11]

They also suggested the combining of the advantages of savings banks with the most important ones derivable from loan associations, and having every city and town receive, guarantee, and invest the savings of its inhabitants, and lending the money to them for the purpose of purchasing homes. None of the suggestions set forth in these reports was ever accepted.

In 1859, 36 associations were under the supervision of the insurance commissioners and since all but three of them had terminated by January 1, 1866, the commissioners "asked to be relieved of the duty of reporting further."[12] Thus the statistical information on loan and fund associations ceased to be gathered and published.

According to the estimates over 1,000 families in Massachusetts were enjoying homes made available through the loan and fund associations at that time.

The failure of the movement "was due to the grave faults in the system, and this in turn to the prevailing ignorance of

[8] *Ibid.*

[9] Wm. W. Bullock, *People's Perpetual Loan Fund Association* (Boston, 1885).

[10] Franklin, *op. cit.*

[11] *Reports of Insurance Commissioners, op. cit.*

[12] *Ibid.*

how to conduct such associations.[13] The defects were those of the terminating plan of association, including issuance of only one series of shares, lack of mutuality in the plan of operation, lack of equality between borrower and lender, excessively heavy fines, and in general the lack of proper legislation governing the business of the associations.

Co-operative Saving, Fund, and Loan Associations

During the period following the Civil War and the subsequent general unsettled condition of business and finance, there were apparently no building and loan associations doing business in Massachusetts, and no records are available for the period from 1866 to 1877. Interesting, during this period, is the work of Josiah Quincy, once mayor of Boston.

> "The Legislature of Massachusetts was asked in the year 1875 by the late Honorable Josiah Quincy to pass an act authorizing the establishment of 'building associations,' although the proposed name was slightly varied from that, not only in the petition but in the act which finally authorized the establishment of the system. To Mr. Quincy, more than to any other man, properly belongs whatever credit may be due for the introduction into Massachusetts of this most beneficial system of saving. He was unsuccessful in his first attempt, really meeting with but little encouragement, except from a few philanthropic gentlemen (and ladies); and his efforts of that year were made in vain."
>
> "In 1876 he was at his post of duty, and again called the attention of the Legislature to this matter, putting in his petition and taking such measures as were then possible to insure success. The law-makers again rejected the proposition, but showing, upon a test vote, that the body was very nearly evenly divided in their opinions upon the question in issue. That was surely a favorable indication, and Mr. Quincy was very much encouraged."[14]
>
> "There had been much opposition in 1875 and 1876 to the enactment of such a law, the old savings banks being fearful that these new organizations would injure them."
>
> "Again in 1877, Mr. Quincy took the field, and this time took extraordinary measures to present his case in its most favorable light. He gathered about him many supporters of both sexes, people of wealth and refinement and persons of influence. He also gathered to himself several persons who would be benefited by the passage of the proposed bill . . . Petitions in aid of Mr. Quincy were sent all over the state, were very freely signed, and were returned, generally through the local Senator or Representative, who rose in his place, and presented the petition from his constituents."

[13] Edward W. Bemis, "Co-operation in New England," *American Economic Review* (Nov. 1886).

[14] D. Eldredge, *Massachusetts Co-operative Banks or Building Associations: A History of Their Growth from 1877 to 1893* (Boston, 1893).

> "The Legislative Journal of the year (1877) is heavy with entries of numerous petitions."
>
> "The public hearings on the matter were held, and Mr. Quincy and many prominent citizens were heard . . . and the petition properly referred to the committee of which the Honorable J. Q. A. Brackett was House Chairman." . . .
>
> "Mr. Brackett, afterwards Governor of the State, says of all the Legislative measures with which he was connected during the several years he was a member, the measure which resulted in planting the building association system in Massachusetts he feels the most proud of." . . .[15]
>
> "Referring to the public hearing Mr. Eldredge states:
>
> "The venerable Mr. Quincy, with whitened locks and graceful mein, advanced to the desk, manuscript in hand, and delivered a most remarkable plea in behalf of the working men in his native State. He was followed by Mr. H. T. Elder, Honorable Joseph S. Ropes, Gamaliel Bradford, Esq., an eminent social scientist, and Mr. D. Eldredge."[16]

During this entire period much use was made of the press and many editorials, articles, and letters in favor of this legislation appeared in the daily papers. A special article entitled "A Hundred Thousand Homes" was published in *Scribner's* in February, 1876, and the entire edition used in this State to further this cause.

The proposed act to establish building and loan associations closely followed that under which such associations were successfully doing business in Pennsylvania and Mr. Quincy in an article in the *Boston Daily Advertiser* of February, 22, 1877, wrote that

> "In proposing to introduce the Philadelphia system into Massachusetts, every endeavor has been made to guard the rights of the public and the shareholders. Mr. Wrigley, through a desire to extend the benefits of this system to Massachusetts, drafted the bill. This bill was submitted to, and altered to meet the laws of this State by most eminent lawyers. It was examined, amended, and reported by the joint special committee on the judiciary of last year, and again amended under the advice of one of the ablest counsel in Philadelphia, by Mr. Wrigley, and is believed to be as near perfection as it is possible to make it. The advantage of a system that gives at once to the man of moderate means an independent home, without compelling him to work for a lifetime to obtain it, is undoubted. The only question is, do the same class of persons in this State equal those in Philadelphia in intelligence and business capacity? And to this there can be but one answer."[17]

The act to establish Co-operative Saving Fund and Loan

[15] F. B. Sanborn, "Co-operative Building Associations," *Journal of Social Science* (December, 1888).

[16] Eldredge, *op. cit.*

[17] *The Co-operative Bank Primer* (Boston, 1894).

Associations was passed and signed by the Governor on May 14, 1877.[18] It was hailed as the beginning of a new day for the middle class.[19]

The first association to organize under the new law was the Pioneer Co-operative Bank (then the Pioneer Co-operative Savings Fund and Loan Association) which was incorporated July 26, 1877, and began business August 6, 1877.

The first officers of the bank were: Honorable Josiah Quincy, president; Honorable Joseph S. Ropes, vice president; Gamaliel Bradford, Esq., treasurer; Mr. H. T. Elder, a member of the board of directors, Mr. Daniel Eldredge, secretary, and Honorable J. Q. A. Brackett, attorney.

Referring to the organization meeting, Mr. Eldredge states:

> "The venerable Mr. Quincy was present, and as the first president of the first organization; and he was as proud as one could possibly be. It was deemed wise to import a Philadelphia secretary of experience to assist at the opening. Mr. Francis M. Wood was the gentleman, and his presence and his advice and counsel were of great value. Several short addresses were delivered, and then the shares were offered . . . The sale of shares over, the money was next offered, and resulted in the sale of two lots, $400 and $600."[20]

The Pioneer Co-operative Bank is still in business in Boston.[21]

During the balance of 1877, 10 associations were organized in a period covering approximately six months. No charters were issued during the years of 1878 or 1879.

The matter of supervision and of making reports was early raised and the commissioners of savings banks declining jurisdiction, the attorney-general rendered an opinion that the associations should report to and be under the supervision of the insurance commissioner as the act of 1854, which authorized the formation of the loan and fund associations, placed them under the jurisdiction of the insurance commissioner and this law had never been repealed. The insurance commissioner requested the Legislature to place the associations under the jurisdiction of the commissioners of savings banks and the

[18] Acts 1877, ch. 224.

[19] The *Boston Herald*, in January, 1877, carried the following comment which is quoted by Eldredge (see Chapter XV, above).

[20] Eldredge, *op. cit.*

[21] Walter H. Roberts is president; William D. Eldredge, treasurer, the son of Daniel Eldredge, the first secretary and treasurer; and Herbert W. Lewis, assistant treasurer.

Legislature so acted, requiring in substance that whatever the insurance commissioners had heretofore done should now be done by the commissioners of savings banks.[22] This unsatisfactory situation was corrected by Chapter 129, of the Acts of 1879.

While the original act restricted loans to mortgages on real estate, not until 1881 were associations restricted to first mortgage loans on real estate.[23]

Among those becoming actively interested in the movement in the early 80's was Robert Treat Paine, Jr., who became a staunch advocate of these co-operative savings associations, writing many articles for newspapers and periodicals and taking the platform at the public organization meetings of many associations.

Legislation Regulating Co-operative Banks

By Chapter 228, Acts of 1883, the extremely long name under which the associations had been authorized to do business and had been operating for a period of over five years was changed, so that afterthe first day of July the associations were known as Co-operative Banks.

The next few years of the history is that of an experimental period and the gradual amending of the statutes under which the banks operated to make the plan more equitable and to protect against dangers which were discovered.

Commenting upon the success of the movement in Massachusetts in 1888, Mr. Sanborn states:

> "It is doubtful if any system for savings has ever been devised which has such a tendency to produce frugality among persons of small income as the building association method" and speaks of these organizations as "those little democracies of financiering and investment, the co-operative savings fund and building loan associations."[24]

Mr. Southard of New York, reporting upon this plan of banking, states

> "The dangers which beset the system in every state except Massachusetts are that the organizers of associations either copy the general mistakes of the system, or else evolve brilliant financial theories which are placed attractively before the public by advertisements, inviting people

[22] Acts 1878, ch. 52.

[23] Acts 1881, ch. 271.

[24] Sanborn, *op. cit.*

to deposit their savings with a prospect of large returns in the 'sweet by and by.' "[25]

During the 90's the problem of surplus money and foreclosed real estate occupied much of the time of the executives of these banks and the problem of excessive fines, withdrawal profits, the retirement of shares, and the advisability of other types of investment were constantly under discussion. In 1895, it became mandatory to create a guarantee fund at each distribution of profits, although this practice for some time had been voluntary. By 1900 the number of co-operative banks had increased to 126, the number of members to 71,965 and shares to 555,980, with 15,601 loans on real estate averaging $1,541. The total assets of the banks amounted to $27,721,748.42.

In 1904, by chapter 292, loans were restricted to a maximum of $5,000 upon any one property, although the general practice prior to this time had been to comply with this evident intention of the original statute.

In 1907, Pierre Jay, then bank commissioner, in commenting upon the fact that "the law passed in 1877 has not been materially changed in the intervening years, although it has been amended from time to time along lines of greater clearness and equal treatment for all shareholders," suggested the need for a recodification of the law governing co-operative banking. He also states that

> "unfortunately, too little is known by the community at large about co-operative banks. They seldom advertise; their places of business are inconspicuous; their methods are understood by but few outside of their own members; their membership of 114,000 is small when compared with the vast number of depositors in savings banks; and their directors, generally speaking, are men of less financial experience than the trustees of savings banks. But the character of their service rendered by the co-operative banks is such as to entitle them in the opinion of the present commissioner, to occupy a place fully as high as the savings banks in the public estimation."[26]

During 1911 the co-operative banks were required to have their pass books verified for the first time, and in 1912 the Banking Department verified all real estate and share loans by personal correspondence with the borrowers "to ascertain that all the mortgages and share loan notes appearing as assets of the bank were live mortgages and notes."[27]

[25] C. F. Southard, "The Dangerous Side of Building Associations," *Journal of Social Science* (September, 1888).

[26] *Reports of Massachusetts Bank Commissioners.*

[27] *Ibid.*

During 1912 the laws governing co-operative banks were completely revised by Chapter 623[28] and among other changes the new act required the department of the bank commissioner "to thoroughly audit the affairs of every bank in addition to the customary examination which has hitherto prevailed."[29]

The next step was the authorization[30] for co-operative banks to allow shares to remain after maturity, subject to the option of the owner thereof and the bank, and in an amount not to exceed 10 shares at a value of $200 each. This was the result of an effort to keep shares at their maturity which was first suggested in 1907 but which was such a decided change from the original plan and conception of co-operative banking that it did not meet with success even during the recodification of the laws in 1912.

In 1918 the amount to be loaned on one parcel of real estate was increased to $8,000[31] and in 1920 by act of the Legislature co-operative banks were permitted to sell paid-up shares, not more than 10 shares to one person, the value of each share being $200. The issuance of this type of share was shortly restricted to 10% of the assets of each individual bank. Shares of a prior series were permitted to be issued; heretofore the law had restricted the issuance of shares to the series open at the time of issuance.

In 1923 Joseph C. Allen, then commissioner of banks, made the following comment:

> "Co-operative banks continue their remarkable growth, the increase in assets since the last annual report establishing another record in the growth of these institutions. The increase for the last decade is $183,047,288.68, or 224%, which is another indication that the public is availing itself of the many advantages offered by these banks. It is easy to measure the gain in dollars and cents, but the benefits accruing to the Commonwealth through the operation of banks of this nature can only be estimated."

Growth of Cooperative Banks

In 1925 Roy A. Hovey, then commissioner of banks, noted

[28] The three savings and loan associations in Massachusetts were made subject to the supervision of the department by Chapter 121 and were also required to make annual reports.

[29] *Reports of Massachusetts Bank Commissioners.*

[30] Acts 1914, ch. 643.

[31] Acts 1918, ch. 83.

the increasing volume of business and usefulness of the co-operative banks in the following language:

> "Their increasing popularity is based, not only upon the aid given to the individual home owner, but also upon the opportunity for savings and investment offered through the medium of paid-up and matured certificates. The extent to which advantage of these opportunities has been taken is indicated by an increase of $25,000,000 in the amount of these certificates issued during the year.
>
> "It is a fact of unmistakable significance that while in 1920, after an existence of forty years, the resources of our co-operative banks amounted approximately to $174,000,000, in 1925 they reached a total of $369,000,000, an increase of 113% during the past five years."

The growth and development of Massachusetts building and loan institutions under these laws may be summarized in the following table:

Year	Number of Banks	Number of Members	Number of Shares	Number of Loans on Real Estate	Average Amount Mortgage	Total Assets
1879	10	2,296	10,861	230	$ 772	$ 205,235.43
1890	103	43,896	302,623	6,548	1,271	9,264,833.34
1910	147	142,355	1,173,630	33,962	1,675	61,498,838.29
1920	202	296,197	2,994,723	72,068	2,215	173,979,204.70
1930	227	513,431	5,850,289	144,326	3,510	562,718,248.00

From the organization of the first co-operative bank in July, 1877, through December, 1931, 10 banks have liquidated, eight of which paid the full 100%, one paid 94% and one paid 89% in settling up their business. This remarkable record is not excelled by any other form of banking in this State, neither can the record be even approximately equalled.

There are three savings and loan associations doing business in Massachusetts under the supervision and examination of the banking department. The oldest of these commenced business in January, 1876, prior to the enactment of the co-operative bank statute, one other being formed in 1880 and the other in 1890. The latter two followed exactly the organization and form of the one organized in 1876. These associations do not claim to be building and loan associations; they confine their investments largely to first mortgages on real estate, but do not require the mortgagor to take out shares as additional

security. Neither are these organizations incorporated; they do business as voluntary associations.

The largest co-operative bank in Massachusetts is the Merchants Co-operative Bank of Boston which had assets at the close of business October 14, 1930 of $31,080,122.37.[32]

The second largest bank is the Workingmen's Co-operative Bank of Boston which had assets at the close of business October 10, 1930, of $21,883,774.14.[33]

During the past few years the problems of surplus funds and the amount of real estate held under foreclosure have again become of moment and the present thought of the leaders in this movement is toward making the form of the co-operative bank mortgage more flexible so that it will be of greater service during times such as we are now passing through and toward making the co-operative banks more liquid.

During 1931 the Legislature has passed laws compelling the maintenance of a reserve "to meet withdrawals of shares and applications for share loans," to be carried in cash on hand; balances payable on demand; bonds of the United States; and bonds and notes of Massachusetts. The amount to be so set up and carried is to equal not less than 3% of the total resources of each bank. An act has also been passed, as an emergency measure, which regulates the temporary suspension of co-operative bank share payments on real estate loans for a period not longer than two years to be granted by the directors of each bank under terms and conditions of which they shall be the sole judges. Another act, whereby the borrower on a co-operative bank monthly payment form of mortgage may, under certain conditions, convert this form of mortgage to a common form mortgage without share payments, will become law during 1931. The Legislature has also provided for a special commission to revise and recodify the laws relating to co-operative banks and report the results of its investigations, and its recommendations, not later than the first Wednesday in December, 1931.

To date the co-operative bank plan is largely that of the serial plan with either quarterly or semi-annual series, requiring monthly payments, subject to fines, with the option of

[32] The present officers being Bertram D. Blaisdell, president; Albert E. Duffill, treasurer; and Girard N. Jones, assistant treasurer.

[33] The present officers being James D. McLellan, president; Frank E. Burbank, treasurer; and Warren A. McCorrison and Herbert N. Faulkner, assistant treasurers.

leaving the shares as permanent investments upon their maturity should the bank care to accept them, in multiples of $200 but not exceeding $2,000 in any one name. Paid-up shares may also be issued up to 10% of the assets of the issuing bank in multiples of $200 but not exceeding $2,000 in any one name. Loans are made on first mortgages of real estate, not exceeding $8,000 on any one piece of property, and are repaid on a monthly basis, the payment including shares with which to liquidate the loan and the monthly interest. All co-operative banks must create a guaranty fund setting aside a portion of their earnings at each distribution of profits until the total amount equals 5% of the total resources of the bank, and are obliged to create a liquid reserve as set forth in legislation of 1931.

What other changes toward modernizing the co-operative bank plan will be made in the near future will depend entirely upon the report of the special commission now studying the laws relating to co-operative banks.

Massachusetts Co-operative Bank League

Referring to the early history of the State League, J. Warren Bailey writes the following "In seeking for information concerning the early history, not alone of this league, but also of the co-operative bank itself, one can but be impressed with the fact, that to one man is largely due the credit of bringing about the authority for establishing the system, which has since obtained to such a degree as to be recognized as one of the greatest institutions for savings in this country, in this State second only to the savings bank."[34]

Daniel Eldredge, to whom Mr. Bailey referred, has described the early days:

> "The first call for a meeting to form a State Association was issued May 25, 1888, signed by 'D. Eldredge, for himself and others,' inviting the officers of the several banks to meet at the office of the Pioneer, Homestead and Guardian Co-operative Bank, 36 Bromfield St., Boston, on Wednesday afternoon, September 26, 1888, 'for the purpose of forming an association similar to those in other states, and substantially for the same purposes.' "
>
> "At this meeting a committee was appointed to draft by-laws and call a meeting to organize, which they did, and the meeting was held at the same place, Wednesday, January 16, 1889."[35]

[34] *Massachusetts Co-operative Bank League Proceedings.*
[35] *Ibid.*

Marcellus Coggan was the first president, serving until 1897, and Daniel Eldredge was the first secretary-treasurer, serving until 1912.

In 1892 the main subject for discussion was the proposition to form a United States League and "Marcellus Coggan and D. Eldredge were sent as delegates with full power to pledge this League to membership.[36]

In the early *Proceedings of the United States League*, such men as Daniel Eldredge, Marcellus Coggan, Benjamin H. Jones, and J. Warren Bailey appear as the recognized leaders from Massachusetts. Daniel Eldredge was president of the United States League in 1895 and J. Warren Bailey in 1901.

The business of the Massachusetts League conventions in the early years was largely confined to discussions of the relation of the co-operative bank to the community, how to increase its usefulness, the details of bookkeeping, forms of annual reports, and proposed legislation. The delegates to the United States League conventions reported in detail the matters of national moment and brought to the League the current thought on building and loan management. Frequently the same papers were presented at the United States League meeting that had been presented and discussed at the State League meeting of the same year. In 1903 the Massachusetts Co-operative Bank League entertained the United States League in Boston, during the presidency of J. Warren Bailey who served the Massachusetts League from 1897 to 1913.

In practically every instance changes in the methods and practices of the co-operative banks, which afterwards became a law, were discussed for many years in the annual meetings of the League.

In the early 1900's the matter of keeping matured shares after their maturity became of importance and under the leadership of James B. Dooley, ably seconded by Frank E. Burbank, William N. Swain, and W. G. Hayes, this momentous change became law in 1914. This was the first radical change from the original serial plan in operation in Massachusetts since 1877.

In 1911 the League suggested a recodification of the laws and relations with the commissioner of banks; this was accomplished by the Legislature of 1912.

[36] *Ibid.*

In 1915 the League inaugurated the system of holding its annual meetings in various sections of the State. This practice attracted a larger gathering than had heretofore been present when all meetings were held in Boston, and a more thorough consideration of co-operative banking in all sections of the State was developed. During the administration of William N. Swain as president (1920) numerous district meetings of the directors were held.

The matter of advertising and publicity was first approached from a state-wide viewpoint in 1915 and 1916, developing gradually into the radio campaign of 1927, and the publicity campaigns of 1930 and 1931, which have been conducted on a state-wide program.

In 1916 Herbert W. Pinkham, then secretary-treasurer of the League, served as president of the United States League, and invited it to hold its next convention in Boston. The invitation was accepted and at that time the Honorable John Q. A. Brackett, one of the early founders of the movement, was able to appear upon the program. The meeting was addressed by Governor Samuel W. McCall and former-governor David I. Walsh, who was president of the Massachusetts League at that time.



Herbert W. Pinkham

In 1920, Herbert F. Taylor, Jr., became secretary-treasurer of the League serving until 1926, and during his term of office inaugurated many progressive changes in co-operative bank thought and made the annual conventions of much greater interest, so that not only were they more largely attended but the number of member banks in the League was also greatly increased.

In 1924, under the administration of Ernest A. Hale, president, the attention of the League membership was focused upon the necessity for considering other types of investment for surplus funds which were beginning to appear in certain sections of the State, the matter of advertising, and the necessity for better appraisals.

In 1925, during the administration of Joshua B. Merrill as president, co-operative banks were admitted to membership in the Massachusetts Bankers Association.

In 1926, Ernest A. Hale was elected secretary-treasurer of the League, serving until December 31, 1930. During the spring of 1927, Mr. Hale gave 10 short talks on co-operative banking on the radio in connection with a series of half hour broadcasts under the auspices of the State League. Through arrangements with Boston University, a course on co-operative banking, following the general lines of the American Savings, Building and Loan Institute course on fundamentals, was inaugurated; a monthly news-bulletin was established for League members; and the Architects' Small House Service Bureau Bank Plan was developed in 1928. During his term as secretary, Mr. Hale visited every co-operative bank in the State. In 1930 having developed the League activities to such an extent that it was impossible to devote the time necessary to this work, and having outlined a program for future development, he declined to be a candidate for re-election and was succeeded by Warner M. Allen who was elected full-time executive secretary-treasurer and took office January 1, 1931.

During 1927, under the presidency of William F. Desmond, the Massachusetts League program became of more practical value, and a closer plan of co-operation was developed with the banking department to reduce the cost of examination and audit.

In 1928, when H. Raymond Johnson was president, the League in convention assembled, discussed all elements of practical business management, advertising, the appraisal of residential property and the matter of uninvested funds.

In 1928, under the administration of Harry R. King, president, the first legislative convention was held in December of that year to consider the proposed statutory changes which were to be presented to the Legislature in January, 1929. At the annual convention Lawrence H. Marston, the first president of Boston Local Chapter No. 59 of the American Savings, Building and Loan Institute, reported upon the organization of the Chapter and the course on fundamentals to be presented that fall.

During 1930, under the presidency of Ansley M. Johnson, a committee of which William F. Desmond was chairman, made a thorough investigation and study and presented a report on a

proposed revision of the co-operative bank statutes, the preliminary report being made at the September convention and the completed report at the December convention. Three of the proposed changes were accepted by the Legislature of 1931 and the other suggestions referred to the special commission appointed to study the revision of the co-operative bank statutes. A state-wide advertising campaign confined to newspaper advertising was inaugurated under the chairmanship of Raymond P. Harold, this having been advocated as early as 1915 by Mr. Glendining and 1916 by Mr. Hale.

In 1931, under the presidency of Herbert F. Taylor, Jr., and chairmanship of Raymond P. Harold, the advertising campaign was enlarged to utilize the radio as well as the newspaper and, under the leadership of Mr. Taylor, the legislative program is being developed. Warner M. Allen, as the first full-time secretary of the Massachusetts League, is developing the program of service in a more intimate way than has been possible heretofore, and the continued usefulness of the League is assured.[37]

The secretary-treasurers of the League have been Daniel Eldredge, 1889-1912, Herbert W. Pinkham, 1912-1920, Herbert F. Taylor, Jr., 1920-1926, Ernest A. Hale, 1926-1931.

Boston Chapter No. 59
American Savings, Building and Loan Institute

The need for furnishing the opportunity for co-operative banking education had been greatly felt in Boston for many years and while under the leadership of Ernest A. Hale, a course on this subject had been given for two years at Boston University, efforts were continually being made to form a local chapter of the Institute, and in the fall of 1928 a group of the younger leaders in the movement were addressed by George L.

[37] Gentlemen who have served as presidents of the League are Marcellus Coggan, J. Warren Bailey, W. G. Hayes (for many years executive committee member of the United States League) P. H. O'Conor, Frank E. Burbank, United States Senator David I. Walsh, William N. Swain, George H. Wyman, James H. Clark, Charles B. Bethune, Ernest A. Hale (president of the United States League in 1930) Joshua B. Merrill, John W. Parshley, William F. Desmond, H. Raymond Johnson (member of the board of directors of the United States League in 1930), Harry R. King (State vice president of the United States League, 1931), Ansley M. Johnson, and Herbert F. Taylor, Jr.

The present officers of the League are president, Herbert F. Taylor, Jr.; vice president, William R. Landers; executive secretary-treasurer, Warner M. Allen. The auditor is Roy M. Howe and the executive committee consists of the president, vice president, and the following members, Frank J. Phelps, Girard M. Jones, Raymond P. Harold, William B. Nash, Frank E. Burbank and Lawrence H. Marston.

Bliss, then vice president of the Institute, and elected a committee consisting of Herbert F. Taylor, Jr., Roger W. Nutt, and Ernest A. Hale, with authority to organize a Chapter.

The first session of the new Chapter was held October 4, 1929, with approximately 90 enrolled students, taking the course on fundamentals under the direction of Professor Arthur H. Hanson of the Harvard Business School. The success of the first year of the Chapter was largely attributable to Lawrence H. Marston, president; Warren A. McCorrison, vice president; Roger W. Nutt, secretary, and Hugh P. Duffill, treasurer.

The second year of the Chapter has just been completed with the course on bank bookkeeping and accounting. The plan is to adopt the full three-year program and the subject for the coming year will be appraising.[38]

The existence of the Chapter is one of the most hopeful signs for the future of co-operative banking in this State, assuring as it does that the leadership of the future will be properly trained in the fundamentals of the business as well as the broader aspects of co-operative banking.

[38] The present officers are Warren A. McCorrison, president; Roger W. Nutt, vice president; and Hugh P. Duffill, secretary and treasurer.

« « BIOGRAPHICAL SKETCH » »



ERNEST A. HALE, treasurer, Suffolk Co-operative Bank at Boston. Past president of the United States Building and Loan League; present director of the United States League; past president and secretary of the Massachusetts Co-operative Bank League.

Mr. Hale is also a member of the Massachusetts bar and is a member of the President's Committee on Home Ownership and Housing. He married Ruth T. Hale and they have one son.

MICHIGAN

By IRVING B. RICH

Michigan Associations

THE first association in Michigan was organized under the general law in 1868. Joseph J. Brenk, a Jackson merchant, made a business trip to Philadelphia, and while there he became interested in the building and loan movement as it had been developed in the "City of Brotherly Love." Upon his return to Michigan he called a few of his German friends together and explained the building and loan idea to them. The group consisted of J. J. Brenk, W. F. Hahn, Arthur Von Pannowitz, Christian Meyfarth, G. J. Neesley, and S. Musliner. As a result of this meeting the Germania Savings and Loan Association No. 1 was organized on July 13, 1868.[1] Joseph J. Brenk was elected president and Arthur Von Pannowitz, secretary. As they desired to keep expenses down, they met in a back room of a store where they would not have to pay rent. The only expense was a very small salary for the secretary. The par value of a share was fixed at $125. The money was sold at auction and, in a few cases, brought $35 per share, which was deducted from the loan, the borrower paying principal and interest on the face value. As the name indicates, the association was strictly German. The work was all done in German, and the pass books and all literature were printed in German. Five Germania "terminating associations" succeeded each other until 1905, when the Association was reorganized on the permanent plan. The business continued to be conducted in German until 1924. It has always been a conservative and prosperous organization, and today has over $3,000,000 of assets and occupies a building of its own.

In the early 80's several "terminating" associations were organized in Jackson under the general law,[2] and either wound up business in about 7¼ years or reorganized as "serials."

In 1887-8 the "serials" spread over the State, and associa-

[1] In 1902 the name was changed to the Germania Building and Loan Association.

[2] There was no specific building and loan law in Michigan at that time; associations were organized and did business under the general laws regulating the incorporation of all business.

tions were incorporated in Bay City, Grand Rapids, Kalamazoo, Lansing, Port Huron, Saginaw, and several smaller cities. The first "permanent" association in the State was incorporated in Grand Rapids in 1888 by the late William C. Sheppard and the second in Jackson in 1891 by Irving B. Rich.

The "nationals" were very active in some sections of the State in the late 80's and early 90's but they were short-lived.

The first State report (1896) states that 103 associations had been incorporated up to that date, and that 24 had discontinued or been absorbed by other associations. Seventy-three associations, including 41 serial, 26 permanent, and 6 terminating associations made reports as required by the 1895 law, and 6 failed to report. The total assets of the 73 reporting associations amounted to $11,584,315. Six associations were taking from 10 to 13.67% from dues for an expense fund and 59 associations charged a membership fee ranging from 5 cents to $1 per share. The earnings ranged from nothing to 16.67%.

The 1900 report shows that the assets had dropped to $10,118,876 and the number of reporting associations to 66. The number of associations paying expenses out of profits was now 59 and those still using the expense fund numbered 7. Three causes may be said to have contributed to this drop in numbers between 1896 and 1900. Several terminating associations wound up their affairs; some consolidations took place; and certain other associations discontinued their business either because of a poor territory or lack of energetic management. In the first enthusiasm for the building and loan idea several associations had been formed without consideration of the problems of population or community conditions and their relation to the operation of a successful building and loan business. The stabilization of the business thus required several years and its effects were still evident in the report for 1905.

The 1905 report lists 53 associations with assets of $12,121,325. The expense fund taken from dues had been eliminated. Subsequent reports, depicting the growth of building and loan in Michigan, may be summarized in Table I.

From these figures it is clear that the growth in Michigan was comparatively slow until 1915. Since that date the assets have increased very materially, although the number of associations has remained small.

Four associations are in the "charmed" circle having assets of $10,000,000 or over, and two more are approaching the $10,000,000 mark.

The "terminating" associations have all disappeared, and those using the serial form of organization are gradually changing to the "permanent" plan.

TABLE I.
GROWTH OF MICHIGAN ASSOCIATIONS

Date	Assets	Number of Associations
1910	$ 18,124,731	63
1915	27,696,545	65
1920	50,976,796	75
1925	96,302,276	90
1930	167,199,813	67

Michigan Building and Loan Legislation

The first building and loan law was passed in 1887.[3] This law provided for the incorporation of building and loan associations; the issuance of serial installment shares; withdrawal on 30 days' written notice with provision for receipt of interest and proportion of profits, less charges due; publication of annual statements in newspapers. It was apparently passed without serious opposition.

This law was amended in 1895 to require annual reports,[4] and again in 1897 to provide for annual examinations. The amendments passed in 1895 met with severe opposition; the "nationals" were at the height of their power and had ample financial backing with which to fight such regulation as that contained in the 1895 statutes.

Associations are required to build up a legal reserve that can only be used to meet losses. From the gross earnings the operating expenses must be deducted and from the balance of the earnings at least 1% shall be set aside annually as a reserve fund until such fund reaches 5% of the assets. Associations

[3] Public Acts 1887, act 50. An act concerning Savings Associations had been passed in 1869 (Public Acts 1869, act 119) but it did not mention building and loan associations specifically, nor is the act itself mentioned in the legislation of 1887.

[4] Pub. Acts, 1895, act 269.

may also carry an undivided fund not to exceed 3% of assets. Associations with assets of $500,000 or more may invest not to exceed 5% of the assets in an office building for their own use.

The associations are exempt from all State and municipal taxes. They pay an annual privilege tax of ¼ mill on the paid-in capital and legal reserve and a filing fee of $2. New associations pay an organization fee of 1-10 mill upon authorized capital.

The par value of shares may not exceed $200, but most associations use the $100 par value. A few issue $50 shares.

Interest on loans cannot exceed 7%. The intent of the law is evaded in a few instances by charging a membership or loan fee which makes the total in excess of 7%. A service fee is also charged in a few cases, ranging from ½ to 5% of the loan.

The matter of membership fees has been an important item in Michigan history. Prior to 1925 Michigan laws had not regulated membership but events of 1924 showed the necessity for some control in this direction. In 1924 professional high-powered salesmen were forced out of an adjoining State and came to Michigan and rushed the organization of several associations with a by-law providing for a membership fee ranging from $3 to $5 per share, only a small proportion of which went into the association treasury. As fast as the organizations were completed, the promoters started selling memberships, applying all the money received to memberships, in some cases several hundred dollars, the victims believing they were subscribing for a stock. Some sections of the State suffered severely before the situation could be remedied, as the Legislature meets only every other year.

Hence the amendments of 1925[5] provided for a membership fee not to exceed $3 per share, to be paid into the association treasury and disbursed by the board of directors. The condition brought about by the high-powered salesmen was such that the department in the secretary of state's office asked for the above provision in order to save as many as possible of the associations organized by the promoters. The provision has worked out reasonably well. With few exceptions where the department closed the offending associations, the associations promoted in this manner are now on their feet.

[5] Comp. Laws 1925, §§ 12134-70

At the present time only one association is charging a $3 membership but 23 associations are charging a membership fee of $1 or less. Three associations are charging a loan fee of $3 per share.

The amendments of 1925 were sponsored by the Michigan League and were enacted into law only after hard and persistent work. The State League was ably assisted by Charles J. Deland, secretary of state from 1921 to 1926 inclusive. The building and loan department is in the office of the secretary of state and under the supervision of that official. Mr. Deland added materially to the cause by assisting to formulate the controlling laws and to secure their passage. Ex-Senator Burney E. Bower introduced the amendments of 1925 and brought about their enactment.

In 1931 Michigan building and loan law was still further revised and amended. These laws have not yet been issued in published form.[6]

The Michigan League

The Michigan Building and Loan League[7] was organized at Saginaw, December 27, 1888. Dr. E. Price, of Jackson, was elected president, and C. H. Leonard of Detroit, secretary.

W. C. Sheppard, C. D. Hanchette, Rudolph Worth, W. H. Peck, F. H. Jerome, J. W. Leslie, E. B. Tyrrell, Charles J. DeLand, Burney E. Brower, G. N. Remington and Irving V. Rich are a few of the men who have been prominent workers in the League.

[6] The title to the 1931 act reads as follows:

An act to amend the title and sections 1, 3, 4, 5, 6, 7, 10, 11, 13, 14, 15, 21, 25, 27, 30, 32, 33 and 34 of act No. 50 of the public acts of 1887, entitled "An Act to provide for the incorporation and regulation of certain corporations generally known as building and loan associations," as added and amended by act No. 17 of 1901, act No. 273 of 1915, act No. 255 of 1917, act No. 380 of 1921, act No. 207 of 1925, being sections 12134, 12136, 12137, 12138, 12139, 12140, 12143, 12144, 12146, 12147, 12148, 12154, 12158, 12160, 12163, 12165, 12166, 12167, of the compiled laws of 1929.

[7] The following members have served as president of the League in the order named: W. S. Linton, Saginaw; E. B. Linsey, Three Rivers; C. H. Leonard, Detroit; W. L. Jenks, Pt. Huron; C. D. Hanchette, Hancock; W. C. Sheppard, Grand Rapids; L. E. Morris, Manistee; Charles Wellman, Pt. Huron; F. O. Cutter, Grand Rapids; Irving B. Rich, Jackson; J. W. Sutton, Sault Ste. Marie; F. H. Jerome, Saginaw; L. J. Wolcott, Albion; A. G. Plum, Bay City; F. B. McKibbin, Lansing; Gus Hill, Pt. Huron; W. H. Peck, Kalamazoo; G. E. Wagner, Belding; W. B. Osborn, Jackson; O. A. Leonard, Albion; C. E. Kean, Pt. Huron; C. D. Woodbury, Lansing; F. M. Phelps, Adrian; J. W. Leslie, Grand Rapids; E. B. Tyrrell, Detroit; C. N. Remington, Grand Rapids.

C. H. Leonard, Detroit, was the first secretary and served 5 years; W. C. Sheppard, Grand Rapids, 4 years; T. A. Goulden, Pt. Huron, 3 years; O. A. Leonard, Albion, 1 year; G. J. Little, Saginaw, 7 years; Irving B. Rich, Jackson, 21 years; H. T. Donaldson, Lansing, serving his second year.

Mabel J. Rich, as secretary-treasurer of the New Michigan Building and Loan Association, Jackson, for the past 10 years, is the outstanding building and loan woman in the State.

The building and loan cause has had the support of various Michigan public officials, and Michigan building and loan workers have taken an important part in the affairs of the national organization. Ex-United States Senator Charles E. Townsend was an ardent supporter and in 1909 addressed the United States League Convention at Philadelphia. Michigan has furnished two presidents of the United States League, Gerald Fitzgerald, of Grand Rapids, in 1903, and Jay W. Sutton of Sault Ste. Marie in 1910. The work of Mr. Sutton is commented on elsewhere[8] and that of Mr. Fitzgerald deserves brief mention here. Mr. Fitzgerald was tenth president of the United States League, presiding over the convention of 1903 held in Boston. He was particularly interested in the legal problems of building and loan associations and the *Proceedings of the United States League* during the years of his major activity contain many of his papers on legal subjects.

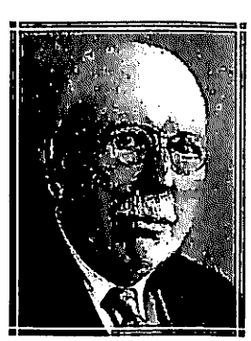


Gerald Fitzgerald

Michigan has been host to the United States League convention on four occasions, in 1897 at Detroit, in 1904 at Sault Ste. Marie, and in 1911 and again in 1930 at Grand Rapids.

[8] See Chapter XI

« « BIOGRAPHICAL SKETCH » »



IRVING B. RICH, Organizer and president of the New Michigan Building and Loan Association, and continuously connected with its affairs during the 39 years of its history. He attended the conference at Chicago in 1892 when the United States League was organized. His interest in building and loan dated from 1884 when he was one of the charter members of the Michigan Savings and Loan Association, a terminating organization; Member of the Michigan Legislature 1895-96; and effective in introducing amendments to the first building loan law.

He was born in Monroe County, New York, October 22, 1852, son of Alanson B. and Augusta Nichols Rich. In 1877 he married Josephine Carpenter, and they have one child.

MINNESOTA

By D. ELIZA CRARY

SINCE no state supervision was exercised over building and loan associations in Minnesota before 1889, early records are incomplete and scattering and the task of the historian is not an easy one. This is especially so in the case of some of the short-lived "nationals" which came with eastern capital after the "locals" had initiated the movement and established some degree of public confidence in this sort of enterprise.

Minnesota Beginnings

During the industrial development which followed the Civil War, the need for capital was pressing. Throughout the war period population had continued to increase and the State was encouraging immigration. Railroad travel had been perfected, thus facilitating connections with the East. Agriculture and lumbering had received an impetus from the Civil War. Capital was scarce and banking institutions were few. Self-help through local means was the logical solution for many of the difficulties which beset the pioneer community. Thus, farmers, laborers, and the general public became imbued with the spirit of cooperation.[1] In 1869 Minnesota had 40 of the 49 granges in the United States and a natural impulse prompted the prospective home builder to turn to cooperative enterprise to solve his building problem.

The Twin Cities were the scene of the first development of cooperative enterprises of various kinds. The first local building and loan association of which we have any record was the St. Paul Mutual Building and Loan Association No. 1 authorized to do business in St. Paul. The date of authorization was August 2, 1869.[2] This Association liquidated and the date of discontinuance was July 7, 1908. The persons forming the corporation were: J. W. McClung, Ed. A. Atwater, Thomas Bowers, Frank

[1] W. W. Folwell, *History of Minnesota* (St. Paul: Minnesota Historical Society, 1930), vol. 3, ch. 3.

[2] There is on file a printed statement of the St. Paul Mutual Building and Loan Association which reads in part as follows: *Thirty-first Annual Report* for the year ending September 1st, 1900. This would indicate that the Association operated 31 years previous to the above date, or September 1, 1869. However, the first year may have been a short or incomplete year.

Breuer, Charles Etheridge, J. L. Forepaugh, John Grace, Charles Leonard, William F. Mason, Harvey Officer, Rev. J. G. Riheldaffer, Robert A. Smith, John Summers, William R. Wood, and Adam Worley, all of St. Paul.

This Association was apparently organized on the terminating plan. Its articles of incorporation do not describe the plan specifically but it was incorporated for a period of 15 years and its articles provide for its termination. At the expiration of the original charter its corporate existence was renewed and from that time on it should be classed as a serial institution. Records indicate that it issued three kinds of stock: paid-up, depositing, and serial.

The second association authorized to do business in Minnesota was the St. Paul Workingman's Building Society. The date of authorization of this corporation was the same as the above, August 2, 1860,[3] and the date of discontinuance, September 1, 1899. The incorporators of this Society were: Theodore Sander, Carl Ahrendt, E. Burnand, Joseph Geisen, Adolph Frederick, A. R. Kiefer, Alfred Moore, John B. Mueller, A. Moore, Alfred Moore, Jr., J. J. Penner, Adolph Rank, Albert Scheffer, Marshall Sellers, and Henry Warfield.

Theodore Sander,[4] the founder of the Workingman's Society, was an active promoter of building and loan in Minnesota. He organized the St. Paul Workingman's Society in 1870, the Franklin Building Society in 1876, and the Workingman's Building and Loan Society in 1880. He was secretary of all three organizations. He brought the building and loan idea to Minnesota from Philadelphia, and to his enthusiastic and constant efforts the success of building and loan in this State is in no small part due. The Franklin Society was the first installment or cash plan society in the state. Mr. Sander is also credited with having started a State League of Building and Loan Associations some time in 1890, and to have acted as the president of that organization with H. T. McClung as secretary. Additional facts concerning the activities and duration of this League are not available.

Mr. J. W. McClung, who is secretary of the St. Paul

[3] Although authorized on the same day as the St. Paul Association the Workingmen's Society did not actually begin operation until a later date.

[4] See Albert Shaw, "Cooperation in the Northwest," reprinted in Johns Hopkins University Studies, vol. 6, p. 294; see also Eugene V. Smalley, *History of the Republican Party*.

Mutual Association, has also been prominently identified with the movement from the beginning.

Many of the early Minnesota associations were formed by foreigners newly immigrated and were usually made up of some particular nationality, as German, or Swedish, and so forth. Many of them were of a neighborhood type and took such names as the "Rice Street," "The Seven Corners."[5] All or most of these earlier societies in Minnesota operated on the serial plan.[6]

The exact date of Minneapolis' first association remains unknown, but by 1874 at least three were in existence there, the largest of which seems to have been The Hennepin County Catholic Building and Loan Association, organized that year, and operated on "the approved Philadelphia system."[7] All three began on the gross premium plan, "the gross premium being a lump sum to be deducted from the face of the loan at the time it was granted. The borrower paid interest on the full face value."[8] This came early to be supplanted by the "installment" premium plan in which "merely a higher bid rate of interest was paid as an added percent at each interest paying date."

Other early associations in the Twin Cities include the Turners' Building Association, organized 1877; the South Minneapolis Building and Loan Association, 1884; the North Minneapolis Building and Loan Association, 1884; the Central Building and Loan Association, 1885; and the East Side Association, 1886.[9]

One of the earliest associations organized outside the Twin Cities was the Mankato Mutual Building and Loan Association which began business at Mankato, Minnesota, on February 1, 1881 under the serial plan. It was successfully operated until in 1901 when, for various reasons, it went out of business. But on October 9, 1901, at a meeting of the stockholders of the old association and other interested citizens, the Mankato Savings and Building Association was organized and began

[5] R. H. Coggeshall, "The Development of Building and Loan Associations in Minnesota," thesis presented at the University of Minnesota, 1927, p. 9.

[6] *Ibid.*, p. 10.

[7] Shaw, *op. cit.*, pp. 282-287.

[8] Coggeshall, *op. cit.*, p. 6.

[9] These associations are listed and described in some detail in Shaw, *op. cit.*, pp. 289-291.

business December 1, 1901, absorbing the assets of the old association. This new Association has operated continuously since that time under the Dayton plan and has enjoyed a prosperous business. Plans are in the making to renew its charter during the present year.

The scarcity of capital in those days may be appreciated from the fact that the rules of the Hennepin County Catholic Association, even after 1880, did not allow the lending of money at less than 30% premium in addition to the interest rate of 8% and yet competitive bidding nearly always brought the premium up to 40 or 45%. "In St. Paul, around the 80's, the average total premium charged above interest was from 60 to 75%."[10]

After 1874, the associations had a rapid growth in this State. By 1887, St. Paul had 40 associations, and by the next year Minneapolis had at least 8. By 1886 people of Minneapolis had secured some 3,000 homes by this means[11]; "by 1888 building and loan associations were more numerous in Minnesota than in other western states."[12]

Growth in the Late 19th Century

The years from 1885 to 1893 were a boom period in real estate and other values in Minnesota, with a resulting unheard-of success for building and loan associations. Consequently an attempt was made to apply the principles of large-scale industry to a work that has begun on a modest plane and had, in its own limited sphere, been eminently successful.

In 1884 the "nationals" entered Minnesota with the organization of the Northwestern Guaranty Loan Company in Minneapolis. "These national enterprises introduced new methods most prominent among which were, 'the establishment of an expense fund separate and distinct from the fund to which investors may look for reimbursement, the forfeiture of payments made on stock after a period of delinquency, and the proposed retirement of stock at a matured value at an earlier date than usual in local companies.'[13] All of these schemes appear

[10] Coggeshall, *op. cit.*, p. 12.

[11] Coggeshall, *op. cit.*, p. 11.

[12] Shaw, *op. cit.*, p. 308.

[13] Minnesota, *Public Examiner's Report*, 1882, p. 34. Further details concerning the operation of these companies is contained in Chapter VII, "The Rise and Fall of the 'Nationals.'"

to have been contrivances for making profit instead of aiding home building, primarily."[14]

By 1893, 97 associations were in operation in Minnesota; of these 15 were "nationals," representing about 75% of the building and loan assets of the State. Ninety-five per cent of the 82 local associations were operated on the serial plan, the "nationals" favoring the permanent plan. Many of the "nationals" were evidently organized to obtain some of the profit from the blue sky promotion schemes, so popular through Minnesota and neighboring states in the decade before 1890.

During the panic period of 1893 to 1901, through the disappearance of the "nationals," the assets of building and loan associations shrank some $10,000,000, the locals shrinking some $2,000,000 in the process. It is estimated, however, that the actual losses to members of local associations during this time amounted to less than $500,000.[15] Prominent among the causes of failures of the "nationals" were the fall of real estate values, withdrawals of members, and the accumulation of huge amounts of real estate at values far in excess of what could be realized on them.

According to the Report of the state superintendent of banks for 1924, 135 locals have been discontinued since Minnesota became a State. Of these only two disappeared through receivership, 95 by liquidation, 35 by consolidation, and 2 through unknown causes.[16]

From the reports of examining officers of the State, it is learned that no serious losses to stockholders have occurred in these associations since 1904, save for two failures in 1924. In one instance the association has been taken over by another and there will be little, if any, loss to the stockholders. Misappropriation of funds was given as the cause of this difficulty. The loss in the other association which was requested to liquidate by the department of banking has been estimated at about 30%.

Now 78 building and loan associations are active in the State, and their total assets amount to $42,514,855.41.

[14] Coggeshall, *op. cit.*, p. 14.

[15] Coggeshall, *op. cit.*, p. 58.

[16] Pp. 227-8.

Minnesota Legislation

No supervision by the State authorities and no laws can be said to have been in operation in Minnesota before 1889. An act passed in 1889, which referred chiefly to the "nationals," restricted operations to loans on real estate, and gave the public examiner power to terminate an association doing fraudulent business. In 1891 this act was applied to local and mutual associations of towns having a population of over 10,000. In 1909 these institutions were put under the direct supervision of the State department of banking.

In 1925 an act relating to building and loan associations was passed and a further change was made in 1929,[17] when the laws governing building and loan associations in Minnesota were given an "A" rating by the *Magazine of Wall Street*. This act revised, amended, consolidated and rearranged the laws hitherto passed concerning building and loan associations.

Several serial associations are still operating in Minnesota, but the law does not permit the organization of this type of association now. The Dayton or permanent plan, permitting the issuing of full-paid stock, paid-up or prepaid stock, and installment stock, and also a class "B" share[18] is now used by practically all associations in the state.

Minnesota League of Building, Loan and Savings Associations

Realizing that associations in a State have much in common, E. F. Kendrick, State bank examiner, called together representatives of various associations on March 18, 1914, and at this convention the Minnesota League of Building, Loan and Savings Associations was organized. At this meeting the State League also became identified with the United States League of Local Building and Loan Associations.[19] The first officers of this new Minnesota League were D. G. Willard of Mankato, and C. H. Hill of Albert Lea.

[17] Laws 1929, ch. 260.

[18] This is a class of stock which does not require a membership fee and brings a lower rate of dividend to the holder.

[19] The officers of the Minnesota League are: C. E. Wise, Mankato Savings and Loan Association, president; Angus G. Grant, Duluth Home Building and Loan Association, vice president; David S. Wade, Fairmont Building and Loan Association, 2nd vice president; Mrs. D. E. Carry, Security Building and Loan Association, St. Cloud, secretary and treasurer; and F. L. Palmer, Minneapolis Savings and Loan Association, director.

Since 1923 the Minnesota League has met in an institute and studied problems confronting associations of the State. The faculty of the Business School of the University of Minnesota has cooperated by advertising courses in building and loan practice in their curriculum.

At the annual meeting at Mankato, in 1926, the State League adopted a code of ethics:

1. The Golden Rule
2. Community Service
3. Explicit Agreement
4. Profit from Service
5. Truthful Representatives
6. Reasonable Service Fees
7. Strict Compliance with the Law
8. No Entangling Alliances

It is Only Valuable as it is Practiced.

Minnesota Leaders

Some of the most prominent men in Minnesota building and loan have been directly connected with the State League. The writer regrets that space does not permit mentioning all who were charter members of the League. Among those best known are: the late D. G. Willard, secretary of the Mankato Savings and Loan Association, who was the first president of the League and served for 10 years.

Judge Frank T. Wilson, for many years secretary of the Washington County Building and Loan Association of Stillwater, was a charter member of the League, and served as secretary for 12 years and later as president for two years. He is a sincere worker for better building and loan methods and an ardent supporter of the local association.

Succeeding Mr. Wilson as president was the late Willis Endsley, for 38 years identified with the Minneapolis Savings and Loan Association as a sincere, faithful, and conscientious building and loan worker up to the time of his death in 1929.

The late Jacob Stoft served on the board of directors of the State League and was, for 35 years, president of the Minneapolis Savings and Loan Association. A tribute to his memory was made a part of the minutes of the State League meeting of 1926, in appreciation of his great service to the building and loan movement.

Among those who have been prominent in Minnesota public affairs and who have also been identified with building

and loan activity is Judge Oscar Hallam of St. Paul, a director and counsel for the Metropolitan Association of that City and formerly a member of the Minnesota Supreme Court.

Minnesota entertained the 1926 Convention of the United States League at Minneapolis.

« « BIOGRAPHICAL SKETCH » »



D. ELIZA CRARY, Secretary-treasurer of the Security Building and Loan Association of St. Cloud, and since 1924 a member of the board of directors. Secretary-treasurer of the Minnesota League of Building, Loan and Savings Associations since 1927.

Mrs. Crary had previous experience in banking. She was born in Norwood Township, Langlade County, Wisconsin, daughter of George Stapleton and Nancy Robinson Carter. She married George Harold Crary, and they have two children.

MISSISSIPPI

By AUGUST CHARLES KIRCHMANN

THE history of building and loan associations in Mississippi dates back to the early 70's of the 19th century when several associations were organized in Mississippi. The best information indicates that an association was organized in Jackson and another in Vicksburg in the early 70's. But no further information is available concerning their activities, as the records in the office of the secretary of state are incomplete for that period and no records of their charters can be found.[1]

The first association, therefore, concerning which detailed information is available is the Mechanics Aid Association, organized in the city of Meridian, April 3, 1880. The following incorporators applied for a charter: Julius Elson, Abe Klein, J. J. Shannon, J. C. Powell, L. A. Duncan, J. C. Lloyd, G. H. Lesser, W. W. Turner, Louis C. Elson, A. B. Wagner, and S. H. Chiles. The stock in this Association was limited to 2,000 shares of $200 each, with a limit of 25 shares to each member. The Association operated for a number of years and liquidated about 20 years ago without loss to its members.

In 1884 a charter was granted to the Natchez Building and Loan Association of Natchez which is still operating under a serial plan and today has total assets of $901,240.78.

All associations in Mississippi, with the exception of two, are mutual and distribute profits equally to their members. They enjoy exemptions under the State laws from all taxes except the privilege license mentioned below, which is based on the stock in each association, and a filing fee of $25.00 which is paid to the state auditor annually with a report from each association showing a statement of income and expense and a balance sheet.

According to the best information available the terminating plan was never used in the State of Mississippi. The earliest associations, including the Mechanics Aid Association of Meridian, were organized on the serial plan. Within the past 15 years a number of associations have been organized on the Dayton plan.

[1] Further support for this statement concerning these two early associations is to be found in an article by John E. Huffman, "A Review of the Building and Loan Movement in the Southern States" in the 1894 *Proceedings of the United States League*, p. 137, where it is stated that at that time (1894) Mississippi reported two associations 20 years old.

Mississippi Legislation

The Mississippi Code of 1906 contained no provisions governing the activities of building and loan associations. The only reference to such institutions in this code is in Section 922 which permits building and loan associations to make loans to their members, and in Section 3784 a privilege license was imposed on building and loan associations in lieu of all other taxes.[2]

The State Legislature of 1912[3] passed the first law regulating building and loan associations and provided for their supervision by the state auditor. This law provided that the state auditor may once each year, or at any time upon the written request of any five or more stock or certificate holders or borrowers in a petition to the satisfaction of said auditor, make at any time he deems necessary an examination of building and loan associations, the actual expense for which shall be borne by the association. This provision, however, was not enforced until 1929 when in answer to an inquiry from the state auditor the attorney general ruled that it was his duty to examine each building and loan association once each year, at which time a certified public accountant was employed to perform this work for the state auditor.

The State Legislature at the session of 1930 changed the law[4] to read that the Auditor shall once each year examine and make a complete audit of the books of each building and loan association, the auditing of such associations to be done by the regularly employed personnel of the state auditor's office at a fee of $20.00 per day for each auditor so employed, which fee is to be paid by the association so audited.

According to Mississippi laws, two types of stock may be paid: full-paid and installment or serial stock.

Mississippi League

In 1929, at the instance of W. O. Rea, vice president and manager of the Building and Loan Association of Jackson, and

[2] The article by Huffman, already referred to and continued in the 1895 *Proceedings* indicates that these provisions were included in the legislation of 1894 which amended the code of 1892 with respect to this privilege tax.

[3] Laws 1912, ch. 167.

[4] Laws 1930, ch. 92, §§ 3978-89.

B. C. Bowen, president of the Gulfport Building and Loan Association, together with other leaders in the building and loan field, a State League of Local Building and Loan Associations was organized under authority of the United States Building and Loan League and approximately half of the Mississippi associations are now members of the State League.[5] The first officers of this League were B. C. Bowen of Gulfport, president; and W. O. Rea of Jackson, secretary.

The Mississippi League through its legislative committee has been very active and instrumental in securing legislation for the protection and furtherance of building and loan activity in the State. The League has also been active to curb the operations of the fraudulent "nationals" and to prevent certain stock selling schemes whose promoters tried to get a foothold in the State of Mississippi. Several of these stock selling associations came into the State in 1929, and salesmen sold stock charging a membership or expense fee in violation of Mississippi laws. Notice was served on them to discontinue such sales and all have withdrawn from the State. No litigation accompanied this incident; all withdrew except two which were liquidated by the building and loan department in the department of public accounts. One out-of-state association (from Tennessee) is still selling stock in violation of Mississippi laws.

In recent years a few building and loan associations in Mississippi have been liquidated because of mismanagement or violation of the building and loan laws. But prompt action on the part of the building and loan supervisor put a stop to such activities of these associations before all was lost.

Mississippi Leaders

Space does not permit a complete listing of all those who have been prominent in building and loan affairs in Mississippi, nor is information available concerning them all. All that can be done, therefore, is to mention briefly a few of Mississippi's building and loan leaders.

Captain O. J. Waite was one of the organizers of the Jackson Association and is known widely in financial circles in

[5] *Editorial Note:* According to information secured from the office of Secretary Cellarious, a previous state organization had been formed in 1893. These records indicate that F. J. Maher of Natchez was president and B. L. Roberts of Canton was secretary of this earlier League. Doubtless this is the organization referred to by Mr. Huffman in his article which was contained in the 1895 *Proceedings of the United States League.*

the South. Charles T. Chamberlain was for many years connected with the Natchez Association, which is the oldest association still operating in Mississippi. He is reported to have brought the building and loan idea back with him from Philadelphia after attending the centennial celebration in 1876. While there he observed the many homes of that city and upon learning how they were financed came back to Mississippi to spread the building and loan idea and foster home ownership in the State. Other leaders include: B. W. Griffith, also one of the organizers of the Jackson Association; R. L. Cooper, an organizer and secretary of the Durant Building and Loan Association; W. J. McGee, connected with the Jackson Association for 41 years; B. C. Bowen, president of the State League and president of the Commercial Bank of Gulfport; Dr. M. W. Schwartz of the Southern Building and Loan Association of Jackson; and W. O. Rea, secretary of the Mississippi League, and a member of the executive committee of the United States League.

« « BIOGRAPHICAL SKETCH » »



AUGUST CHARLES KIRCHMANN, Deputy auditor, in charge of building and loan supervision upon the creation of that department in 1929. Secretary and treasurer of the national association of building and loan supervisors, 1930.

Prior to his position as deputy auditor, Mr. Kirchmann had served Mississippi as corporation tax auditor in the state tax commission, and as chief inspector of the state accounting department. He is a certified public accountant. Mr. Kirchmann was born in Sumner, Iowa, February 21, 1895, son of August and Augusta King Kirchmann. He married Gertrude Frances Epperson.

MISSOURI

By ROBERT J. RICHARDSON

Early Associations

THE history of the building and loan movement in Missouri starts with the founding of the Kansas City Building and Loan Association in 1868, although mention should be made of the St. Louis Building and Loan Association which was organized in 1875, but which shortly after its inception was reincorporated as the National Bank of Commerce. The charter of the Kansas City Building and Loan Association was not granted, however, until March 8, 1870. In those days, however, strict adherence to statutory regulations was not as essential as at the present time. The trustees of this Association included Henry S. Huhn, A. Brennert, A. C. Strein, R. Harburg, R. Sachs, J. A. Bachman, Herman Hucke, Henry Steinecke, and Henry R. Seeger. Mr. Ellfeldt, present secretary of the Kansas City Building and Loan Association, has advised J. A. Bachman, of Kansas City, who was one of the charter members of the Association and who kept a cash book for a generation, that he found an entry showing he made his first payment of $50 on $1,000 of stock, subscribed by him to the Kansas City Building and Loan Association, on April 10, 1868.

This was shortly after the Civil War; money was rather scarce; and there seemed to be no legal rate of interest. At least a borrower had to pay anywhere from 10 to 15% interest, besides a commission of 5 to 15%.

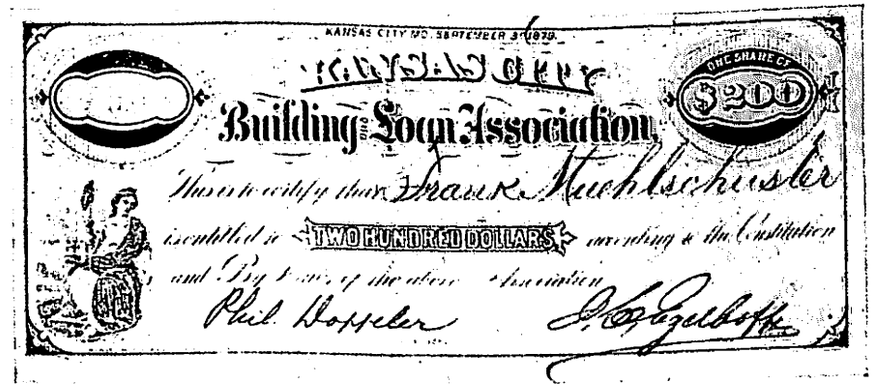
A number of thrifty Kansas City pioneers of German descent, some of whom had fought in the Civil War, were anxious to build and establish modest homes for their families. With only a limited amount of savings they were compelled to borrow the balance, but their sense of thrift would not permit them to pay the prevailing rates of interest and commission. Twenty-five to 30 of these men organized a mutual association for the purpose of saving small sums systematically and lend this money to their own members at as low a rate of interest as possible, the loan to be repaid in regular weekly or monthly installments. This marked the beginning of the Kansas City Building

and Loan Association. The safe and conservative business methods originated by these founders in the early days of Kansas City have been continued throughout the years, through several wars and panics.

This information was taken from a newspaper account which appeared in 1921. At that time Charles A. Rollert was the oldest living member of the original Association, and was a member of the board of directors of the Kansas City Association. He was 90 years old, his mind was as keen as ever, and he never tired of speaking of the endless virtues and benefits of systematic savings.

In those days a premium was charged which ranged from 1 to 10% and, because there was little or no operating expense, the stock of the Association could mature in a little less than six years. The president, secretary, and treasurer would meet once a week, on Wednesday night, in a store-room or office, and the members had to pay their dues between 7 and 9 o'clock in the evening. In November of 1898, it was found necessary to start a new series every three months and the Association is still operating on a quarterly-series basis. Present assets of the Kansas City Building and Loan Association are over $3,500,00.

The certificate of the type issued in 1879, which is reproduced here indicates that each certificate represented one share



and a borrower subscribing for more than one share got a certificate for each $200 of his loan. This particular certificate was issued to a charter member of the Kansas City Associ-

ation, who is the father of the present vice president of that Association.

Other early associations in Missouri were the Washington Building and Loan Association of Washington, Missouri, licensed March 1, 1871, with Julius Wilhelmi, president, and H. W. Ocker, secretary; and the Lafayette Mutual Building and Loan Association of St. Louis, which was organized in February, 1873, and is still in existence, having recently celebrated its 57th anniversary. O. J. McCawley was its able secretary for many years until his death in January, 1929.

This latter association was chartered under the General Statutes of Missouri concerning manufacturing and business companies, there being at that time no statutory provision for incorporating building associations.

Missouri Laws

The first building and loan law in Missouri[1] was a crude skeleton and the Legislature in 1887 amended it by passing entirely new sections.

This act of the 1887 Legislature was carried into the Revised Statutes,[2] and no further change was made in the building and loan law until the comprehensive enactment of 1895, together with the law providing for supervision of building and loan associations. Evidently shortly after the 1895 law went into effect, considerable difficulty was experienced in making inspections, largely because of insufficient funds and lack of cooperation on the part of secretaries with the department, and the original law, as enacted, was evidently defective on account of the inability at that time to construe it properly. Subsequently, however, the law was properly amended[3] and the work of the department simplified. The work of the department during the first four years of its existence was very arduous, and required a great deal of time for each individual inspection. The ultimate result under State supervision has been exceedingly beneficial.

Under the guidance of these laws Missouri associations have grown and prospered until on December 31, 1930, there were 242 associations operating in the State with combined assets of $210,920,602.

[1] Rev. Stat., 1879, pp. 175-176.
[2] Rev. Stat., 1889, p. 728.
[3] Laws 1897, p. 91.

The 51st General Assembly enacted a law which went into effect June 19, 1921, consolidating the bureau of building and loan associations and the banking department into the department of finance.[4]

Legislation of 1909 permitted issuance of full-paid, prepaid, or installment shares.

During the period 1921 to 1926, while the supervision of building and loan associations was in charge of the department of finance, the latter department was overrun with bank supervision, making the supervision of building and loan associations a secondary consideration. The 1927 Legislature created the bureau of building and loan supervision and made it an independent department, with a supervisor, six examiners, and a small office force. This law became effective July 3, 1927.[5]

A greater number of associations were incorporated in 1906 than in any previous year since 1895; six new associations were organized during this year and two others were in the course of formation. Maturities were heavier also in 1906 in proportion to the increase in the volume of business among the local associations of the State.

From this time to the present there has been a steady gain in total resources of Missouri associations. This condition was brought about by the fact that associations have reduced the item of "real estate owned," their funds have been more closely loaned, the item of "delinquent dues" has been reduced, as have also their general expense accounts. The rates for borrowed money have been adjusted so as to enable the associations to secure good loans and at the same time to offer inducements to investors. Much legislation was sought and some obtanied. As early as 1903 Supervisor Hickman sought legislation regarding a contingent fund, but was unable to obtain it.

During the past 20 years there has been but one real building and loan failure in Missouri, and that of an association in a city supported chiefly from mines in the neighborhood. Most of these mines were closed because they could not be mined at a profit, thus resulting in a large decrease in population and hundreds of vacant houses.

An epidemic of unincorporated partial payment loan and home purchasing organizations, cooperative in appearance and

[4] Laws 1921, S. B. 436.
[5] 1927 Ann. Supp. to Rev. Stat., art. XI A, §§ 10196a—10196 a 28.

styled "housing trusts," swept into Missouri in 1919, confused the people with their similarity to building and loan associations, and caused the Missouri State League and its friends a hard fight until the law under which they were operating was repealed in 1923.

Presumably the supposition that these companies would help alleviate the acute housing situation at the time prompted the Missouri Legislature to legalize the operations of these organizations. The act of 1903 required similar concerns to deposit securities with the State equal to the full amount of the money paid in by the depositor plus 3% interest. The old Missouri law made it necessary for promoters to pay in real money of their own for the protection of investors.

By these promoters Missouri was "enveigled into amending to the law permitting them to substitute surety bonds of doubtful protective value for securities of certain value. And no state reserve of any kind was required for Missouri deposits.

The entire plan was fundamentally against the public policy. It was an absurdity to suppose that long time loans could be granted at ridiculously low rates of interest.

Mr. Maco Stewart of Galveston, Texas, a prominent building and loan man, was the first to interpret the real purpose of these so-called "housing trusts." He warned against them and outlined and predicted how they would start, flourish, and fail, benefiting their promoters and bringing loss and grief to "investors." Mr. Stewart came to Missouri and helped the League in repealing the act under which they were operating here. Missouri owes him a debt of gratitude.

State Organization in Missouri

The original "State League of Local Building and Loan Associations" was organized in Missouri April 27, 1892 with David H. Stewart of St. Louis, president, and Boyd Dudley of Gallatin, secretary. Little information is available as to its purposes, extent, or activities. However, a copy of an old *Proceedings* of this League has been found, indicating that it was still functioning in 1900 at a meeting held at Joplin.[6] The

[6] The executive committee consisted of Fletcher Cowherd, Chairman, Kansas City; E. H. Phelps, Kansas City; P. H. Pierce, St. Louis; James F. Brady, St. Louis; R. C. Haenssler, St. Charles; R. L. McDougal, Maryville.
The personnel of the Legislative Committee included: R. L. Yeager, Kansas City; W. P. Lightholder, St. Louis; P. G. Stafford, Sedalia; W. P. Borland, Kansas City; and W. A. Dallmeyer, Jefferson City.

following were elected as officers: R. F. Kilgen, president, St. Louis; N. S. Goodrich, 1st vice president, Cameron; Joseph P. Whyte, 2nd vice president, St. Louis; Leon Block, 3rd vice president, Kansas City; Elmer Webster, treasurer, Joplin; and C. P. Fairman, secretary, Kansas City. The uncertain recollection of one of the "old-timers" is that this meeting at Joplin was about the last held by the old League.

The present Missouri State League of Building and Loan Associations was organized March 20, 1909, at the Coates House in Kansas City. Fletcher Cowherd, a prominent citizen of Kansas City and an ardent building and loan worker for many years, secretary of the Safety Savings and Loan Association of that City and its president since 1917, was the new League's first president. Other pioneers[7] who were honored, and who honored the League as its first officers were: Charles Daly, 1st vice president, St. Louis; George D. Clayton, 2nd vice president, Hannibal; E. E. Levens, 3rd vice president, Nevada; and Fred A. H. Garlichs, secretary and treasurer, St. Joseph. Secretaries and representatives from 33 associations attended this organization meeting and helped in the launching of the League work.

The sole purpose of the League has been to promote the best interests of all associations, irrespective of whether they happen to be members of the League or not, and the founders and its subsequent workers can feel justly proud of its record. Missouri ranks 11th in point of assets of all states, according to the last report.

Hon. O. H. Hoss, president of the Farm and Home Savings and Loan Association, of Nevada, Missouri; John C. Hall, president of the St. Louis Building and Loan Association; C. L. Flaugh, secretary of the Jackson County Building and Loan Association, Kansas City; E. H. Busiek, loan officer of the Farm and Home Savings and Loan Association, Kansas City; James L. McQuie, secretary of the Kirkwood Building and Loan Association, Kirkwood; and Franklin P. Stevens, vice president of the Safety Savings and Loan Association, Kansas City, were,

[7] Prominent among many in assisting with its organization, drafting constitution and by-laws and starting a movement which was to become a factor in the developing and in the safeguarding of the building and loan associations of this State, were: J. R. Moorehead, Lexington; O. H. Hoss, Nevada; S. T. Gresham, Jefferson City; Franklin P. Stevens, Kansas City; W. A. Downing, Kirksville; W. P. Dwyer, St. Louis; M. L. Mumford, St. Joseph; C. C. Kellogg, Carthage; William H. Watkins, Chilhowee; and J. A. Harzfeld, Kansas City.

and still are, prime movers not only in legislative work, but in other matters as well pertaining to the League's activities.[8]

The State League has always been active in its support of the United States League and its program and has contributed to and exhibited a keen interest in all its activities. Missouri has entertained the national convention on two occasions: at St. Louis in 1916 and at Kansas City in 1925.

In Missouri also was born the American Savings, Building and Loan Institute.[9] This educational organization was incorporated on September 14, 1922, by J. R. Moorehead, Walter F. Page, Axel Hawkinson, Arthur Fels, C. L. Flaugh, F. C. Sharon, A. F. Ellfeldt, W. E. Lyons, C. R. Benton, G. L. Peake, John H. Ahrens, Fletcher Cowherd, and Franklin P. Stevens. These early trustees who were Missouri men and Kansas City building and loan executives laid the foundation for the Institute, whose influence in education, research, and improvement of the procedure and practices in the home financing business has already been of inestimable value to the building and loan business and indications are that its influence and usefulness will increase upon the foundations which these Missourians laid. Missouri is proud to have had the distinction and privilege of helping the Institute financially and otherwise.

The building and loan associations of Missouri as a whole have, in the past decade, gone steadily forward. The assured growth and consistent gains are placing Missouri in the front rank in the work among the leading states of the Union.

The League has produced rather extraordinary results in a legislative way; a representation of practically 100% of the assets of the State in the League; a clearing-house for all the associations; a distribution of all funds collected directly and literally for the benefit of the associations.

Missouri Leaders

Many men have been prominent in the development of building and loan affairs in the State of Missouri. But only a few of them can receive mention in the limited space here available. Of special importance to the development of the business

[8] The following are the present officers of the Missouri State League of Building and Loan Associations: president, John C. Hall; first vice president, Vincent M. Hagerty; second vice president, Walter R. Hausmann; third vice president, Kenrick Burroughs; secretary-treasurer, Robert J. Richardson.

[9] See Chapter XVI.

in this State has been the work of the Honorable O. H. Hoss of Nevada who is the present president and one of the founders of the Farm and Home Savings and Loan Association, which is the largest building and loan association in Missouri. He is a past president of the Missouri State League and for many years an active member of its legislative committee. He is also a director of the Southwestern States Group.

Fletcher Cowherd of Kansas City is another of the outstanding building and loan figures in Missouri. He was president of the original Missouri League in 1899, and first president of the present Missouri League. He was also the first president of the Kansas City League. Mr. Cowherd organized the Safety Savings and Loan Association in Kansas City in 1894, and served as its secretary until 1917, and since that time as its president.

Another Missourian who deserves special mention is Franklin P. Stevens of Kansas City whose principal contribution is his work as one of the organizers and founders in 1921 of the American Savings, Building and Loan Institute. He is at present completing his fourth year as chairman of the board of trustees of the Institute. He is a former president of the Kansas City League and vice president and secretary of the Safety Savings and Loan Association of Kansas City.

Other men who have prominently served Missouri building and loan associations and contributed to their up-building in the state are: John C. Hall of St. Louis; O. J. McCawley of St. Louis now deceased; A. F. Ellfeldt; E. H. Busiek and C. L. Flaugh of Kansas City. Their specific efforts can unfortunately not be described here.

« « BIOGRAPHICAL SKETCH » »



ROBERT J. RICHARDSON, one of the organizers in 1914 of the United Railway Savings and Loan Association of St. Louis (now the Public Service Savings and Loan Association), and secretary since that time. State vice president of the United States League for Missouri, and secretary-treasurer of the Missouri State League since 1915.

MONTANA

By THOMAS T. TAYLOR, JR.

Montana's First Association

IN the territorial days, four years before Montana was admitted to the Union, the Home Building and Loan Association of Helena, Montana, was organized. This was the first association to be formed in the State and its charter was dated July 17, 1885. Today with resources of over $400,000 it is still serving the people of its community. All of the original board of directors have either retired or passed away.[1]

Growth of Associations

According to best information available, the Pioneer Building and Loan Association of Bozeman, Montana, organized on August 31, 1888, and the Custer County Building Association of Miles City, Montana, organized on June 12, 1891, rank second and third in point of age.

These early Montana associations seem to have been operated on the serial plan. The first statutes provided for serial stock[2] and about half the associations in the State still use this form of organization. No evidence is available to indicate that the terminating plan was ever used in Montana.

Of the 27 associations now operating in Montana, three were organized prior to 1900, four from 1900 to 1910, nine from 1910 to 1920, and eleven from 1920 to 1930.

The record of the combined resources of Montana Associations since 1918 is evidence of the splendid growth of the movement in this State:

Year	Number of Associations	Combined Resources
1918	18	$ 2,094,836
1920	21	3,667,486
1922	26	5,460,973
1924	30	11,649,271
1926	31	13,738,790
1928	26	18,384,865
1930	27	21,235,125

[1] Two of the present board, P. G. Schroeder and Joseph Chivers, each has a record of a quarter of a century of service. Other Montanans who have served for over 10 years on the board are: George Hopkins, D. E. Swinehart, Cornelius Hedges, Jr., D. Butcher, C. N. Keesler, F. E. Heller, I. L. Israel, and William Taylor.

[2] Comp. Stat. 1887, ch. 33, §§ 635-69.

State Laws

The first statutes for the organization and regulation of building and loan associations became effective on March 7, 1887[3], less than two years after the first association was organized and while Montana was still a Territory. As time passed, additions and amendments to the building and loan laws were enacted and associations were not only governed by certain specific statutes, but also came under the provisions of the general corporation laws and parts of the banking laws. In order to incorporate all laws relating to building and loan associations in one code, Governor J. E. Erickson, in 1925, appointed a commission to prepare a complete code of laws governing building and loan associations which were reported for enactment in 1927. The bill was introduced by the Honorable Albert Besancon and largely through his efforts was enacted. Montana associations are now governed solely by the provisions of this act and its amendments.[4]

Montana statutes do not specifically mention the classes of stock which may be issued by building and loan associations. These have always been defined by the by-laws of each individual association, which by-laws in turn must be approved by the superintendent of banks. According to the consolidated statement of all building and loan associations in Montana as of December 31, 1930, three classes of stock are in use in the State: (1) installment stock on which periodic payments are made; (2) prepaid stock of which less than the par value of the shares is paid initially and to which dividends are credited and compounded semi-annually until the shares reach their maturity value which is equivalent to par value; and (3) full-paid stock on which the par value is paid initially and on which dividends are customarily paid in cash each six months. All shares in Montana have always had a par value of $100.

Montana laws also prohibit associations from collecting any fines, premiums, or penalties, either on loans or stock.[5]

State League

On August 17, 1892, a league of Montana building and loan associations were formed with John Stedman of Helena as

[3] *Ibid.*

[4] Laws 1927, ch. 57.

[5] Laws 1929, ch. 163.

president and S. V. Kemper of Butte as secretary. No record of its activities is available, however, and the present League of Montana Building and Loan Associations dates from January 17, 1920. Six regular meetings and two special meetings have been held since organization. Twenty of the 27 Montana associations are active members of the League.[6]

The committees through which the work of the League is carried on are the legislative, taxation, executive, finance, and business ethics. The proceedings of the League were first published and distributed to all associations in 1930.

Safety

Montana points with pride to the record of safety of its building and loan associations. No Montana association has ever failed. A number of small associations have been liquidated or merged with others, but in each case without loss to the members.

All Montana associations are mutual. No other plan of organization ever was authorized by law. The associations are about equally divided between the permanent and serial plans of operation.

So far as the writer has been able to discover the so-called "national" associations never operated in Montana.

Supervision

The first statute providing for state examination was approved on March 19, 1895.[7] Under the provisions of this law, a board of commissioners, appointed by the governor, examined all building and loan associations twice each year. On March 4, 1897, the board of commissioners was discontinued and supervision of associations was placed in the hands of the state

[6] The officers at the close of 1930 were P. G. Schroeder, president; P. C. Bulen and G. J. Bonine, vice presidents; and Albert Besancon, secretary-treasurer.

Past presidents of the League are S. H. Russell, James E. Murray, Albert Besancon, Lloyd Lipp, Richard H. Smith, and V. D. Clark.

[7] Civ. Code 1895, title 6, art. 2, div. 1., pt. 4, §§ 824-834.

examiner and ex-officio superintendent of banks who is at present the supervising authority.[8] Examinations are now made once each year.

[8] The act of 1895 was repealed by Laws 1897, S. B. 64, § 17, which replaced the early law.

« « BIOGRAPHICAL SKETCH » »



THOMAS T. TAYLOR, JR., Secretary and manager of the United States Building and Loan Association of Butte; formerly deputy superintendent of banks of Montana. Mr. Taylor has also had experience as an auditor.

He was born in July, 1892 at Fort Scott, Kansas, son of Thomas T. and Florence Warr Taylor. In 1927 he married Margaret Elizabeth Murray and they have one son.

NEBRASKA

By T. L. MATHEWS

FIFTY-FIVE years ago in a small village on the outskirts of civilization was organized the first building and loan association in Nebraska. It was a short lived child but lusty while it lived. It was the forerunner of a movement that has developed 83 associations with 225,000 members and almost $149,000,000 of assets.[1]

The early history of building and loan activities in Nebraska has not been well preserved. Records may be sketchy but the founders of the movement in Nebraska have left behind them a substantial evidence of their work in the establishment of associations which have grown and prospered with the years.

The first association in Nebraska was organized at North Platte in 1876. At that date North Platte was a small frontier village on the prairies of Nebraska, a division headquarters of the Union Pacific Railroad. The organization was promoted by Adam Ferguson, a brick mason from Johnstown, Pennsylvania, who no doubt had been connected with some eastern association. Another of the organizers was Guy C. Bartion then in the cattle business in North Platte and later a millionaire citizen and business man of Omaha. He was first president of this Association and was succeeded by Joseph H. McConnell, connected for many years with the Union Pacific Railroad. A third organizer was Charles H. Stamp, a railroad machinist, who had previously been a member of a building and loan association in Illinois. Mr. Stamp is still living in North Platte.

This Association was not incorporated and probably was doing business by virtue of a law passed in 1873 under the title "homestead associations," which authorized five or more persons to organize an association for the purpose of raising money to enable its members to become the owners of their homesteads.[2] The act limited stock holdings to 10 shares per member and fixed the stockholder's liability at 100% par value of the stock. The North Platte Association issued one series of stock consisting of 400 shares with a par value of $300 per share.

[1] Figures as of December 31, 1930.

[2] A "homestead" was defined as a dwelling house in which the owner resided, together with the land on which the same was situated.

This series matured in 1882 and the Association was dissolved by Samuel Goozee now a resident of Omaha. The quick maturity of the stock can be accounted for by the fact that it benefited by a premium charge that ranged from 25 to 45% and averaged 28½% and an interest charge of 35 cents weekly per share.

A second association was organized in North Platte on March 1, 1887, and had for its first president, Frank Reardon, who held the position for six months and was succeeded by Thomas C. Patterson, who held the office until his death, in 1929. Mr. Patterson was a positive, conservative character and his motto was "safety first." The North Platte Association stands today a monument to his wise administration. One member of the original board survives, Victor Von Goetz, who continues an active member of the board.

The next association in Nebraska was the Grand Island Building and Loan Association, organized in 1882 at Grand Island, also a frontier prairie town and a division headquarters of the Union Pacific Railroad. This Association was reorganized in 1899 and named the Equitable Building and Loan Association. The prime influence in the reorganization was C. F. Bentley, who afterwards served as president of the State League (1900–1905), and as president of the United States League (1907). Mr. Bentley gave much intelligent thought to the building and loan scheme and deserves credit for drafting the building and loan law that was enacted in 1891.

The fourth association organized in Nebraska was in Omaha, the Omaha Loan and Building Association, April 2, 1883. The main promoter of this Association was G. M. Nattinger, who at that time was assistant cashier of the Union Pacific Railroad and who served for many years as the Association's secretary. Mr. G. M. Loomis, who participated in the organization, still serves as an active director. The Association commenced business in an office for which it paid $5.00 a month rent; it now has total assets of $29,000,000 and owns its office building valued at $500,000.

All of these early associations were operated on the serial plan.

Growth in Nebraska

The law of 1891 gave much impetus to the building and loan movement in Nebraska. Under it several associations doing a

state-wide business and many local associations were launched. By 1894 there was a total of 86 going concerns.

In 1893 the banking department gave associations authority to issue "paid-up" stock, but some time afterwards revoked their permit. In 1889 the department again reversed itself and associations were permitted to issue paid-up stock which now amounts to approximately 30% of the total book value of all outstanding stock.

The panic of 1893 and the drought of 1894 struck the Nebraska associations a hard blow, and as a consequence reduced the number of going concerns from 86 in 1894 to 58 in 1902. Many of the associations organized in the early period had no warrant for their existence except the selfish motive of the promoter and their premature demise attracted little attention. They were liquidated with little loss to the stockholders.

From 58 associations in 1902 the number has increased to 83 in 1930. Since 1876, 169 associations have been organized in Nebraska; 86 of these have been closed out, 67 by voluntary liquidation, 11 by maturity and mergers, 4 by surrender of charter, and 4 liquidated by receivers.

A rapid growth of associations in Nebraska commenced in 1906. At that time they numbered 61 with assets of $9,000,000. The number of associations reporting to the department of trade and commerce December 31, 1930, was 83, with assets of $148,706,763.

As nearly as can be ascertained from available records the Nebraska associations have made from 1896 to 1929, inclusive, 161,300 loans (loans made prior to 1896 not known) which at an assumed average of $2,000 per loan amounts to a total of $322,000,000 of which approximately $300,000,000 was placed since 1921. The low cost of the service that these associations have rendered the people, the minimum loss to investors and stockholders, and their substantial financial help in construction work, constitute a record that no other class of public institutions in Nebraska has equaled.

Legislation in Nebraska

About 1890 Nebraska was invaded by what were known as the "national" associations. Their alluring promises caught the unsophisticated and excited the alarm of the real friends of

the building and loan movement, who held a conference which resulted in the drafting of a law governing building and loan associations in Nebraska, the substance of which was embodied in the law enacted by the Legislature of 1891,[3] and which without much change prevailed until 1913. This law was not aimed primarily at the "nationals" but had as its object the regulation of all associations doing business in Nebraska. In 1913 a revision[4] was made which is substantially the law under which Nebraska associations are functioning at this time.

Nebraska banks, building and loan associations and trust companies are under the supervision of the state department of trade and commerce[5] and for several years the associations have complained that they were not receiving adequate service as to examinations. At the late session of the Legislature some changes were made in the law that enables the department to give more attention to the associations. Five examiners have been assigned to that branch of work and the associations are assessed to pay the expense of supervision and examination. Associations are also required to pay a 4 mill tax on net earnings, which amounted in 1930 to $35,000.00.

The Nebraska law governing building and loan associations provides that "certificates of stock shall be issued to every member for the number of shares owned by him in conformity with the articles, constitution and by-laws." The department of trade and commerce permits associations to issue installment, pre-paid, and paid-up stock. All unpledged stock is subject to withdrawal on 30 days' notice.

The Nebraska law does not authorize the issuance of guarantee capital or juvenile stock.

Borrowers are required to subscribe for as many shares of stock as will equal in par value the amount of the loan.

Most associations in Nebraska are on the permanent plan; only a few serials are left.

The Nebraska State League

The organization of the Nebraska League of Local Savings and Loan associations was consummated at a meeting of the representatives of Nebraska associations held at Lincoln,

[3] Laws 1891, §§359-380.
[4] Rev. Stat. 1913.
[5] Laws 1919, ch. 190, art. 19.

September 7, 1892. Sixteen associations were represented.[6] At this meeting a constitution was adopted and the following officers elected: Thomas J. Fitzmorris, Omaha, president; David Anderson, Omaha, first vice president; C. J. Phelps, Schuyler, second vice president; D. B. Smith, Plattsmouth, third vice president; C. W. Brininger, Grand Island, secretary and treasurer.

The first annual convention of the State League was held in Lincoln, December 13, 1892.

Thomas J. Fitzmorris, first president of the Nebraska League, served as president of the United States Building and Loan League in 1900–1901. For 50 years he was an enthusiastic advocate of the building and loan movement in Nebraska and at the time of his death was serving his tenth year as a very efficient secretary and treasurer of the State League.

The early promoters of the building and loan movement in Nebraska were very much opposed to the "nationals" and not friendly to state-wide associations. The first president of the League at the first State convention announced in his opening remarks that the first purpose of the League was to "unite all legitimate associations as a protection against the riot and robbery of foreign organizations."

At the convention of the State League held in 1914 a resolution was adopted defining the word "local" to mean all associations whose loans were limited to property within the State of Nebraska and in 1915 the League regulations were amended making eligible to League membership all Nebraska associations licensed by the State and lending only on Nebraska property.

In the lifetime covering a span of approximately 50 years the Nebraska associations have been beset with numerous vicissitudes—notably, the panic of 1893, the drought of 1894 and the subsequent lean years, the panic of 1907, and the general financial demoralization that followed the boom period of

[6] S. A. Hail and D. T. Hayden, Nebraska City; J. W. Stratton and J. J. Willey, Wahoo Mutual; T. J. Fitzmorris and E. E. Bryson, Omaha; D. B. Smith and H. R. Gehring, Livingston, Plattsmouth; C. W. Prininger, Grand Island; C. F. Bentley, Equitable, Grand Island; G. W. Norton and I. F. Travis, Weeping Water; H. C. Wright and C. J. Phelps, Schuyler; Thomas H. Dailey and C. M. Nattinger, Mutual of Omaha; David Anderson and J. Levy, South Omaha; J. W. Carr and F. J. Bothwick, Nebraska, Omaha; A. J. Durland, Norfold; E. A. Pettibone, Equitable, Fremont; H. O. Paine and H. M. Kingery, Ainsworth; Alex Scott, Mutual Stromsburg; J. E. Hoffman and H. J. Hockenberger, Columbus.

the World War. But the most trying time in the history of the Nebraska associations came in the late months of 1929, as a result of the failure of 238 state banks chartered over the preceding five-year period and the Wall Street crash as a climax.

Considering the adverse conditions that have confronted the Nebraska associations so many times in the past 50 years the wonder is not that so many have succumbed (with a infinitesimal loss) but that so many have survived.

Four of Nebraska's active building and loan workers have been honored by election to the presidency of the United States League: Thomas J. Fitzmorris, 1900; Charles F. Bentley, 1907; George F. Gilmore, 1917; W. R. Adair, 1925. Of the four named only one survives, W. R. Adair, of Omaha, now retired from active work on account of ill health. He was the 32nd president of the United States League and presided at the convention held in 1925 in Kansas City. The work of Mr. Bentley and Mr. Gilmore receives comment in Chapter XI above.



W. R. Adair

The United States League held its sixth annual convention in Omaha in 1898.

From its inception the State League[7] has safeguarded the building and loan associations against adverse legislation which has been frequently proposed, and which, if enacted, would have seriously handicapped and in some cases have put the associations out of business.

The vigilance of the State League kept out of Nebraska many "get-rich-quick" concerns, who baited their hooks with specious premises that it was impossible to make good. One notable achievement of the League was barring the Investors Syndicate Company of Minneapolis. masquerading as a building

[7] The following persons have served as president of the Nebraska League of Savings and Loan Associations: Thomas J. Fitzmorris, Omaha, 1892–1893; Charles J. Phelps, Schuyler, 1893–1900; Charles F. Bentley, Grand Island, 1900–1905; George M. Nattinger, Omaha, 1905–1907; Charles W. Brininger, Grand Island, 1907–1908; George F. Gilmore, Omaha, 1908–1909; Thomas G. Patterson, North Platte, 1909–1915; R. M. Gillan, Auburn, 1915–1916; E. F. Snavely, Lincoln, 1916–1918; W. R. Adair, Omaha, 1918–1920; E. L. Hevelone, Beatrice, 1920–1922; and T. L. Mathews, Fremont, 1922–1932.

The officers of the State League as of December 31, 1930, are as follows: T. L. Mathews, Fremont, president; F. B. Sidles, Lincoln, 1st vice president; F. O. Robinson, Hartington, 2nd vice president; James A. Lyons, Omaha, 3rd vice president.

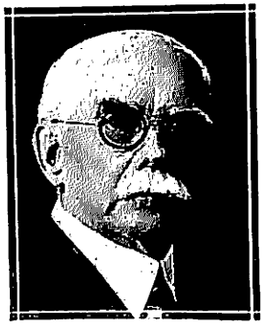
and loan association. After suffering defeat in the Supreme Court, they folded their tents and silently stole away.[8]

Another important service was rendered in the matter of taxation. For many years Nebraska building and loan association stock has been taxed under the terms of the intangible tax law. The Legislature of 1928–1929 undertook a revision of the law and a strong effort was made to tax building and loan stock at its full book value. The State League made an appeal to the members of the Legislature, presenting the fact that 90% of the funds of associations were invested in real estate and taxed as such, and the Legislature made the law provide that associations' stock should be taxed to the owner on a basis of 10% of its book value and at 8 mills on the dollar. This action established a statutory law to govern the taxing of associations and relieves them of an annual fight with the tax commissioner.

Building and loan associations in Nebraska have adhered in the main to the practices and plans outlined by the fathers of the movement, but the evolution in business, changed conditions, and the undreamed of competition of insurance companies, thrift companies, chain stores, and the ubiquitous bond salesman are giving studious managers profound thought as to "what they shall do to be saved," and at the same time preserve and maintain the cooperative principle and afford the preeminent security that building and loan associations now give their shareholders.

[8] The decision in the case of *Investors Syndicate v. Bryan* 113 Neb. 816 (1925), is one of the important ones in building and loan history. It held that foreign installment investment companies must conform to the standards of Nebraska in order to operate in that state and quasi-judicial power in invested in the department of trade and commerce to determine whether these standards are complied with. This opinion was affirmed by the U. S. Supreme Court under the title *Investors Syndicate Plaintiff in Error v. McMullen*, 274 U. S. 717 (1927)."

« « BIOGRAPHICAL SKETCH » »



T. L. MATHEWS, Organizer in 1891 of the Nebraska State Building and Loan Association, and continuously connected with that Association for 40 years as secretary-manager, president, president-manager, and chairman of the board of directors. Vice president in 1919 and president since 1920 of the Nebraska League of Savings and Loan Associations. Organizer in 1913 of the Fremont State Bank, cashier, and since 1918 president of that institution. Active in the Nebraska Bankers Association, and formerly a state vice president of the American Bankers Association. For six years, United States Marshall for the District of Nebraska by appointment of President McKinley in 1892.

NEVADA

By CHARLES R. CARTER

"THE knowledge of the value of a dollar is the beginning of financial wisdom." This is the slogan of the first building and loan association organized within the State of Nevada—namely, the Union Building and Loan Association of Reno, which was incorporated April 6, 1889, and which has been in continuous and successful operation for more than 41 years.

The incorporators were L. D. Folsom, a hardware dealer; J. M. Fulton, master of transportation and superintendent of construction of the Nevada-California-Oregon Railway, since absorbed in the Western Pacific and Southern Pacific systems; J. H. Whited, division superintendent, Southern Pacific Railroad; C. T. Bender and A. G. Fletcher, bankers; S. J. Hodgkinson, a druggist, and Charles Gulling, a lumberman. They constituted the first board of directors.

At their first meeting, L. D. Folsom was elected president; J. M. Fulton, vice president; W. P. McLaughlin, secretary; C. T. Bender, treasurer; and S. D. King, attorney. The Association has always been a purely mutual as well as a purely local organization.

Loans are made only on first mortgages, or deed of trust, on real estate and on its own stock as collateral. No real estate loan has ever been made outside of Washoe County, and for the past 30 years loans have been confined to within a radius of five miles of the City of Reno.

Of the original incorporators, C. T. Bender was actively connected with the Association until his death in 1915, serving as treasurer continuously with the exception of 13 months in 1892-1893. Charles Gulling served as director continuously until his death in 1928, at which time he had been president for 35 years. A. G. Fletcher has been a director continuously since its incorporation, was vice president for 35 years, and has been president since the death of Mr. Gulling. For many years he

has been a director of the Reno National Bank and of the Bank of Nevada Savings and Trust Company.

Among former directors and officers of the Union Association[1] who have gained recognition in the realm of finance, business, or the professions was C. H. Markham, one time local agent of the Southern Pacific company in Reno, later president of the Illinois Central Railroad, who recently died at his winter home in southern California.

The authorized capital of the Union Building and Loan Association is $2,500,000 with assets of approximately $800,000 as of December 31, 1930.

In addition to the Union Building and Loan Association, five other associations are now operating in Nevada. These are: Security Savings and Loan Association of Nevada, with offices in San Francisco; National Building and Loan Association of America, with offices in Salt Lake City; the Reserve Guarantee Building and Loan Association of Reno; the White Pine Mutual Building and Loan Association of Ely; and the Mutual Building and Loan Association at Las Vegas. The total assets of these associations as of December 31, 1930 were $2,660,893.33. This figure is slightly higher than that given for 1930 for Nevada in the Statistical Appendix because of the inclusion here of the two out-of-state associations.

No state league has ever been organized in Nevada.

Nevada associations are under the supervision of the state bank examiner.

Until 1905, Nevada had no special laws regulating building and loan associations, and all such organizations formed up to that time were organized under the general corporation act of March 10, 1865.[2] Since 1905 five separate enactments concerning building and loan operation have been passed.[3] These statutes do not in any way limit the type of stock or shares that may be issued. In general they provide that securities shall be

[1] The present board of directors is composed of A. G. Fletcher, president; C. R. Carter, secretary; J. D. Cameron, treasurer; S. W. Mozingo, vice president; Peter Frandson, vice president; James Morris and G. E. Benham.

[2] Stats. 1865, page 359; Rev. Laws, §§ 1219-1241.

[3] Stats. 1905, p. 141; Rev. Laws, §§ 1356-1360; Stats. 1911, p. 284; Comp. Laws, §§ 966-969; Stats. 1915, p. 341; Comp. Laws, §§ 962-965; Stats. 1929, p. 1; Comp. Laws, §§ 932-957; Stats. 1929, p. 98; Comp. Laws, §§ 910-931.

redeemable at any time after one year; that the bank examiner must authorize the sale of securities; that a license to sell securities is required; that the securities themselves shall show completely the terms of any contract for the purchase thereof without reference to any other instrument, and shall set forth the withdrawal or cash surrender value thereof after payment of each regular installment.

« « BIOGRAPHICAL SKETCH » »



CHARLES R. CARTER, Secretary, Union Building and Loan Association of Reno. Prior to his building and loan activities he has been active in various building enterprises, including railroading, mercantile work, insurance, and real estate.

Mr. Carter was born in Halifax County, Virginia, July 10, 1861, son of John Spencer and Judith Walters Carter. In 1894, he married Jessie G. Ford of Verdi, Nevada.

NEW HAMPSHIRE

By HARRY C. JONES

AT different times prior to the spring of 1887, "The Rambler," a department of the *Manchester Union* conducted by Henry H. Everett, made favorable mention of building associations successfully conducted in other cities. On March 9, 1887 there appeared in "The Rambler" a brief notice of proposed legislation in New York State, relative to such associations. This was followed by an expression of hope entertained by "The Rambler" that a similar organization might be attempted in Manchester.

The article attracted the attention of the Rev. Harry J. Rhodes, pastor of the First Christian Church, who called upon Mr. Everett for further discussion of the subject. Mr. Rhodes had at one time resided in Philadelphia, the home of building associations, and was somewhat familiar with the plan upon which they were conducted. As a result of the consultation of these two men, a notice appeared in the *Manchester Union*, the *Manchester Budget* and the *Manchester Mirror* requesting all interested in the subject to meet at the old Police Court room, City Hall, Monday evening, April 25, 1877. In the meantime, on April 23, "The Rambler" devoted space to a clear, concise statement of the general features of the plan proposed.

As a result of the meeting, the Manchester Building and Loan Association was formed, and incorporated June 1, 1887, the first in the State of New Hampshire.

Building and loan associations in New Hampshire are supervised and examined by the state banking department. The first legislation was enacted in 1887.[1]

The laws of New Hampshire provide that associations must be operated on the serial plan. They are permitted to issue up to 50 shares of stock, par value of $200 a share, calling for monthly payments of $1.00. Surplus is permitted at the discretion of the bank commissioner but is not encouraged.

No building and loan association has ever failed in the State of New Hampshire.

[1] Laws of 1887, ch. 93.

Associations are permitted to issue paid-up shares at the maturity of the running shares in amounts not to exceed 10 shares to a customer; and are also permitted to issue investment certificates in amounts not exceeding $2,000 to a customer. Of the total liabilities, not over 20% is allowed to be carried in investment certificates.

There are 29 building and loan associations in the State of New Hampshire and their total assets, as of December 31, 1930, were $13,793,063.70.

The New Hampshire State League of Building and Loan Associations was formed January 14, 1921. The first president was Frank P. Quimby, secretary-treasurer of the Concord Building and Loan Association, and the first secretary-treasurer of the Manchester Building and Loan Association. This League had only one meeting and is not now in operation.

« « BIOGRAPHICAL SKETCH » »



HARRY C. JONES, Secretary-treasurer, Manchester Building and Loan Association. Prior to his connection with building and loan, Mr. Jones was engaged in banking activities in Manchester.

He was born in Pittsfield, New Hampshire, June 28, 1894, son of Charles E. and Jenny Jones. In 1907 he married Mabelle Etta Hoffman.

NEW JERSEY

By DAVID FORD

Early Associations in New Jersey

THE State of New Jersey gave official recognition to the building and loan movement on March 4, 1847 when the Senate and General Assembly passed an act entitled, "an Act to encourage the establishment of Mutual Savings Associations."

The preamble to this act reads:

> "Associations for investing and accumulating the periodical and other contributions of the associators for the creation of a fund, to be finally distributed equally among them, have in other states been highly conducive to public and individual prosperity, by encouraging and fostering the virtues of temperance, industry, economy, and frugality; and such associations are entitled to legislative countenance and encouragement."[1]

Although this act did not specify that the money received should be invested in real estate or mortgage loans, it stated that preference should be given to the members offering the most satisfactory security. A supplement to this act was passed and approved March 9, 1848,[2] permitting funds to be invested in real estate and dwelling houses thereon and to be divided ultimately among the members.

Apparently the first association to be formed under this act was the Builders Loan Society of Newark which was incorporated by an act of the Legislature and approved February 24, 1849 with an authorized capital stock of $100,000 and permission to increase this amount to $150,000.[3]

The second association was the Gloucester Savings Fund and Building Association of Camden County which began business April 23, 1849, but the charter was questioned and not until February 12, 1855 did the Legislature pass an act approving it.[4]

The first effort to collect data concerning New Jersey's building and loan associations was made in 1880 by the New

[1] P. L. 1847, p. 172.
[2] P. L. 1848, pp. 220.
[3] P. L. 1849, pp. 113.
[4] P. L. 1855, pp. 55.

Jersey Bureau of Statistics in the Department of Labor and Industry. The commissioner of labor at that time reported 106 associations but was able to get reports from only 51 of them. In 1891 the commissioner reported that every county in the State had one or more building and loan associations.

Share Development

The first building and loan associations in New Jersey were of the terminating type, issuing only one series of shares, at the maturity of which the association's affairs were "wound up" and the association went out of existence.

The next development made possible by a legislative act of 1887[5] was the issuance of shares in series which was the foundation of the present day building and loan association. After the passage of this act a number of the terminating associations were reorganized and started business under the serial plan.

To attempt to fix a date for the transition in New Jersey from the terminating to the serial plan of operation is difficult. The authorization of serial shares has been shown to date from 1887 and from that year on the notations of terminating associations winding up their affairs are numerous. Thus an approximate date for their disappearance might be 1895. On the other hand, viewing the question from the angle of the serial association, it cannot be definitely stated when the first serial association was formed, for doubtless some were organized and did not survive. Probably the oldest serial association in New Jersey, as well as the oldest association doing business in the State, is the Franklin Association of Salem, incorporated April 18, 1861.

After the panic of 1893 Henry T. Meyer, secretary of the West-End Building and Loan Association of Newark, became convinced that the serial type of building and loan association, which required regularly stipulated monthly payments, was not flexible enough to meet all possible conditions that might arise during periods of financial depression and that this type of share would not meet the requirements of all building and loan shareholders. After considerable research and communications with building and loan men throughout the country, he received a letter dated April 20, 1895, from K. V. Haymaker,

[5] P. L. 1887, pp. 62.

then secretary of the Security Building and Loan Association of Defiance, Ohio. Mr. Haymaker pointed out the advantages of what was then known as the Ohio plan, and with this plan as a background Mr. Meyers and four members of his board of directors were appointed as a committee to consider and suggest changes in the constitution of the Association.

After diligent work for over a year, this committee made its report at a special meeting of the shareholders which was called for April 21, 1896. The committee recommended that the Association begin the issuance of shares which permitted their holders, after subscribing to a certain number of shares, to increase, decrease, or omit the regular monthly payment required by the usual subscription to shares of serial associations. The shareholders made little or no objection. The plan was adopted at the general meeting on June 1, 1896 and the West End Association became an optional payment type of association.

The East Rutherford Savings and Loan Association, another serial association, changed to a similar method of operation in April, 1899 and in 1900 the 11th Ward Building and Loan Association of Newark was incorporated and adopted this type of share which is now known as an "optional payment share." Associations which issue them are styled "optional payment associations."

In December, 1896, the directors of the East Rutherford Savings and Loan Association concluded it was only fair to the rising generation, the boys and girls at school and even the babies too young to go to school but old enough to learn the art of saving, to give them an opportunity, appropriate to their years, of developing thrifty habits. This was done by issuing half-shares of $50 each, and lending banks to the children to enable them to save money to mature the shares. No fees, no fines, and no deductions whatsoever are charged in connection with these shares. The more that is saved and deposited, the greater the profit that accrues to the young investor. The result has exceeded all anticipation; the accumulated savings and profits on the books of the Association to the credit of the juveniles now amount to many thousands of dollars. These shares were in a way similar to the optional payment shares, but were confined to juvenile savers.

In 1904 the Junior Order Building and Loan Association of Newark began the issuance of paid-up shares. The first

certificate issued was dated May 11, 1904 and bore the rate of profit of 4% per annum. This type of share increased the flexibility of serial building and loan associations and permitted maturing shareholders to remain as members of the Association by taking paid-up share certificates in lieu of the maturity value of their installment shares. It also permitted shareholders to invest lump sums with periodical returns of profits in cash.

The Junior Order Association was the first to inaugurate a plan whereby shareholders could purchase paid-up shares on an optional installment plan. This enables one to pay when and as he can in irregular amounts and at any time and to receive income quickly, i. e., when credit amounts to par of a paid-up share.

Generally speaking withdrawal penalties do not seem to attach to paid-up shares. The differential between the cash dividend on paid-up shares and the earning rate of the association is considered to be the profit forfeited upon withdrawal and no forfeiture of share capital is considered to take place upon the withdrawal of paid-up shares. On the other hand, some associations will not pay dividends on paid-up share withdrawals before the first dividend is paid, and others which pay on a quarterly basis will not pay an interim dividend on withdrawal.

The desirability of maturing shares in a shorter period than the approximate 11 years necessary on the regular building and loan serial plan became apparent to Emanuel Heyman, president of the Guarantee Building and Loan Association of Newark. Mr. Heyman stated that he often approached friends and acquaintances for subscriptions to shares on the long-term basis in the Guarantee Building and Loan Association. A number of his friends were of middle and advanced ages and told him that they would not care to subscribe for shares as they did not feel they could wait over 11 years to receive the maturity value of the shares. He then conceived the possibility of maturing shares in a shorter period of time and finally a so-called short-term plan, whereby shareholders double the usual monthly payments and receive the maturity value in a little more than half the long-term period. Accordingly, Mr. Heyman applied to the department of banking and insurance for a building and loan charter whereby shareholders would be per-

mitted to make monthly installment payments of $2 per share instead of the $1 monthly payment made on the long-term shares. He met with some opposition, but after considerable delay a charter was finally approved by the department. Mr. Heyman submitted the names "short-term" and "half-term" building association; both were rejected on the ground that they might mislead the shareholder. The name Warranty Building Association was finally approved, and the Association was incorporated September 10, 1910, and operated as a short-term Association until June 1, 1927, when it changed to the optional payment plan.

A number of associations throughout the State subsequently adopted the Warranty plan and have used the words "short-term" or "half-term" in the corporate title of their associations.

The necessity for short-term associations was greatly lessened, however, when many of the associations in the State began to pay full profits on withdrawal after a share on a $200 basis was equal to $100.

Building and Loan Legislation

Although building and loan associations were recognized by the State Legislature both in 1847 and 1848, the first general building and loan act was passed four days (February 28, 1849) after the act incorporating the Builders Loan Society of Newark (February 24, 1849). This act was entitled "an Act to encourage the establishment of mutual loan and building associations." It provided for the method of incorporation of associations, requiring certificates of incorporation to be recorded in the county clerk's office, and provided for certain rules concerning the investment of the associations' funds, and also stated that guardians might hold shares.[6] On February 25, 1852, another act was passed which was entitled "an act incorporating homestead and building companies." These acts continued with several supplements and amendments until 1875,[7] when a general revision combining the acts concerning mutual loan and building associations and homestead building companies was approved.

On March 29, 1877, a supplement to the revision of 1875, was passed authorizing associations to issue shares in different

[6] P. L. 1849, p. 227.
[7] Revision of N. J. 1877, p. 92.

series,[8] and a further supplement was enacted in 1899 which established the policy of returning to shareholders all moneys paid in on installments less a proportionate share of the losses of the association.[9]

A particularly important addition to the act of 1875 placed loan, homestead, and building associations under the department of banking and insurance, and was approved March 24, 1899.[10]

The two supplements passed in 1899 were of particular importance in view of the conditions prevailing at the time of their passage. The provisions for returning to shareholders at withdrawal all moneys paid on installment and for supervision of building and loan associations by the department of banking and insurance hit directly at the practices of the "national" associations which were flourishing at that time, and were probably designed for that purpose. At the same time they were measures of social justice in behalf of the shareholders.

A second revision of the building and loan act was approved April 8, 1903.[11] A significant change of this revision prohibited the establishment of branches and agencies and also prohibited the employment of agents or solicitors to secure members or sell shares. This revision also limited mortgage loans to first liens on real estate up to 80% of the cash value of that real estate. This particular regulation has proved to be a very wise measure in the development of sound building and loan practice.

The act of 1903 continued with a number of amendments and supplements until 1925 when the entire building and loan act was gone over.[12] To the revision of 1925 have been added a number of very important supplements and amendments.

In summarizing the condition of building and loan legislation in New Jersey certain points are of particular significance. Among these are: (1) the prohibition against doing business through branches or agents, or the employment of agents to sell shares on commission; (2) the matter of reserve borrowing capacity which was a legislative recognition of the social desirability of payment of withdrawing shareholders and of the

[8] P. L. 1887, p. 62.
[9] P. L. 1899, p. 357.
[10] P. L. 1899, p. 366.
[11] P. L. 1903, p. 457.
[12] P. L. 1925, pp. 189-226.

fact that liquidity of all associations for this purpose depends on credit;[13] (3) provision for a liquid investment fund which is the first statutory declaration that liquidity of assets is desirable for the payment not only of maturity shareholders, but of withdrawing shareholders, and for those needing temporary assistance through share loans;[14] (4) limitation on mortgage loans to 10% of the mortgage loans outstanding; (5) limitation of expense to prevent gouging of shareholders by the management; (6) power not only of examination but of investigation vested in the commissioner of banking and insurance; (7) right of the commissioner to apply to the court of chancery for removal of an officer; (8) provision for the real estate reserve fund which permits the retention of a high percentage of profits as an undivided profits fund; (9) limitation on individual holding of paid-up shares.

The "Nationals" in New Jersey

The so-called "national" associations began operating in New Jersey in the early 90's, but after a few years so many complaints had been made that during the 1898 session of the State Legislature an investigation was launched which after various vicissitudes resulted in the presentation of several bills to the legislative session of 1899. Other bills were also introduced by representative building and loan men.

After considerable work on the part of the Legislature, the two very important supplements to the revision of 1875, already referred to, were passed. In addition to the provision for returning to shareholders all moneys paid on installments, less a proportionate share of the losses of the association, and after the first year, a reasonable share of the profits, this bill also provided that the associations could only be forced to pay one-half of the treasury receipts on account of withdrawals during any one month, and further provided that all associations were to send all shareholders an annual report setting forth in detail receipts and disbursements, assets and liabilities of the association. The second bill was a supplement to the banking act and provided for supervision of loan, homestead, and building associations.

[13] This makes it impossible for associations of other states to operate within the State of New Jersey and does away with the bad practice of reduction from installments of large membership fees to compensate the sales agents, and thus impair the savings of shareholders.

[14] This provision marks a step in the direction of making possible the establishment of the reserve bank.

When the department began its examinations as to the financial condition of the associations, a number of "nationals" were found to be insolvent, and their affairs were placed in the hands of receivers. All were shortly driven out of the State.

Building and Loan Education

During the administration of T. Yorke Smith as president of the New Jersey League of Building and Loan Associations from December, 1922 to May, 1924, the educational committee was created. This committee was composed of Elmer K. Sexton, chairman, Harry F. Stauffer, and Walter B. Griffin.

After considerable work, this committee arranged for the printing of two pamphlets to be used in the 7th, 8th and 9th grades of the public schools in New Jersey. The first pamphlet covered the general building and loan subject, and pointed out the object, history, methods of operation, with several annual statements reprinted to give some idea of the accumulation of share values. This pamphlet also contained a number of simple building and loan questions which were supposed to stimulate interest in building and loan. The second pamphlet was composed of problems based on the discussions and answers to the questions contained in the first pamphlet. These pamphlets are still being used in some of the schools in the State.

In 1926, John Warren, president of the New Jersey Building and Loan League, laid the first plans for a building and loan institute as a part of the program of the State League. This New Jersey Institute began classes during the fall and winter of 1928 in a number of the principal building and loan centers, such as Newark, Hackensack, Jersey City, Camden, and Atlantic City.

Its program covered a number of subjects relating to building and loan, beginning with a history of building and loan, and including accounting and appraisals, and were in the form of lectures given by a man well informed on the particular subject assigned to him. These courses were conducted in connection with the extension division of Rutgers University and were fairly successful.

In 1930, the educational work of New Jersey became affiliated with the American Savings, Building and Loan Institute. On December 11, 1930, the Joseph A. McNamee Chapter of Atlantic County was organized as Chapter No. 65 of the Insti-

tute and on May 25, 1931 the Newark Chapter No. 67 was given a charter by the national organization.

Growth

The growth of the building and loan movement in New Jersey may best be summarized in the following tabulation of numbers of associations and assets at various intervals:

Date	Number of Associations	Assets
1899	335	$ 46,100,000
1910	511	86,602,359
1920	939	238,908,007
1924	1,364	599,812,925
1930	1,561	1,211,941,913

State League Organization

One of the first efforts to organize a State League was made by W. A. Williamson, secretary of the Clayton Building Association, in March, 1884, when he endeavored by letter to secure the cooperation of the commissioner of the Bureau of Statistics of Labor and Industry to call a meeting of all associations in Trenton. No record seems to be available other than a letter contained in the Commissioner's Report to the governor and State Legislature.[15]

Representatives of a number of New Jersey building and loan associations met at Trenton, September 3, 1890, for the purpose of organizing a State league.[16] Honorable James Bishop, chief of the bureau of statistics, called this meeting and took an active part in its proceedings. Initial steps were taken for the establishment of a permanent league. The earnest and intelligent spirit shown by the delegates at this meeting gave promise for a strong organization in New Jersey.

Organization was effected January 29, 1891. The first officers elected were: E. A. Armstrong of Camden, president; W. A. Linn of Hackensack, 1st vice president; William G. Nelson of Jersey City, 2nd vice president; W. Harrison Livermore of Woodbury, treasurer; and George Forman of Newark,

[15] Bureau of Statistics Report, 1884, p. 339.
[16] Of the 200 associations in the State, 125 were represented at the meeting.

secretary. This organization, however, resulted in strengthening the "national" associations, since a great many of them took quite an interest in the League, no doubt with the idea that they might be able to stop legislation which would be detrimental to their peculiar interests. This proved to be the case, and the organization which had started so well, existed for only a few years.

After the downfall of the "nationals" another attempt was made to reorganize the New Jersey League. A reprint from the Newark *Sunday Call* in September 1907, states that

> "It is expected that efforts will be made early during the coming winter to revive the New Jersey State League of Local Co-operative Building and Loan Associations. The organization was at one time in good condition and was regarded as of importance to building and loan interests in general. About then, however, the State was the home of several of the so-called "state" and "national" associations which subsequently met with disastrous failure after having swindled thousands of persons out of their hard earned savings. In the interest of keeping up their fraudulent concerns and making them appear like the really beneficial "local "associations, the managers of the fake concerns became identified with the State League and finally became dominant in the affairs. They declined to submit to, or be in any way governed by the "local" associations' representatives, and, as a result, the latter ceased their activities, and the State organization was practically discontinued. No formal action to that end was ever taken, however, and it still exists in form, and needs only a little concerted action by some of the leaders in the management of the "locals" to stir it into a healthy, living condition. It would afford opportunities for building and loan men who would have the care of the money and other interests of thousands of men and women to have periodical meetings for the discussion of methods, specifically and generally, which would tend to a general improvement and create a closer fellowship than now exists. Besides, it would provide a needed vehicle for the proper representation of New Jersey's building and loan interests at the annual meeting of the United States League. It is a matter of much unfavorable comment that this State, which is one of the leading building and loan communities of the country, has long been without interest of any kind in the national conventions. It could be, instead, a leader in the thought and action therein, if there was a State League which amounted to anything. Newarkers will, it is said, endeavor to bring about a reorganization of the State League before the next National meeting."

To Joseph A. McNamee of Atlantic County must be given credit for the reorganization of the State League. Mr. McNamee was a very ardent and conscientious building and loan worker. In about 1909 he visited the office of the *American Building Association News* and consulted Henry S. Rosenthal

regarding the proper method to be followed in reference to the New Jersey League's reorganization. The call for the reorganization was sent from the Cincinnati office of Mr. Rosenthal at his expense.

Early in September, 1909, the first meeting of the New Jersey State League of Building and Loan Associations was held and resulted in the election of Joseph A. McNamee of Atlantic County, president; H. Maxfield of Mercer County, 1st vice president; W. W. Smally of Somerset County, 2nd vice president; Howard R. Cloud of Atlantic County, secretary; and Charles S. Kind of Camden County, treasurer.

A second meeting of the League was held on October 5, 1909, in Trenton attended by representatives of 54 associations. At this meeting there were a number of representatives of the leading associations in Newark who were not members but who became converted to the purpose of building and loan organization work and left the convention firmly convinced that a County League should be organized in Essex County. At this meeting it was also decided that New Jersey should immediately join the United States League of Building and Loan Associations. The 1909 meeting was addressed by Michael J. Brown, the secretary of Building and Loan Association League of Pennsylvania, and J. K. Gamble, treasurer of the Pennsylvania League and also of the United States League, and Addison B. Burke, vice president of the Pennsylvania State League. Brief addresses were made by Governor Fort, Vivian M. Lewis, commissioner of banking and insurance, and Christopher A. Gough, of the building and loan department of the department of banking and insurance. New Jersey was reported to be the third largest building and loan state in the country. At this meeting delegates were elected to the national convention at North Carolina: Joseph A. McNamee, Atlantic County; James Mitchell, Millville; Charles Stewart, Newark; and Howard C. Cruse, Jersey City.

Possibly this State League organization was only kept alive by the hard work of Mr. McNamee and a few stalwart building and loan workers, for in 1914 the League consisted of only 25 members. Byron D. Ehlers, who was then secretary-treasurer of the League, was anxious to be relieved of this office. In an endeavor to secure a successor to Mr. Ehlers, Mr. McNamee was finally successful in getting Howard R. Heydon,

secretary of the State Chamber of Commerce, to carry on the work of the League.

As the League really had no income and some debts, arrangements were made to have the State League become a part of the Chamber of Commerce. Mr. McNamee was elected the director of this department and continued in office until 1917. Mr. Heydon left the State Chamber of Commerce in 1921, and shortly after, the State League was taken out of the State Chamber of Commerce and started on its present day position of importance to the business.

The office of director then corresponded to that of the present office of president. From the time that Mr. Heydon assumed the duties of secretary of the League, he devoted a great deal of his time to building up the State organization. He has been an untiring worker and has accomplished a great deal of good. In August, 1930, Emil A. Gallman succeeded Mr. Heydon as secretary and is devoting his full time to the duties of his office. For a great many years the League has held two yearly meetings which have proven of much benefit to those actively engaged in the local building and loan associations. The League today boasts membership of nearly 1,000 members and has held numerous interesting conventions.

New Jersey entertained the national convention of the United States League at Atlantic City in 1912 and at Newark in 1918, and furnished one president of the national organization, Alexander M. Linnett of Newark (1922). The 1912 convention was addressed by Woodrow Wilson, then governor of New Jersey and chosen candidate for President of the United States on the Democratic ticket.

County Organizations

Efforts were made in 1906 to organize a county league in Hudson County. The available records, however, show that the first meeting was held on March 13, 1908. The immediate cause of the organization of this League was a bill then pending in the State Legislature concerning the taxation of building and loan associations. Interest in this organization was lost when this bill was defeated, although from time to time it met at the banquet table and discussed matters pertaining to building and loan associations. The first president of this organization was Edward See, and the second was Francis Germley who later became president of the State League. John Warren has

been president of this County League group since January 1, 1922. It has lately been reorganized and is active.

The Essex County association formed a County League principally to watch and guard against adverse legislation. This group was quite active for several years and then went out of existence, but a very strenuous effort was put forth in 1929 for the reorganization of this League. Officers have been elected, and the County League is now functioning very efficiently.

The Atlantic County organization for a number of years met from time to time, and on August 1, 1919, filed papers of incorporation. Here again Joseph A. McNamee was the force behind the movement. The organization meets as a body annually, and the Board of Trustees which consists of five members meets frequently to discuss matters pertaining to the local associations. A concerted effort has been made the last few years for the organization, which will strengthen the State League organization.

Several other counties, including Union, Mercer, Camden, Middlesex, Bergan, Morris, and Passaic, have organized and are now functioning as local groups, which have membership in the New Jersey Building and Loan League. The president of each county league is a member of the board of management of the New Jersey Building and Loan League. Part of the State League program for 1930 will be to build up county organizations throughout the entire State.

Building and Loan Publications

In 1866 Jersey City and Newark each supported a building and loan Journal, the *News* and *Advocate*, the only newspapers of the kind published in the State. The first issue of the *Loan and Building News* appeared in February, 1886. This paper was founded by C. F. Sothard of Jersey City. In a letter to Commissioner of Labor Bishop, he stated,

> "After joining the Lafayette Building and Loan Association, I was struck with the general lack of knowledge on the subject (Building and Loan Associations), and the *blind faith* of the great body of investors in those elected to run the organizations.
>
> "I intend to go into the work of attempting to organize the State through the *News* and will appreciate information, reports, experiences or other information secretaries or members will give me. If the secretaries will aid me in forming a State League, I am sure the results will redound in great good to all."

This journal endeavored to educate the investors concerning building and loan associations, and Mr. Sothard received good cooperation from other men interested in the welfare of the building and loan business.

In May, 1922, the New Jersey League published the first issue of the *Building and Loan Guide*. This is a part of the State League work and is not a commercial magazine in any way. Emil A. Gallman, secretary of the League, is the editor. This *Guide* contains the reports of the meetings of the board of governors, the proceedings of the annual and semi-annual conventions, and special articles written by well-informed building and loan workers. Recently a new magazine, *Building and Loan Bulletin*, has been issued, published by the Lasky Printers at Newark, New Jersey.

The *Guide* and the *Bulletin* have now been combined into one publication which is the official organ of the New Jersey League and edited by its secretary, Mr. Gallman.

« « BIOGRAPHICAL SKETCH » »



DAVID FORD, secretary of the People's Building and Loan Association of Atlantic City, and active in the work of the Atlantic County, the New Jersey, and United States Leagues.

Mr. Ford came into building and loan work with experience both in academic work and business in various fields. He served in the World War with the 77th Engineers stationed at Fort Meyer, Virginia. He was born May 22, 1897, in Haledon, New Jersey, son of John and Emma T. Ford. He married Carolina P. Strunk and they have one son.

NEW MEXICO

By R. H. McCUNE

BUILDING and loan associations have been successfully conducted in New Mexico for the past 43 years, although their combined resources would not equal the resources of individual associations in other states.

On December 31, 1930, 18 associations were doing business in New Mexico with total assets of $5,111,330. Of their combined resources, approximately $2,300,000[1] are invested in the three associations at Roswell, Chaves County, which together are largely responsible for the prosperity and home-owning conditions prevailing in southeastern New Mexico.

The first two building and loan associations organized in New Mexico were the Mutual Building and Loan Association of Santa Fe, with Charles Haspelmath as president, and R. J. Crishton, secretary and the Cooperative, of Albuquerque, with D. Weiman, president, and H. H. Tilton, secretary. Both Associations were organized in 1887. Ten of the present 18 associations were organized within the past 10 years.

In 1887 only about 25% of the inhabitants of New Mexico were English-speaking people; the other 75% were divided among the people of Spanish or Indian descent. By 1923 about 52% were English-speaking, while 48% were Spanish or Indian. Now only about 55% are of English or Anglo-Saxon origin and 45% of Spanish or Indian extraction. Taking into consideration the fact that New Mexico was the last State to be admitted into the Union, and is still sparsely settled, it would seem that the building and loan business has made a good showing, as most of the business is transacted among the English-speaking or Anglo-Saxon race. This is clearly demonstrated in the southeastern corner of New Mexico, in the counties of Curry, Roosevelt, Chaves, Eddy and Lea, where the population is about 95% Anglo-Saxon, and where more than half of the building and loan business of New Mexico is conducted.

The Roswell Building and Loan Association is the largest in the State. It was organized in April, 1901, with David Rosenwald, president, and J. M. Hervey, secretary. Its resources as of December 31, 1930, amounted to $1,413,659.68, which represents approximately ¼ of the building and loan business in the State of New Mexico.

[1] Figures are for December 31, 1930.

No failures have occurred in New Mexico, and only one or two associations have been liquidated, and these without loss to their members.

With possibly one or two exceptions all associations are purely mutual and have no membership or withdrawal fees; they pay dividends upon their shares aggregating 8% per annum, compounded semi-annually. Members are permitted to withdraw at any time without deductions from dues paid.

The laws of New Mexico regulating building and loan associations have not been unfavorable. Building and loan associations are not permitted to issue any stock that does not participate fully and equally in the surplus earnings, or to charge more than the legal rate of interest, or to show any partiality in the distribution of profits. Violation of any of these provisions constitutes a felony. The laws permit loans to be made on real estate security only, or on the stock of the associations.

Building and loan associations in New Mexico are under the supervision of the state banking department and are audited by that department.[2]

Several efforts were made to organize a State League, but not until November 26, 1928, were they successful, at which time the League of New Mexico Building and Loan Associations was organized in the rooms of the Chamber of Commerce at Albuquerque. Representatives of 11 of the associations met, and R. H. McCune of Roswell was elected president; W. C. Reid, of Albuquerque, vice president; and D. E. Woodward of Raton, secretary.

[2] Laws 1927, ch. 140.

« « BIOGRAPHICAL SKETCH » »



R. H. McCUNE, Secretary and manager of the Roswell Building and Loan Association. Formerly solicitor of the Montezuma Building and Loan Association at Albuquerque, and local agent for the Southwestern Savings and Loan Building Association of Las Vegas, New Mexico.

Mr. McCune is also secretary-manager of the Roswell Insurance and Surety Company. He was born in Virginia near Appomattox in 1875, son of R. H. and Sarah E. McCune. In 1905 he married Miss Ora Priest.

NEW YORK

By JOHN EDEN FARWELL

THE history of the savings and loan movement in New York State from 1840 to 1911 is a history of the gradual strengthening of the laws of the State in relation to savings and loan associations.

New York Laws

About the year 1845 a number of savings and loan associations sprang up but all failed or went out of business. These were voluntary or unincorporated groups, formed to a great extent after the early Philadelphia models. Because of losses caused by the mismanagement of these associations, especially in New York City, there was a public demand for incorporation and regulation. This resulted in a legislative investigation and the passage in 1851 of a law to govern the future organization of such associations. Some 40 years later, Senator J. Sloat Fassett of Elmira, law partner of Judge Seymour Dexter, declared at a public hearing that under this 1851 law one could organize anything from a cock-fight to a camp meeting, call it a building and loan association, and get away with it. That is to say, the law was very loose in character. The first savings and loan association in New York State was the Brooklyn Building and Mutual Loan Association founded in Brooklyn in 1836.[1] In 1863 the first incorporated association in the State was formed and called itself a "building and mutual fund association." That also disappeared somehow in the years that followed and left to the Port Jervis Savings and Loan Association Number 1, organized in 1868, the honor of being now the oldest savings and loan association in New York State.

The legislation of 1851 was entitled "an act for the incorporation of building, mutual loan and accumulating fund associations."[2] It stated the number of persons who might incorporate such an association; the purposes of such organizations; the requirement for the construction of adequate by-laws including an enumeration of charges to be made by the

[1] According to a book published in 1856 by William Franklin at New Haven, Connecticut, entitled *Building Associations in Connecticut and Other States*, this Brooklyn Association was said to be closed in 1856.

[2] Laws 1851, ch. 122.

association; the filing of such regulations with the clerk of the county in which the association was located; the liability of all shareholders to the creditors of the association to an amount equal to stock held by them respectively; and tax exemption from sale on execution for debt to an amount not exceeding $600.

This act was amended in 1875 and provided among other things that the superintendent of banks could once in two years examine such associations. It was further amended in 1878 doing away with the requirement of bi-annual examinations and providing in its place that whenever the stockholders of any such corporation should deem that a personal examination of its affairs by the superintendent was desirable, on the request of five of the stockholders such an examination could be made by some one appointed by the superintendent.[3]

A special legislative committee on building associations in the City of New York, which had been appointed prior thereto, made a report to the Assembly on January 29, 1856. This report showed that the number of associations organized under the law of 1851 was 72. In 1855 scarcely half of those associations were still in existence. The report goes on to say that two causes had much to do with the creation of embarrassments of those associations. One was the commercial activity which followed the discoveries on the Pacific, and the other the commercial crisis consequent upon the extensive trade which those discoveries had seemed to warrant. At first every species of trade became active. Wages were high and money plentiful with all. These associations grew, borrowers increased in number, and so long as their demands kept up new associations were formed, and borrowers took upon themselves burdens which in any event must have been severe.

The report held that it is not too much to say that 9/10 of all the troubles encountered by building associations were attributable to this condition; that people took on obligations far in excess of their ability to pay. The borrowers discovered that they would have to continue their payments until long after the amounts borrowed had been paid in, together with interest thereon. The shareholders discovered that what was their gain was another's loss and that by the most skillful

[3] No record seems to be found of any appropriation by the Legislature for such examination or even proper supervision and this rendered ineffective even the mild virtues of the law up to that time.

management, such as to prevent loss to any one, the shareholders' monthly deposits were at best so much saved with very small interest added. The report said that at that time nearly every association was in process of winding up its affairs.

The report concluded that it is apparent from the fact that the principle of legislation in the matter was established by the passage of the act of April 10, 1851, something was demanded of the Legislature for the relief of the people, both borrowers and savers who had formed these associations. The committee, therefore, recommended a repeal of the act to legalize building and mutual loan associations.

It is probable that thousands of persons of limited information had invested their little gains in these associations, under the impression that that which conformed to the provisions of the law must therefore be all that its advocates asserted. Included in the number were sewing girls, apprentices, and widows. Thus ended the first stage in New York building and loan history.

Along about the so-called "elegant eighties" a veritable epidemic of newly formed savings and loan associations occurred. Most of the largest associations in the State today were organized during those years which might be termed "the revival period" of savings and loan associations.

This revival was unfortunately accompanied by a deluge of "nationals"—those grossly mismanaged, unrestricted monsters of get-rich-quick officials, most of which were organized outside the State. Then was begun the long fight for better legislation which had as its objective the protection of the domestic savings and loan associations from the "nationals" and the complete elimination of the latter.

The first step was the law of 1892 which gave supervision over all associations to the banking department. This law was, however, so weak that 19 years of vigorous work by the leaders of that period were required to change the law to make it adequate. They were enabled to accomplish their object during that hard and bitter era mainly through the help of George I. Skinner, afterwards superintendent of the state banking department.

In 1909 the law was entirely revised. It gave uniform and clearly defined powers to savings and loan associations. It marked the end of the struggle for sound savings and loan ideals

and was the beginning of a certain standardization of organization and of practices which has slowly progressed since that time.

The struggle since 1911 seems to have been more in the nature of the amplification rather than the restriction of the powers of savings and loan associations, so as to keep pace, in some degree at least, with the broadening powers of those institutions, financial in character, which have gradually and vigorously entered into competition with the savings and loan associations of the State.

Among the important laws passed within late years are those which made possible (1) the great Land Bank of the State of New York, which made associations with a capital of $100,000 legal depositories for trust funds; (2) investment by one savings and loan association in the shares of another; (3) the issuing of "club" shares, savings shares, national defense savings shares; and (4) the stations law permitting certain savings and loan associations to open one station or branch.

Unfortunately space does not permit a detailed analysis of the New York State code on building and loan associations. It is generally regarded by those in a position to judge as one of the most adequate pieces of building and loan legislation on the statute books of any state and it has served as the pattern for legislation in many states in the Union.

New York State League

In 1888 the New York State League of Savings and Loan Associations was formed at Rochester with George W. Elliott of Rochester as president, Charles O'Connor Hennessy of New York as secretary, and Watson T. Dunmore of Utica as treasurer. The League was poor and lacked support in its early years, but ultimately became a powerful factor in the strengthening and development of the savings and loan movement in New York.

During its forty-odd years of existence, the State League had as its presidents many noted men and women. Among them were Seymour Dexter of Elmira, Watson T. Dunmore of Utica, Thomas F. Larkin of Brooklyn, Walter Briggs of Schenectady, Gilbert S. Barnes of Tottenville, Frank D. Kingsbury of Corning, Edwin F. Howell of New York, David B. Hutton of Brooklyn, Charles O'Connor Hennessy of New York, Walter

Scott of Oneonta, Martin S. Cohen of New York, Clay W. Holmes of Elmira, Ann E. Rae of Niagara Falls, Webb G. Cooper of Oswego, Hiram C. Horton of Westerleigh, Bernard G. Parker of Gouverneur, LeGrand W. Pellett of Newburgh, George Repp of Buffalo, George E. Palmer of New York, and many others of equal prominence.

For 25 years Archibald W. McEwan served as secretary faithfully and diligently. For most of this time he served without pay; for a few years he received as much as $50 per year, and during one or two years he received, I believe, $300. A quarter of a century of service to the organization in an office which is always unappreciated by the rank and file, where the work done is known to few, and for which thanks are rarely given, is an achievement which must be noted in this history, brief though it must be.

During much of the time John H. White of Schenectady was treasurer at no salary. The finances of the League were administered carefully, economically, and with intelligence.

At the annual convention held in Geneva, New York, in June, 1923, Mr. McEwan laid down the reins of the office of secretary. This led to one of the most important steps taken by the League. Webb G. Cooper of Oswego, the incoming president, and his executive committee were directed to engage an adequately paid executive secretary. The plan, originated by the Central New York League, had been bitterly fought. To Mr. Cooper, as president, was given the difficult task of getting the right man for the job and at the same time of keeping within the League with its necessarily tripled and quadrupled dues all those associations which had contended so bitterly against this modernization step.

To this new office of executive secretary George E. Palmer of New York City was appointed. He served until June, 1927, when he resigned and afterwards in 1929 was elected president. In August, 1927, George A. Plant, who at the time was head of the savings and loan section of the New York State banking department, was appointed executive secretary[4] and the offices of the State League were moved to Albany.

During these years most of the associations in the State

[4] At the time this is written, Mr. Plant continues to serve in this important capacity in his fourth term of office, and to him the writer is indebted for valuable assistance in collecting data on the early period of New York building and loan history.

grew with regularity. At the close of the war came a period of exuberant prosperity and development. The Franklin Society, under Charles O'Connor Hennessy, began to add millions to its assets. The Railroad Co-Operative Building and Loan Association, under the leadership of George A. Martin, has grown sixty million plus. Miss Ann E. Rae's Association, the Niagara Permanent Savings and Loan Association of Niagara Falls, achieved unusual size and fame, and many others grew to undreamed of size.

Associations began to move from second story offices into buildings of their own, to keep regular banking hours, to install modern bookkeeping and banking machines and fixtures, to increase their office personnel, and to pay adequate salaries to officers and employees.

"The Day" of the Savings and Loan Associations of the State of New York had arrived.

Sectional Leagues

During these same years, 1920-1930, the various sectional leagues developed in the upstate regions. On April 4, 1889, the Metropolitan League had been organized and through the years that followed was of immense service to the State League and its member associations. Especially was this true during the long fight against the "nationals."

On May 5, 1921, the Western New York League was formed in Buffalo. For many years Charles A. Hahl has been president of this League and Henry I. Holtz its vigorous and energetic secretary.

On May 5, 1922, Fred W. Herendeen of Auburn and John Eden Farwell of Geneva invited all associations of the central part of the State to meet in Auburn where under the leadership of Mr. Herendeen was formed the strong Central New York League.

The Northern New York League was organized on October 22, 1929, the Southeastern League on October 30, 1929, and the Eastern League on October 28, 1929.

Those six Sectional Leagues are of immense benefit to the State League and as they grow in strength so does the larger or parent organization seem to grow in usefulness.

New York Land Bank

Probably the most important development in Savings and Loan work was consummated in 1915 by the forming of the great Land Bank of the State of New York. This is a bank for savings and loan associations only. Its members assign mortgages to the bank for redeposit with the State Comptroller as collateral and receive in return money which has been raised through the sale of Land Bank bonds. In its 15 years of life it has been the means of financing indirectly through its savings and loan members thousands of homes which otherwise could never have been financed.

Its formation was a herculean task, the brunt of which was borne by the late Edwin F. Howell, Sr. Even though it was backed by no less a man than George I. Skinner, later superintendent of the New York State banking department, its road to legalization through the Legislature in 1914 was difficult. When, however, the laws authorizing its being had been passed, the difficulty of getting enough associations in the State to see its value arose and would have made a weaker man than Mr. Howell give up the project. The Land Bank is now firmly established with a membership representing probably 75% of all savings and loan resources of the State.

William H. Judson is president of the Land Bank, Charles O'Connor Hennessy, chairman of its executive committee, David B. Hutton, managing director, John J. Dillon, treasurer, Hiram C. Horton, secretary, with a board of directors that includes George A. Martin, Ann E. Rae, and other leaders in the savings and loan movement.

American Savings, Building and Loan Institute

New York state is also a stronghold of the American Savings, Building and Loan Institute. The New York Chapter No. 118 has entered upon its seventh year. In 1925, it offered only one course, but has continually advanced in service and scope, until during the years 1930-31 it has offered courses in four different subjects.

For the past four years it has each year graduated a class from the standard three-year course, and 45 members now hold the three-year diploma. One of the New York chapters was the first in the country to grant such a diploma. George L. Bliss, vice president of the Franklin Society for Home

Building and Savings of New York City, served as president of the Institute in the years 1929-31, and C. Harry Minners, vice president and treasurer of the Bank Clerks' Co-operative Building and Loan Association of New York City, is 2nd vice president of the Institute.

New York's Leaders

As a matter of record it is interesting to note that the founder and first president of the United States League (1892-1893-1894) was the Honorable Seymour Dexter[5] of Elmira. The Honorable Charles O'Connor Hennessy (1912-1913), Miss Ann E. Rae (1923-1924), and Frank D. Kingsbury of Corning (1905-1906) served as presidents of the national organization in the years indicated. Although their vast services to the savings and loan movement are dealt with in another part of this volume, some brief mention of their contribution is appropriate in a history of building and loan in New York.

Judge Seymour Dexter was the founder and guiding spirit of the United States League for a number of years. His contribution to the building and loan cause has been detailed elsewhere. Suffice to say here that he had vision coupled with constructive ability and the foundations which he helped to lay have supported a strong and growing edifice.

Charles O'Connor Hennessy has made significant contributions to building and loan practices and will be known especially for his excellent and constructive efforts in guiding the affairs of the legislative committee of the United States League to many a significant and successful conclusion which have protected and strengthened building and loan principles.[6]



Charles O'C. Hennessy

To Miss Ann E. Rae belongs the distinction of being the only woman ever elected to the presidency of the United States League, which amounts to saying that she is the only woman ever chosen to head the national organization of a major business. Miss Rae is one of the outstanding person-

[5] For further details concerning the life and work of Judge Dexter, see Chapter XII.

[6] The Chapter on "National Legislation" above indicates the extent of Senator Hennessy's contribution to the legislative background of building and loan.

alities in the building and loan field, in great demand as a speaker, and widely and affectionately regarded in building and loan circles. She is honorary chairman of the committee in charge of plans for the meeting of the International Congress to be held in connection with the centennial celebration of building and loan in 1931 in Philadelphia.



Miss Ann E. Rae

New York State has also been host on several occasions to the national building and loan convention. In 1894 the United States League met at Buffalo; in 1899 at Niagara Falls; and in 1905 in New York City.

The last published reports of the banking department show that there are 307 savings and loan associations in the State of New York and that their combined assets amounted to $440,729,014 on January 1, 1931.

« « BIOGRAPHICAL SKETCH » »



JOHN EDEN FARWELL, Vice president and manager of the Geneva Permanent Loan and Savings Association of Geneva, New York, having been associated with that organization since 1914, serving on its board of directors since 1916, and as secretary and manager from 1920 to 1926. Mr. Farwell helped to organize and is a past president of the Central New York League of Savings and Loan Associations. President (1930-31) of the New York State League of Savings and Loan Associations and a member of the executive committee of the United States League. He has been a member of the board of directors of the Land Bank of the State of New York since January, 1921, and is co-author with John D. Long of a book on *Fundamentals of Financial Advertising*, published by Harper and Brothers.

Mr. Farwell was born at Geneva, New York, son of John Eden and Mary Goff Farwell. He married Olive E. Stryker of Phelps, New York.

NORTH CAROLINA

By E. Y. KEESLER

Beginning of Building and Loan in North Carolina

INFORMATION as to the first building and loan association established in North Carolina could not be secured by the writer. However, in March, 1870, an act was passed by the Legislature entitled "An Act Authorizing the Incorporation of Homestead and Building Associations in this State." It is logical to assume, then, that such an association came into existence during or soon after the year 1870.[1]

The oldest building and loan association now doing business in North Carolina is the Mutual Building and Loan Association of Charlotte, which was organized in April, 1881, by the late A. G. Brenizer. This Association's president, J. G. Shannonhouse, has the unique distinction of serving continuously as a director practically since the founding of the institution, 50 years ago. Chase Brenizer, a son of the founder, has been an attorney and a director for over 20 years. This Association is the largest in this part of the United States, having resources of $8,700,000 and it has never lost a dollar on a loan during its 50 years of continuous operation.

The second oldest association, the Mechanics Perpetual Building and Loan Association, was organized at Charlotte in 1883. This institution is the second largest in the State, having resources of $6,750,000 in 1931.

At the close of the year 1890, 12 associations were operating and were destined to continue to the present day.

North Carolina Building and Loan League

Pursuant to a call made by the building and loan associations of Charlotte, the North Carolina Building and Loan League was organized at Wrightsville Beach, near Wilmington, June 25, 1903. The minutes of this meeting mention the presence of representatives from Charlotte, Wilmington, Wades-

[1] Support for this assumption is found in the statement contained in an article by John E. Huffman, "A Review of the Building and Loan Movement in the Southern States," 1894 *Proceedings of the United States League*, p. 137, in that the first North Carolina Association was organized in 1880.

boro, and Winston-Salem. The first officers of the League elected at that time were as follows: S. Wittkowsky, of Charlotte, president; D. C. Love, of Wilmington, 1st vice president; Thomas A. Marshall, of Wadesboro, 2nd vice president; E. L. Keesler, of Charlotte, secretary and treasurer; and G. A. Follin, of Winston-Salem, executive committeeman.

The following figures will show the growth of building and loan in the State since the organization of the League:

Year	Resources
1904	$ 2,500,000
1914	12,700,000
1924	70,000,000
1930	92,000,000

There are now in North Carolina about 235 associations with a combined membership of almost 100,000 persons.

The League has held regular annual meetings at various points in the State. Several years ago the State was divided into 10 districts, each of which was encouraged by the League to hold at least one meeting a year. These district meetings have been very helpful because of the time and opportunity afforded to all present to enter into discussions.

The accomplishments of the North Carolina Building and Loan League[2] might be summarized briefly as follows: spreading knowledge of building and loan among its members and the public, inspiring them to greater efforts, fostering favorable legislation, combating damaging legislation, and assisting in the organization of new associations.

Particulars of Operation

All building and loan associations in North Carolina are of the strictly mutual type as required by State law. All investors and borrowers are members, and they share alike in profits and losses, if any;[3] there are no guarantee stock associations in North Carolina. Loans can be made to members only, and no associations are making loans outside the State, and usually not outside their own counties. None have branches. No rate of interest or dividend can be guaranteed to members. All loans are made at 6%, the legal interest rate. The law permits an association to accept as security only first mortgages on real estate, its own stock, and liberty bonds of the United States Government. A real estate loan is limited usually to not more than ⅔ of the appraised value of the property.

An association may issue as many series or classes or kinds of stock as are authorized by its by-laws, provided its mutuality is not violated. Practically all associations in North Carolina operate on the serial plan with shares of $100 par value, calling for regular payments of 25c per share per week. The maturity period required is about 6⅓ years. Serial stock with a maturity period of about 3½ years and about 11½ years is also issued by some associations.

About ¼ of the liabilities of North Carolina building and loan associations is in the form of full-paid stock on which dividends are paid at regular intervals. The dividend is usually 5% per annum, payable semi-annually. A few associations use optional payment shares for savings members and a modification of the Dayton plan for borrowing members.

Taxes

Funds invested in building and loan stock are free from taxes so far as the shareholder is concerned, although the profits from these shares are subject to State income tax without any exemption whatever. The associations themselves, however, are by no means tax free. In lieu of any ad valorem tax on their mortgages, they pay an annual license tax based upon the book value of their shares.[4] At present this tax is 8c per $100 to the State and the towns and counties each have the privilege of levying 2c per $100 in addition. The present Legislature has raised the rate to be collected by the State to 13c per $100. Only about 3c is used for supervision; the remainder is revenue. In addition to the 13c the revenue bill gives towns the privilege of levying 2c.

Promoters

In 1929 high pressure stock salesmen from outside North Carolina entered the building and loan field in the State and succeeded in organizing a new association in each of three towns. The commission received by these promoters was about 4½% of the matured value of the shares. Insurance Commis-

[2] The following have rendered faithful service as presidents of the North Carolina Building and Loan League: H. F. Wilder, E. F. Allen, J. C. Allison, L. W. Moore, W. Ben Goodwin, G. H. Hendrix, and R. B. Davis.

[3] Laws 1915, ch. 83, § 3884.

[4] Laws 1913, ch. 203.

sioner, Dan C. Boney, though he lacked the authority to refuse licenses to these promoted associations, was able finally so to reduce the compensation paid these salesmen that they did not organize any other associations and terminated their contracts already made.

Legislation

Several bills affecting building and loan associations were passed by the 1931 session of the Legislature. One makes it a misdemeanor for any person to circulate willfully and maliciously any rumor derogatory to the financial condition of any bank or building and loan association.[5]

Two laws were passed which should prevent the future promotion of building and loan associations in the state. One of these increased the power of the insurance commissioner so that he may refuse a license to a new association if the proposed stockholders are not persons of good standing or if the public convenience would not be promoted by the establishment of the corporation. The other bill definitely limits the remuneration paid for the solicitation and sale of stock to 1% of the par value of each share.[6]

Another bill advocated by the North Carolina Building and Loan League, which was passed, requires every building and loan association issuing full-paid, interest-bearing stock to keep on hand a liquid fund of an amount not less than 5% of such stock outstanding. This fund may consist only of deposits in banks, and investments in obligations of the United States and of the State of North Carolina.[7]

At present the law does not seem to permit one association to invest surplus funds in the stock of another nor to make a loan to another association except upon property actually owned by it.

Supervision

The building and loan associations of North Carolina are supervised by the insurance commissioner. Each association is required to make a detailed report as of December 31 each year. Each association is subject also to thorough examination by experts under the commissioner at any time without notice.

[5] Amending Cons. Stats. 1919, § 4231.
[6] Amending Cons. Stats. 1919, §§ 5170-5176.
[7] Amending Cons. Stats. 1919, § 5177.

The insurance department is attempting to have an examination of every association once each year. Moreover, many of the associations have annual audits made by certified public accountants, though these are not required by law.

Present supervision of building and loan affairs is in able hands. The fact that not a single building and loan association in North Carolina was forced to close its doors during the year 1930, which was disastrous for many financial institutions, is a decided tribute to the activities of the State supervisory officials.

Prominent Personalities

The progress of any great movement depends upon the individuals concerned in it. It is my privilege here to mention some of those most active in the development of building and loan in North Carolina. Lack of space causes the omission of many who have served the cause long and faithfully.

Samuel Wittkowsky was a prominent business man of Charlotte and for a long time president of the Mechanics Perpetual Building and Loan Association. Building and loan was his avocation, and he bubbled over with it. He was one of the fathers of the North Carolina League and for many years its president. He spoke well and often for the cause. He helped organize many other associations, and was active in the affairs of the United States League.

E. L. Keesler was an active secretary and treasurer of the Mutual Building and Loan Association of Charlotte for 20 years until his death in 1924. Building and loan was his hobby as well as his business. He built up his own Association to be the largest in several adjoining states and was noted for the personality injected into his newspaper advertising. He was another of the founders of the North Carolina League, its first secretary, and its president for several years. Mr. Keesler did much missionary work for building and loan not only in North Carolina but in adjoining states, and was active in the United States League, serving as a member of the legislative committee and as president in 1919. The North Carolina League has honored his memory by raising a fund known as the Keesler Memorial Fund, the interest from which is used for the advancement of the building and loan idea in the State.

D. A. Tompkins was prominent as a textile magnate and a newspaper owner. As a director of the Equitable Life Assur-

ance Society, he originated its home-loan plan, patterned after building and loan, which was first used in North Carolina.

Heriot Clarkson, now one of the justices of the Supreme Court of North Carolina, was formerly a building and loan attorney and had much to do with the building and loan laws of North Carolina.

Other North Carolina leaders include J. F. Stevens and George R. Wooten, both active in the affairs of both the state and the national organizations; Leon Cash, A. G. Brenizer, Captain R. E. Cochrane, J. G. Shannonhouse, Chase Brenizer, Charles A. Hines, A. G. Craig, and O. E. Todd.

United States League Meetings

The United States Building and Loan League twice has honored North Carolina by holding its annual convention within the borders of the State. In 1910 the national organization met at Charlotte, in the heart of the Piedmont agricultural and industrial section, and in 1927 it gathered at Asheville In the mountainous Land of the Sky.

« « BIOGRAPHICAL SKETCH » »



E. Y. KEESLER, Secretary and treasurer of the Mutual Building and Loan Association of Charlotte, North Carolina, succeeding his father E. L. Keesler, who was president of the United States League in 1919. He has also served the North Carolina Building and Loan League as a member of its executive committee, as vice president, and as president in 1931.

Mr. Keesler was born in Charlotte, North Carolina in 1894, son of Edward L. and Mary Yates Keesler. In 1921 he married Anne D. Chambers and they have three sons.

NORTH DAKOTA

By MARTIN JONES

NORTH DAKOTA'S first association was the Fargo Building Association which was organized March 27, 1880, and received its charter that day.[1] The incorporators were: A. W. Edmunds, E. S. Tyler, E. B. Chambers, A. J. Harwood, E. B. Eddy, E. A. Grant, C. A. Roberts, G. Marchus, B. R. Briggs, John Shotwell, and W. F. Ball. This Association has enjoyed a steady growth, although not until about 1920 did it make much progress as to volume. In that year H. E. Siegfried was elected secretary. The assets on June 30, 1920, were $117,353.22 and on June 30, 1929, they had mounted to $1,041,071.81. In 1925 Mr. Siegfried was elected president and William Anderson, secretary.[2]

The minute book of the Association discloses that the first loan was made to Charles S. Foster on April 27, 1880. Since that time more than $2,500,000 has been lent to owners of Fargo homes. The Association was originally incorporated for $600,000 but on April 10, 1922, the authorized capital was increased to $5,000,000. So far as loans are concerned, the Association confines its business entirely to the City of Fargo. The officers and directors are men of high standing and much credit is due them for so successfully guiding the affairs of the Association for more than 50 years.

The second association to be organized in North Dakota was the Grand Forks Building and Loan Association. That charter was dated December 16, 1886, and the incorporators were: D. D. Webster, George B. Winship, D. W. Luke, M. Whittelshafer, W. J. Murphy, D. McDonals, A. W. Clark, A. C. Labrie, M. L. Gordon, and J. E. Engsted. E. J. Lander, present secretary, has been the active officer for many years and this Association is indebted largely to his personality and untiring efforts for the wonderful progress it has made.

The largest Association in North Dakota is the North-

[1] On April 10, 1922, the name was changed to Fargo Building and Loan Association.

[2] The present officers and directors of the Association are as follows: H. E. Siegfried, president; R. P. Freeman, vice president; W. J. Morrish, vice president; H. W. McArdle, treasurer; William Anderson, secretary; L. B. Nordby, assistant secretary; the directors are: Edwin G. Clapp, J. E. Johnson, B. C. Marks, F. O. Schlipf, J. H. Shepperd, C. A. Williams, and Horace C. Young.

western Mutual Savings and Loan Association of Fargo. The charter was issued in 1893. The first board of directors included: H. F. Miller, L. S. Champine, Wm. B. Douglas, C. C. Schuyler, J. E. Kimmel, R. A. Shattuck, H. L. Loomis, and M. D. Fleming. This Association has enjoyed a substantial growth from year to year until its resources on December 31, 1930, amounted to $3,900,000. Herbert Loomis, its president, was one of the founders of the Association and much credit is due him for the success attained. In the 37 years of continuous active labor with his associates he has built up an Association that is a credit to the State. This Association operates throughout the State making loans in all of the largest cities.[3]

Plans Under Which Associations Operate

Approximately half of the associations in North Dakota operate under the permanent plan issuing installment, fully-paid, and prepaid shares. The other half operate under what is known as the serial plan. The North Dakota law on this point reads in part as follows:

> The capital stock of any corporation formed pursuant to this chapter shall be paid in at such times in such amounts and at such places as the by-laws shall appoint. New shares of stock may be issued in lieu of shares withdrawn. The stock may be issued in one or more successive series in such amounts as the Board of Directors or Stock Holders may determine.[4]

The terminating plan was never used in North Dakota, even by the early associations.

The first law governing building and loan associations was enacted in 1888.[5] Then came the law of 1913 just referred to.

At the 1931 session, the North Dakota Legislature passed a complete new building and loan code which repealed all existing building and loan legislation. Some of the prominent features of this law include (1) the centering of more control in the hands of the State examiner and the banking department in connection with the granting of new charters; (2) licenses by the State examiner of traveling agents who are soliciting building and loan shares; (3) limitation of membership fees to 2% of the par value of shares; (4) definition of classes of stock

[3] The present officers are: Herbert L. Loomis, H. H. Wooledge, A. M. Cornwall, James McGuigan, I. O. Nordhaug.

[4] Comp. Laws 1913, ch. 26, § 5122.

[5] Laws 1888, ch. 12, art. 1-12.

with permission to issue additional classes on approval of the banking department; (5) compulsory contribution to a reserve fund consisting of 5% of net earnings; (6) payment of all expenses out of earnings; (7) tightening of restriction concerning admission to the State of foreign associations.[6]

Twenty associations are now operating in the State with assets of $13,385,734.70.[7] Thirteen are local, operating only in the city where located, and nine associations are doing a state-wide business.

The records of the office of the State examiner, under whose supervision building and loan associations operate, reveal that no building and loan association in North Dakota has ever failed. Also no so-called "nationals" ever operated in North Dakota.

The North Dakota League

The North Dakota League of Savings, Building and Loan Associations was organized May 21, 1929, with the following officers:[8] H. L. Loomis, president; E. A. Shirley, 1st vice president; John D. Gray, 2nd vice president; and F. B. McAneney, secretary-treasurer. Space will not permit special mention of all the officers and members of the executive committee of the League, but special mention should be made of the president, H. L. Loomis, and secretary-treasurer, F. B. McAneney.

Mr. Loomis is the head of the Northwestern Mutual Savings and Loan Association of Fargo. His 37 years of experience in the building and loan field, during which time he has been actively engaged in managing the largest association in the State, made him the choice of the members of the League for president.

F. B. McAneney was for several years chief deputy to the state examiner. Prior to that time, he was engaged in the banking business. In 1929 he resigned from his position as chief deputy to accept the position of secretary and manager of the Gate City Building and Loan Association at Fargo. Mr. McAneney's experience in the examiner's department, as well as his personal character and ability, made him the logical choice

[6] Laws 1931.

[7] These figures are for December 31, 1930.

[8] The executive committee included: H. L. Loomis, Fargo; E. A. Shirley, Minot; John D. Grary, Valley City; F. J. Traynor, Devils Lake; F. L. Conklin, Bismark; E. J. Lander, Grand Forks; and H. E. Siegfried, Fargo.

of the members of the North Dakota League for its secretary-treasurer.

The building and loan movement in North Dakota has enjoyed the support of the people of the State, including those prominent in public life. Governor L. B. Hanna has long been identified with the Northwestern Mutual Association and is also a director of the Fargo Association.

« « BIOGRAPHICAL SKETCH » »



MARTIN JONES, Secretary, Metropolitan Building and Loan Association at Fargo; formerly secretary of the Gate City Building and Loan Association of the same city; at one time deputy state examiner of the Fargo district.

Mr. Jones was born in Rising Sun, Wisconsin, on February 24, 1876, son of Henry and Mary Jones. In 1899 he married Birget Berg, and they have three children.

OHIO

By DON L. TOBIN*

DEMOBILIZATION of the great army that had surged back and forth across the Mason and Dixon line for four long years had barely been accomplished when incorporation papers were taken out for the first building and loan association to be organized in Ohio. It was a logical time for the birth of such an institution. Practically no home construction had been done during the years of the terrific struggle between the North and the South. With the ending of the war thousands of soldiers were turned back into the paths of normal living and ordinary processes of civilization were resumed.

As the clamor and demand for housing increased a group of wide awake citizens of Delaware, Ohio, on February 20, 1867, incorporated the Delaware Building Association for the purpose of constructing and maintaining buildings to be used for hotels, store rooms, and tenement houses. The original incorporation papers were signed by Thomas Evans, Jr., J. H. White, Calvin Welch, Henry S. Mansur and Joseph L. Slough. Shares in the number of 300 were issued at the par value of $100 each.

The Cleveland Land, Building, Loan Association was incorporated March 1, 1867, being the second to open in Ohio. The movement then spread rapidly as 31 associations were incorporated in the State before the close of 1857, largely in Cincinnati, Dayton, and Cleveland.

During the quarter of a century preceding the beginning of state supervision in 1891, 1,548 associations were organized and 700 of them were in existence at that date; most of the others had automatically ended their existence under the terminating plan of operation.

The first building and loan associations in Ohio were operated on the terminating plan and they were followed by a few on the serial plan, but the serial plan was never popular in Ohio. Herman F. Cellarius, in his first report as inspector of building and loan associations, gives the data concerning 465 building and loan associations, of which number 426 were on the per-

* The author of this history wishes to acknowledge the generous assistance of Herman F. Cellarius in compiling these Ohio data.

manent plan, 27 on the terminating plan and 12 of the serial type. This was in 1891.

Ohio building and loan associations were first authorized to take deposits by an act passed May 9, 1868, and that power has been conferred from that day to this.

In the middle 70's many more associations were organized for the sole purpose of group home building. In those days it was exceptional and rare for a bank to pay interest on deposits, few took small deposits, and none loaned on real estate.

In the early 80's following the panic of 1873, building and loan associations in Ohio really for the first time became more than neighborhood societies. Home building had been more or less dormant during the Civil War and following the depression of 1873. Now people were demanding home financing funds and the small saver also was seeking a place to deposit his money with absolute safety. Under such conditions the building and loan association in Ohio of that time began rapidly to expand its scope.

In the late 80's many Ohio building and loan associations departed from the old serial plan then in vogue.[1] The taking of deposits was authorized and interest rates to borrowers were lowered as the institutions grew in size and efficiency of management. The Dayton plan which came into operation about this time "differs from other plans in four main particulars, besides some minor ones. First, new members may join the association at any time without paying back dues. Second, paid-up stock is issued. Third, premiums were entirely abolished, each member being entitled to borrow money in the order of his application at such rate of interest as the board of directors may give from time to time. Fourth, earnings are not only ascertained and divided semi-annually, but when credited are subject to withdrawal the same as money payments."[2]

Obviously, the significance of this plan for the building and loan movement has proved to be far reaching. Its appearance may be said to mark a new stage in the development of building and loan practice. This plan belongs primarily to Ohio history.

[1] Only a few associations were involved for it will be recalled that serial associations were in the minority.

[2] Quoted from a statement by A. A. Winters to Carroll D. Wright, United States Commissioner of Labor 1893, and published in the latter's report of that year, p. 333. For further particulars concerning this plan and its effect upon the building and loan movement, see chapter VI, Part I above.

It is credited usually to Judge A. A. Winters of the Mutual Home Savings Association of Dayton, although he modestly describes it as the result of an evolutionary process.

Up until 1888, building and loan associations in Ohio grew very much as did Topsy. The associations of the State were very numerous and were scattered throughout almost every section, patronized by all classes of people, and located in communities, each of which had its own ideas and theories as to the best ways and means and methods. Under these circumstances a natural result was a very wide variety of institutions calling themselves building and loan associations. Each reflected in its methods and management the impress of the needs, ideas, and theories of the people who patronized it and the locality in which it was situated.

These differences were shown in many features. Some associations deemed it better to require monthly payments, while others preferred payments to be made weekly. Still others required payments at other intervals. Some preferred the terminating, some the serial, and others the perpetual plan. Some made loans deducting a gross premium, others collected a weekly or bi-weekly or monthly premium. Paid-up stock was issued by some associations, while others issued only running stock. Some associations had depositors who were not stockholders but who received a fixed rate of interest instead of dividends, while others received money from no one except stockholders.

This wide diversity of ideas and methods, followed by associations widely separated and with no community of interest or interchange of views, was becoming more and more vividly reflected in the laws, as each succeeding Legislature enacted new laws or repealed and amended old ones, at the request of some individual association or group of associations.

State Organizations

In 1888, under the conditions just described, the need for leadership in the business was clearly apparent. This was found in Dayton, where, on February 22, 1889, in the office of the Mutual Home and Savings Association, the Dayton Building Association League was organized.[3] Judge Ambrose A. Winters

[3] Instead of the state league being formed first as has usually been the case, Ohio offers an instance of the reversal of that order—first the local, then the county, finally the state organization. This was deliberate policy developed by Judge Winters to build up support for the comprehensive legislative program he intended to promote at the 1891 session of the Legislature.

was chairman and H. F. Cellarius, secretary, of the primary meeting. Judge Winters, at that time, stated that the object of the meeting was to discuss the advisability of organizing a local league of building and loan associations as well as an organization of all building and loan associations in Ohio. A general meeting of the officers of all building and loan associations of Dayton was called for March 6, 1889, at which time the Montgomery County Building Association League was organized. Members of the newly organized Montgomery County League took steps to form a state organization. The executive committee of the Dayton League, which consisted of Ambrose A. Winters, H. F. Cellarius, Charles A. Waltmire, C. J. McKee, and L. H. Poock, was duly authorized to issue the necessary call.

The Ohio Building Association League was organized in Columbus on August 15, 1889. Forty associations were represented at the original meeting, at which Judge Ambrose A. Winters presided and Emery R. Hiett of Toledo was chosen as secretary. No other business was transacted except the election of officers and the adoption of a constitution and by-laws. Judge Winters had made a preliminary draft of the constitution, which he wrote on the train from Dayton to Columbus, and which was adopted as written.

Officers of the organization at its founding were as follows: president, A. A. Winters, Dayton; 1st vice president, Hon. Henry Stueve, Cincinnati; 2nd vice president, Hon. Duncan S. Dow, Bellefontaine; secretary, Emery R. Hiett, Toledo; and treasurer, L. M. Studevant, Sidney. The executive committee consisted of A. A. Winters, Dayton; Emery R. Hiett, Toledo; John A. Whitaker, Cincinnati; A. H. Noah, Akron; T. G. Bristor, Mansfield; K. V. Haymaker, Defiance; and James M. McKay, Youngstown.

The second annual convention, held in the City of Dayton in the Board of Trade rooms on August 13, 1890, was well attended. One hundred and one associations were enrolled as members of the State League. Of these 37 were from Cincinnati, 12 from Dayton, 4 from Toledo, 1 from Cleveland, 2 from Columbus, and 45 scattered throughout the State. The financial report made by Treasurer Studevant indicated that the total receipts for the year amounted to $530 and $458.49 had been

expended during the year, leaving a balance in the treasury of $71.51.

Legislative Activity

In his annual address to the convention, President Winters recommended state supervision and restrictive legislation to curb the operation of the "nationals."

> "We must all agree that some sort of state supervision of building associations is a necessity, both for the good of the associations themselves and for the safety of the public. The history of the civilized world teaches us that no financial institution should be permitted to receive the money of the people generally, except under the safeguard of the state. This is more especially true of building associations, who deal with a class of people peculiarly defenseless, and are mostly managed by persons unaccustomed to deal with important financial problems.
>
> "The only question is, what shall be its nature and to what extent shall it go? How shall it be made least burdensome and at the same time most effective?"

President Winters prepared a codification of the building association laws of the State, supplementing it with provisions for State supervision, annual reports from associations, a fund for contingent losses and requiring "national" or foreign associations, in order to be permitted to operate in this State, to conduct their business in precisely the same manner as Ohio associations, besides requiring a deposit of $100,000, either in cash or in United States, state or municipal bonds. The bill, after securing the approval of the Executive Committee, was introduced in the Senate by Mr. M. T. Corcoran of Cincinnati.

When the Corcoran Act was before the Legislature in 1891, an attempt was made in the Senate to deprive building and loan associations of the right to receive and pay interest on deposits as had been the practice of Ohio associations since the passage of the law of 1868.[4] Through an amendment incorporated in the Corcoran Act by the Senate, the power to receive deposits read:

> "To receive money on deposit from time to time to the extent necessary to meet the demand made on it by its members but shall not pay interest thereon."

During the passage of the Corcoran Act so many hostile amendments were offered that Judge Ambrose Winters, who

[4] Difficulty arose from the fact that two Cleveland savings banks, incorporated under a building and loan charter, but doing regular savings bank business, were the only two institutions making use of the deposit provisions. Building and loan associations in the State were not employing the deposit privilege.

was leading the fight in behalf of the measure, had about made up his mind to abandon the effort to secure passage of the bill when Representative Griffin of Toledo urged him to continue his efforts and promised that he would make a fight in the House to restore the bill to its original form. Thus encouraged, Judge Winters renewed the fight and Representative Griffin made good his promise, and when the bill reached the House it was restored to its original form and finally so passed by both Houses.

The deposit provision quoted above was further amended in the House by adding the words "and depositors" after the word "members" and added in addition thereto the words "not exceeding the legal rate," so that the deposit provision then read:

> "To receive money on deposit from time to time to the extent necessary to meet the demand made on it by its members and depositors but shall not pay interest thereon exceeding the legal rate."

The passage of the Corcoran Act was secured through the auspices of the Ohio Building Association League and Judge Winters, its president, was in charge of the bill.[5]

The "nationals" undoubtedly delayed the passage of the bill through the operations of a man from Detroit, who represented a "national" association. This representative was unable to secure the financial aid which he expected to receive and his failure to do so undoubtedly made the passage of the act possible.

Promises had been made on behalf of the "nationals" to certain members of the Legislature that certain sums would be paid in case the bill failed of passage, but these promises were not fulfilled, and, as a result, some of the members who had opposed the bill at the instance of the representative of the "nationals," became ardent supporters of the Corcoran Act and made speeches in favor of its passage.

The provisions of the Corcoran Act were undoubtedly a severe blow to the "nationals." It was the first hostile legislation which they had encountered and many states followed the lead of Ohio, shutting them out from state to state.

The "nationals" representative who had been at Columbus,

[5] Those who rendered valuable service in the legislative campaign which resulted in the passage of the bill were: E. R. Hiett, Toledo; Julius Whiting, Jr., Canton; Elam Fisher, Eaton; L. M. Studevant, Sidney; K. V. Haymaker, Defiance; James M. McKay, Youngstown; and Herman F. Cellarius, Cincinnati.

after the fight was over, wrote one of the "national" journals, in which he said:

> "The concerted efforts of the Ohio Locals' League against the disunited opposition of a few nationals resulted in an exclusion act being passed, which is without its kind in the annals of American Legislation."

The Corcoran Law worked satisfactorily in the main and there was a general feeling that it should be given a fair trial and no changes made until, after thorough consideration, it was found that they were either necessary or very desirable. Of course, numerous amendments were proposed, some extremely dangerous, if enacted. For instance, the Hess bill, which proposed an amendment requiring every secretary to furnish the County Auditor with a list of holders of paid-up stock. The fixed policy of the Ohio League for a number of years was to ask for no legislation, but simply to fight inimical legislation.

The Ohio League thus succeeded in preventing any material amendments to this law for 16 years after its passage, but with the growth of business and changing conditions the legislative committee of the State League was directed in 1907, to prepare a recodification, which was introduced in the Legislature the following year by Senator Russell. A number of desirable features were incorporated, among them that loans could be made to members or others, that the constitution and by-laws of new companies had to be filed with the inspector; fiduciary funds could be deposited with building and loan associations; joint and survivorship accounts authorized; the list of bonds in which idle funds could be invested was enlarged; the examination of associations was made mandatory at least once a year; cumulative voting was abolished and fractional share voting was authorized; the right granted to own an office building and the creation of an undivided profit fund was provided for. The salary of the deputy inspector was fixed at $3,000.

No substantial changes were made in the building and loan laws during the ensuing 15 years until in 1923, by the passage of the King Law, important amendments were effected (1) requiring the approval of the constitution and by-laws by the superintendent of building and loan associations; (2) abolishing the initiation fee and prohibiting the payment of commissions on the sale of stock; (3) fixing the minimum paid in capital for

new associations in cities at $25,000 and in villages at $15,000; (4) prohibiting branches, unless authorized by the superintendent; (5) and limiting mortgage loans to three classes of securities, on real estate, on stock or deposits of the association, or on securities permitted under Section 9660, General Code, but not exceeding 10% of the assets.

In 1911 the Ohio Building Association League made a notable demonstration of its power to combat unfavorable legislation when it defeated an effort to force building and loan associations to return, under oath, to the county auditor for taxation purposes the amount of the reserve and undivided profit funds together with a full list of names and residences of their shareholders and depositors and the amounts of their credits.

The State League, under the leadership of President J. J. Purinton and Secretary Charles H. Brown, brought its force to Columbus in special trains and marched in a solid phalanx into the hall of the House of Representatives on the evening of March 14, 1911, and made known its opposition in no uncertain terms. This was probably the most spirited hearing ever held in the Ohio Legislature. A victory again perched on the banners of the building and loan forces. Time and time again the Ohio Building Association League has similarly defeated the efforts of those who have attempted to foist inimical legislation upon the building and loan associations of the State.

After the Congress of the United States granted to the building and loan associations an exemption from federal taxation in the excise tax act of 1909,[6] the commissioner of internal Revenue sought to give to the language of the act a narrow and restricted construction, with the result that it would have deprived many associations of the benefits to which they were entitled. The Ohio Building Association League came to the rescue in suits instituted on its behalf in the cases of the Bellefontaine Building and Loan Company[7] and the Central Building, Loan and Savings Company of Columbus, Ohio.[8] Both were successfully fought out in the federal court, defeating the efforts of the Treasury Department. Judge Hollister, of the

[6] See Chapter XIII, Part I, above.
[7] 216 Fed. 526 (1914); see Chapter XIV, above.
[8] Decision by the United States Board of Tax Appeals, May 3, 1928.

United States District Court, Southern District of Ohio, where these cases were tried, held that:

> "building and loan associations, under the laws of Ohio, notwithstanding their power to borrow money from or loan to non-members, are organized and operated exclusively for the mutual benefit of their members, come strictly within the provision giving them exemption from the tax in question."

The Treasury Department sought to appeal these cases, but the attorney general, recognizing the merits of the contention made on behalf of the building associations and the justness of the decision rendered by the federal court declined to give his assent. Accordingly the Treasury Department was required to grant refunds and, in cases where the statute of limitations had expired, Congress passed a special act authorizing the repayment of amounts which had been illegally collected.

Again, in the Lilley case,[9] the Ohio Building Association League carried through the Federal Courts a test case to determine the status of building and loan associations under the exemption clause of the revenue act of 1918, and while it was not as successful in this as in its previous efforts, yet it rendered a very valuable service to the building association cause. However, this case was practically reversed by the decision of the United States Court of Claims in the Cambridge case,[10] yet it came too late to be of practical benefit, although it clearly indicated just ground for the prosecution of the suit.

Under the rulings and regulations of the Treasury Department numerous associations in Ohio and elsewhere were denied exemption under the revenue acts of 1918 and 1921,[11] on grounds which were not warranted by these acts. While Congress had granted an exemption to building and loan associations, substantially all the business of which is confined to making loans to members, the commissioner of internal revenue provided other qualifications and restrictions, as necessary to entitle them to the exemption provided. The Ohio Building Association League protested this contention and appealed a number of cases to the United States Board of Tax Appeals, some of which were reversed. The League also prosecuted under its authority another test case, instituted in the United States Court of Claims in the case of the Cambridge Loan and Building Com-

[9] 280 Fed. 143 (1928).
[10] 63 Ct. Cl. 631 (1927).
[11] See Chapter XIII.

pany of Cambridge, Ohio, where the five federal judges of that court completely reversed the rulings of the commissioner of internal revenue. This case was appealed to the Supreme Court of the United States by the Government, but the judgment of the court below was finally affirmed.[12] This was a most important decision because it also definitely determined the rights of building and loan associations under the various revenue acts since passed, which contain building association exemptions in identical language. Under the opinion handed down by Justice Holmes, it was held that inasmuch as Congress had not defined building and loan associations in the act, but referred to them as "domestic" associations (i. e., associations sanctioned by the several states) they must be taken, except with qualifications expressly stated, as what the states are content to recognize, unless there be a gross misuse of the name. Thus it is now settled law that building and loan associations, which are conducted strictly in accordance with laws of the state under which they are organized and operated, if substantially all of their business is confined to making loans to their members, are exempt from the federal income tax. This may be accounted as the crowning achievement of the Ohio Building Association League.

The Ohio Building Association League has rendered other far-reaching and important services to its members, among which should be particularly mentioned the provision which has been made for the creation of a reserve credit for Ohio associations, to be drawn upon in times of emergency when local banks are unable to supply the needed funds to meet unusual demands of withdrawing stockholders and depositors. This was arranged for at a time when no immediate requirement for such emergency fund was evident, but developments of 1930-1931 have demonstrated not only the desirability, but the absolute necessity, for such a protective safeguard.

For many years the Ohio Building Association League took an active part in attempting to change Ohio's archaic uniform rule of taxation. In 1925, the League lead the fight for classification which, although defeated in that year, laid the groundwork for a successful classification fight in 1929.

Ohio Building and Loan Leaders

Many names have loomed large in Ohio building and loan

[12] 278 U. S. 55 (1928).

annals. No historian who must confine his efforts to the limited space available for this article would attempt to pay tribute to all who deserve public recognition for their part in promoting and extending home financing institutions in Ohio.

Among some of the earlier men, now long since dead, who might be mentioned, are: Judge Ambrose A. Winters, Dayton; Emery R. Hiett, Toledo; T. J. Bristor, Mansfield; A. H. Noah, Akron; H. M. Farnsworth, Cleveland; Charles Beuzer, Cincinnati; and L. L. Rankin, Columbus.

Among those still living, who have played an important part in Ohio building and loan circles for nearly a half century, are: James M. McKay, Youngstown; John J. Puriton, East Liverpool; Herman F. Cellarius, Cincinnati; L. M. Studevant, Sidney; Frank L. Wells, Wellsville; Julius Whiting, Jr., Canton; L. P. McCullough and John F. Fergus, Columbus; Robert T. Izant, Warren; Fred T. Bistor, Mansfield; Charles G. King, Massillon; George Meyers, Toledo; Charles J. Parrish, Hamilton; O. F. Pilcher, McArthur; Thomas L. Pogue, Cincinnati; John W. Roby, Lima; and J. B. Wilderding, Cleveland. All were officers or members of the executive committee of the Ohio Building Association League in its formative years.



James M. McKay

Ohio might be accused of selfishness in claiming Herman F. Cellarius and Henry S. Rosenthal, for both have been closely and prominently identified with building and loan affairs in the United States for nearly half a century. But they belong to Ohio and Ohio is prone to include among her building and loan pioneers the names of Cellarius and Rosenthal.



J. E. Kinney

Further evidence of Ohio's leadership in national building and loan affairs is found in the fact that the State has furnished four presidents of the United States League and been host on four occasions to the national convention. The four national presidents from Ohio are: Fred Bader of Cincinnati (1899); James

M. McKay of Youngstown (1911); L. L. Rankin (1918); and J. E. Kinney (1923) of Columbus. Brief comment on the work of Mr. Bader and Mr. Rankin is contained in Chapter XI, while photographs of Mr. McKay and Mr. Kinney are appended here. The four national conventions which took place in Ohio were at Cleveland in 1895, and again in 1924, at Put-in-Bay in 1902, and at Cincinnati in 1906.

Progress in Ohio

The growth of building and loan associations in Ohio for the first 25 years was comparatively slow. In 1891, 700 associations had total resources of $59,000,000. The significant growth in Ohio dates from 1919, when the Ohio Building Association League established permanent offices in Columbus and named James A. Devine as executive secretary. Two years later the Ohio League established its own Publicity Department, the first of its kind to be maintained by any building and loan organization in the country. From 1919 to 1931 assets of Ohio building and loan companies increased from $381,000,000 to almost $1,250,000,000.

When state supervision was put in effect in 1892, Ohio building and loan companies had 252,000 stockholders and depositors, and 59,000 borrowers. In 1931 Ohio building and loan companies had 900,000 stockholders, 500,000 borrowers, and 1,200,000 depositors.



James A. Devine

At the close of business December 31, 1930, there were 791 associations in Ohio with total resources of $1,244,266,926.

No history of the growth and progress of building and loan work in Ohio could be a true picture without painting in vivid colors the influence of James A. Devine on the building and loan association movement in Ohio. Mr. Devine began as a building and loan examiner in 1911, later serving for six years as superintendent of the state department of building and loan associations. Because of his knowledge gained through long years of intimate service, Devine began his career as the titular leader of the building and loan movement in 1919 with a wonderful background. Devine has

been a leader in the progress of Ohio building and loan associations since 1919. Every worthwhile effort bears his stamp; every advance was carried on under his banner; every attack upon the business in general was defeated under his leadership.

Devine was responsible for a rehabilitation of the Ohio Building Association League. Together with Charles G. King, in Massillon, he was instrumental in driving building and loan promoters from the State through the passage of the King Bill. His leadership, courage, and foresight gave a taxation victory to the building and loan associations, not only of Ohio, but of the United States, in the Cambridge decision, the only interpretation ever put upon the building and loan movement in this country by the United States Supreme Court.

« « BIOGRAPHICAL SKETCH » »



DON L. TOBIN, director of the Central Ohio Building and Loan Company; for ten years director of Public Relations, Ohio Building Association League; first chairman of the Publicity Division, United States League.

Mr. Tobin is a graduate of Ohio State University, in Chemical Engineering. He was engaged in newspaper work as reporter, editor, and publisher from 1912 to 1917. During the War, he was director of publicity for the War Savings Committee in the Middle West.

OKLAHOMA

By JOHN F. MAHR

THE history of building and loan associations in Oklahoma parallels in point of time the history of the State. The formulation of her building and loan laws was thus a part of the formulation of the general laws of the State.

The Guthrie Building and Loan Association, the first association in Oklahoma, was chartered in Oklahoma Territory June 26, 1890, a few weeks after the territory was created. Shortly after the organic act was passed by Congress, a dozen men met one night in the rear room of the Eisenschmidt and Hetch shoe store in Guthrie and drew up articles of incorporation. Charles F. Eisenschmidt was elected secretary, in active charge of the Association, and A. J. Spengle, president. The first board of directors consisted of A. J. Spengle, F. B. Lillie, Fred L. Wenner, P. J. Heilman, J. B. Fairfield, Frank Oldsmith, and C. M. Barnes, later Territorial governor.

During the first years the directors held weekly meetings at the Eisenschmidt store and sold money to the highest bidder under the statute providing for sale of money at premium. The first loan for $500 for the erection of a four-room cottage was made in July, 1890, to L. E. Kimball, who paid a premium of 25% and interest at 12%. During the first few years it was not uncommon for borrowers to pay from 30 to 50% premium, payable in advance.

This Association, as were all others prior to 1910, was organized on the serial plan. After that date associations changed to the permanent plan.

The second organization was formed in 1895, and named the Indian Territory Building and Loan Association of Durant. Among its incorporators were Robert L. Williams, Oklahoma's second governor and now federal judge, and J. D. Langford, ex-bank commissioner.

The third association, organized in 1896, and the Indian Territory Association are unique in having charters granted by the Federal Government because Indian Territory had no territorial government as did Oklahoma Territory. This third organization, the Mutual Savings and Loan Association, of

Bartlesville, formed by A. H. Boles, was granted a perpetual charter, the only one of its kind in the State, by the federal office located then at Fort Smith, Arkansas.

At the State's Opening

When the State of Oklahoma came into existence in 1907, after the amalgamation of the Indian and Oklahoma Territories, there were 14 associations in the State, five of which came immediately under the supervision of the bank commissioner, according to the provisions of the Oklahoma Constitution of 1907. The total assets of these five associations at that time amounted to $357,000. Seven associations held out, denying that the commissioner had a right to examine them. The controversy was settled in 1908 by the supreme court of Oklahoma which upheld the constitutional requirement that all "loan, savings, investment, bank and trust companies doing business in this State came under the supervision and regulation of the State bank commissioner."

W. M. Malone, one of the earliest leaders in Oklahoma, and now president of the Phoenix Building and Loan Association at Vinita, describes the early conditions as follows:

> "At the first session of the Legislature, a building and loan measure was enacted into law. In 1910 the first state building and loan auditor was appointed. When he took charge of the office all records of foreign and domestic associations doing business in Oklahoma could have been carried in one's vest pocket. When the capitol was removed from Guthrie to Oklahoma City (1910) the auditor could carry all of his records in a hand bag."

Great Increase With No Losses

Compare this chaotic condition of 1910 with the 1930 status of the building and loan business in Oklahoma. The business has increased from a few hundred stockholders to a membership of 255,000. This is not large, compared with the thickly populated states, but in Oklahoma it means that a ratio of one person out of every 10 in the State is a member of a building and loan association.

Loans in force have grown from a few hundred in 1910 to 66,916. One person out of approximately every 38 is a borrower.

Resources in the 20-year period have increased from $357,000 to $140,000,000. Oklahoma believes that this record of thrift over 23 years is unique and that this fund, supplied

by 260,000 members, is attributable to the strict observance of building and loan laws.

Also during that period no permits were revoked for domestic associations and only three were revoked for foreign associations and these without loss to the investor. Between 1906 and 1915 nine building and loan associations liquidated voluntarily, none of them costing their investors any loss.

Oklahoma associations operate on the mutual plan and are permitted to issue four types of stock: full-paid, prepaid, monthly installment, and optional installment shares.

Legal Supervision By the State

From 1890 to 1910 the business had no supervision by the Federal Government. In 1910 a single auditor attempted to supervise management and books but now in 1931 Oklahoma offers as rigid inspection and defense against illegal procedure as the United States does over national banks.

Confidence is bred by the fact that the business is under the supervision of the State banking department. The bank commissioner, with the approval of the building and loan board which is described later, is authorized and directed to appoint four examiners in the building and loan division of the State banking department. These examiners are known as building and loan auditors, one of whom is designated as the building and loan supervisor. The building and loan supervisor is, in fact, the assistant bank commissioner in charge of building and loan institutions and this organization constitutes the building and loan division of the banking department. The building and loan supervisor must have had at least two years' actual experience in the active work of some building and loan association. The other three building and loan auditors, or examiners, are field men and, with the supervisor, are charged with doing the work of examining and auditing the building and loan associations of Oklahoma.

Work of the State League

The second cause contributing to the progress and stability of building and loan in the state lies in the Oklahoma Building and Loan League. Its birth will rank in the future among the major financial events in the State's history. It was organized on April 22, 1915, by W. M. Malone and S. S. Smith, who

served as president and secretary respectively, just when splendid building and loan laws had been passed by the State Legislature. These the League has never failed to defend. It has insisted upon a high code of ethics, and been active in improving and keeping up to date the building and loan legislation of the State.

It has impressed the worth of building and loan on government, schools, homes, churches, and the press. It has cultivated friendship with banks, real estate operators and business, generally, until Oklahoma holds a leading place in the nation today in the close contact between building and loan and other business organizations. The League has defended legitimate associations from the fly-by-night associations entering the State under the shield of the building and loan name.

The names of those who have held positions in the League are proof positive of its character. Its presidents since 1913 have been W. M. Malone, S. S. Smith, E. E. Grinstead, George E. McKinnis, Harry McClintock, E. A. Pemberton, G. P. Selvidge, R. P. Brewer, O. R. Salmon, A. W. Anderson, and R. P. Harrison.

In all of its 16 years just three secretaries have served it; S. S. Smith, Oklahoma City; O. R. Salmon, Durant, who held the position for 10 years; and W. R. McWilliams, the pioneer manager of the Oklahoma City Building and Loan.

The Oklahoma Building and Loan League has been in existence 16 years. Following the example of Ohio, which had had such success with a full-time office with James Devine as executive secretary, the Oklahoma League established its own full-time central office. This is located in Oklahoma City, the State's capital, and has become a clearing house for all building and loan managers of the State, keeping in touch with all significant movements over the country and disseminating the information through the League's publication, "The Building and Loan Digest." The office directs its information in two ways; advice on operation goes to its members; and information and advice on the methods of building and loan to the public.

Oklahoma has three Chapters of the American Savings, Building and Loan Institute. This is outstanding in Institute history as no other State has more than two Chapters. These Chapters are located at Shawnee, Oklahoma City, and Tulsa.

In national affairs, Oklahoma has also forged ahead and the Institute's fourth president was an Oklahoma man, George E. McKinnis of Shawnee.

McKinnis, Father of Movement

The record of the business in Oklahoma tells a story of lofty enterprise. By unanimous vote of the State's leaders George E. McKinnis of Shawnee has been designated the one man that typifies the movement's power and progress. Mr. McKinnis is one of the leading living figures in the domain of America's building and loan associations.



George E. McKinnis

McKinnis began as a country school master but soon advanced to the post of city superintendent of schools of Shawnee. Even as he turned to 17 years of banking, the same breadth of character and emphasis on the humanities followed him. In 1912 he founded the Fidelity Building and Loan Association of Shawnee, which has kept him every day since on the firing line promoting, defending, originating factors of betterment.

There is not a modern building and loan law in the state that does not bear the McKinnis stamp. He has had a hand in developing the state board of control, establishing a permanent secretaryship for the League, writing its code of ethics, and founding the larger body, the Southwestern States Group Building and Loan Conference.

The same energy is obvious in his national work. His reputation as a student of building and loan, with his reputation for geniality, forced his appearance in other states, and his work in the United States Building and Loan League. In 1926 at Minneapolis he was made president of the United States Building and Loan League. He took it over with insufficient money in its treasury and left it with a large surplus and a system of permanent support.

In 1929 the United States League adopted a new constitution which provided for a more efficient organization. This new constitution will be an enduring monument to the wisdom of

McKinnis. Despite the fact that he has received every honor that can be given him, he is still hard at work.

The Building and Loan Board

The third factor in the strength of Oklahoma building and loan was the creation, through the influence of the State League, of the building and loan board. The Governor, with the consent of the senate, appoints a building and loan board of three members, each of whom must have at least three years of active experience as a manager of a building and loan association. This trio, with the bank commissioner, forms the supervising and controlling force for cleansing and strengthening the associations. Through this board dangerous men and methods are eliminated. Professional diagnosis of each organization means eradication of weak elements, and strengthening of the right values.

Each time the governor, in appointing the board, has exercised the highest consideration of building and loan interests. The first board included John B. Doolin, Alva; O. R. Salmon, Durant; E. F. Scott, Pawhuska; and O. B. Mothersead, state banking commissioner.

The second board included such leaders as C. Graves Shull, bank commissioner, John F. Mahr, building and loan supervisor; E. F. Scott; C. C. Roberts, Tulsa; W. R. McWilliams, Oklahoma City; and E. C. Gray, building and loan commissioner. The third and present board is composed of Shull, McWilliams, Doolin and the well-known civic-worker, L. C. Pollock, Bartlesville.

Because of the simultaneous growth of the State and of building and loan, Oklahoma feels assured that no factor has helped build every town in the State as much as its building and loan associations. Further evidence of the position of building and loan activity in Oklahoma is found in the list of prominent persons who have been actively connected with the movement in the State or have addressed its State conventions.

Among the prominent Oklahomans who have been active in building and loan affairs in the State are: Hon. J. Berry King, attorney general of Oklahoma; United States senator W. B. Pine, president of the Okmulgee Building and Loan Association; Hon. John B. Doolin, member of the Federal Reserve Bank board for the 12th district and member of the Oklahoma

Building and Loan Board; Federal Judge Robert C. Williams, former Governor of Oklahoma and organizer of the Indian Territory Building and Loan Association; Harry Sinclair, president of the Sinclair Oil Company and formerly president of the Tulsa Building and Loan Association. The State convention has numbered among its prominent guests: Secretary of War Patrick J. Hurley; former Governor M. E. Trapp; O. B. Mothersead, former state bank commissioner; and United States Senator Elmer Thomas.

« « BIOGRAPHICAL SKETCH » »



JOHN F. MAHR, Executive secretary of the Oklahoma Building and Loan League; formerly assistant bank commissioner of Oklahoma and in charge of a number of building and loan associations; later state building and loan supervisor.

Mr. Mahr was born in Oklahoma City in 1892, son of J. C. and Annette Fair Mahr. In 1927 he married Katherine Lee Graham.

OREGON

By BEN H. HAZEN

The First Oregon Associations

BUILDING and loan history started in the State of Oregon when the Franklin Building and Loan Association filed articles of incorporation on April 10, 1883, to start business in Portland as a serial association with an authorized capital of $400,000. Its incorporators were John A. Child, R. Newcomb, J. H. Lyons, William Stokes, W. M. Gregory, N. Versteeg, and A. Thompson. It was a serial association wit h shares of $200 par value. Capitalization was subsequently increased to $2,000,000. J. T. Stewart became its secretary and was active in assisting the Astoria Building and Loan Association to start about two years later.

Many of Portland's present successful business men speak a good word for this old Franklin Building and Loan Association and tell interesting stories of their meetings, but in those days there was no Oregon building and loan code, no supervision, no corporation department, and very little State record. The Association drifted into financial difficulties and was finally liquidated. Nothing in the files of the State indicates that members lost any of their principal, but this cannot be stated as a certainty. The corporation was dissolved by proclamation of the governor in 1906.

The Astoria Building and Loan Association was organized in February, 1887, to operate on the serial plan with shares at $200 maturity value. Loans were made by auction. Its first directors were J. P. Dickinson, president; C. S. Wright, vice president; E. A. Noyes, treasurer; A. S. Reed, secretary and F. R. Stokes, J. H. D. Gray, D. Douglas, and J. R. Gilstrap. The last named is now a resident of Portland and has among his cherished mementos a folder printed on the press of George H. Himes and describing the "new principle," copied after the system already quite generally used in Philadelphia and other eastern cities.

The third association was started in Pendleton in April, 1888, under the name of the Oregon Building and Loan Asso-

tion, and it has quietly, locally, and safely operated for 42 years. True to the original conception of building and loan associations, it has been operated with almost no overhead expense and has sought little but voluntary support. Its assets today are only $175,000, but in its many years of existence it has fostered thrift and pride of home in many hundreds of Pendleton families.

The Equitable Savings and Loan Association

Since nearly 40% of Oregon's $32,000,000 in building and loan assets is in one association, the history of that organization, the Equitable Savings and Loan Association, is of special interest.

F. McKercher was its founder. He came from Ohio in 1885, as employee of the Pacific Coast Grain Elevator Company. Being familiar with building and loan associations in his home State, he interested a group of Portland business men in founding the Oregon Building and Loan Association in December, 1890. The name was changed to the Equitable Savings and Loan Association two years later.[1]

The first officers were S. B. Wiley, president; W. R. Lewis, vice president; F. McKercher, secretary, and D. F. Sherman, treasurer. The first month's expense, including rent, furniture, and a subscription to the local paper amounted to $76.50. The first loan was for $300, and the cash balance in the treasury at the end of February, was $3.25.

A High Dividend Producer

Building and loan men of the Northwest often point with pride to the dividend record of the Eastern Oregon Building and Loan Association of Baker. For 21 years it paid 9% annual dividends, and for two years, 10%. Today, however, it is lending at lower rates and its dividend rate has been reduced accordingly. It continues to credit its dividends on an annual basis. While this Association dates from February 26, 1901,

[1] Subsequent presidents of the Equitable Association were: Charles E. Ladd, who served until his death in 1918, Edward E. Cookingham, F. McKercher, and A. C. Cammack. Mr. Cammack, the present head of the $12,500,000 institution, started under Mr. McKercher as an office boy, and has successively been assistant secretary, secretary, and vice president. It was under Mr. Cammack's management that the Association had its largest growth. R. A. Schramm, now secretary, has been with the Association since December, 1902, and is probably oldest in continuous building and loan full-time service in Oregon today. Many other employees have long records of service. C. W. Hayhurst, once secretary and later vice president, is no longer connected with the business, but maintains an active interest in building and loan affairs in the City.

it was successor in its community to the Baker City Building and Loan Association, incorporated December 18, 1889. William Pollman, present treasurer of the Eastern Oregon Association, was one of its incorporators and has been a director and officer ever since. The present entire board of directors[2] has served in that capacity for 25 years without compensation until three years ago when they commenced to receive $5.00 for attendance at each regular meeting.

Southern Oregon had no building and loan association until January, 1909, when O. C. Boggs, attorney, organized the Jackson County Building and Loan Association, of which he has been secretary and manager. Southern Oregon and Willamette Valley were both served by the Equitable Savings and Loan Association of Portland and by the Western Loan and Building Company of Salt Lake City, which still operates in the State.

A. A. Lee of Salem helped to found and still acts as the competent secretary of the Mutual Savings and Loan Association of Salem. This Association maintains a full-time office, but it has a weekly savings plan and until a few years ago clung to the old time method of receiving bids for its loans.

Impetus in 1924

Limitation of space prevents giving the history of each association in Oregon. The majority are less than 10 years old. Their total assets are over $30,000,000. Since the State contains but one large city, it is natural that more than half the total assets are in the associations of that city. However, strong, well-managed, growing, and successful associations are to be found in Eugene, McMinnville, Oregon City, Roseburg, Grants Pass, Salem, Medford, Albany, Corvallis, Hillsboro, Marshfield, Bend, La Grande, Enterprise, and Astoria.

The Holding Company

A new device introduced into the Oregon building and loan business in the last few years is the holding company. Four such companies are now in existence. The Northern-banc Corporation, controlling two Portland associations, intends to consolidate them into a one million dollar institution. The Prudential Bancorporation has six associations in four cities.

[2] They are W. S. Bowers, John Schmitz, A. S. Schockley, F. L. Bowen, George W. Henry, G. M. Ryder, and N. A. Muegge.

Their combined assets would be nearly six millions, but its policy is to operate units for a percentage compensation. The Mortgage Investment Company controls a variety of finance companies, including a dozen associations in various Oregon communities. Its policy is to absorb them gradually into one chain under the title, Guardian Building and Loan Association. The Commonwealth Corporation now controls the Equitable Savings and Loan Association which is Portland's oldest and largest association. It has also acquired a title company, a trust company, and a bond house, and has plans for constructing a 24-story office building on a recently acquired half block in the heart of the City.

It is too early to prophesy what will be the outcome of this new development. Three-fourths of Oregon building and loan assets are now affiliated in some way with holding companies. A number of mutuals were converted into reserve fund associations in order that such arrangements might be made. Some remain independent, however, and a friendly three-cornered race for public favor is now taking place between the independent mutuals, the independent reserve fund associations, and the holding company affiliates.

Oregon Plans

Of the 31 associations in Oregon, none are now operating on the serial plan. The Mutual Savings and Loan Association of Salem, the Douglas Building and Loan Association of Roseburg, and the Oregon Building and Loan Association of Pendleton were all originally organized to operate serially, but have changed to the permanent plan. Most associations accept optional savings, but cater principally to lump sum investors and monthly installment savers. At least two-thirds of the total assets in all associations have been accumulated by regular monthly saving. Provision is made in the new Oregon code for installment, optional payment, prepaid, full-paid, and juvenile shares, as well as for the same classes of investment certificates and for reserve fund, or permanent guarantee, capital stock.

Dividends in Portland range from 4% to 6%, and outside of Portland from 5% to 8%. The tendency throughout the State is toward lower rates, and further impetus in this direction is lent by very stringent requirements of the new Oregon code.

The New Code

On June 11, 1931, Oregon associations began to operate under a new and modern building and loan code. Prior to its unanimous passage by the 1931 Legislature, the business had been carried on under a code passed in 1895, and amended a number of times until it resembled a patchwork quilt.

The new code provides for mutual and for reserve fund associations. Under the latter classification it would be possible to develop the mutual guarantee type which is sometimes used in California, but the trend in Oregon is toward the full guarantee capital system, without simulation of mutuality, except toward borrowers.

Pronounced by the advisory committee on state legislation of the United States League as one of the best codes so far submitted by any state, the new Oregon law is expected to increase greatly the use of savings and loan investment by the Oregon public. It abolishes membership fees after May 1, 1932, makes fines practically impossible, restricts investments to a very high degree of safety, encourages associations to maintain a fair percentage of bonds and cash for withdrawals, requires semi-annual newspaper publication of statements, annual examinations, and an annual state report. The penal provisions are stringent, and the requirement that the commissioner and supervisor actually supervise is mandatory and their failure to do so is punishable by discharge.

O. C. Boggs of Medford was chairman of the legislative committee which introduced the new code, and he was assisted principally by E. G. Weber, E. E. Fitzwater, Lee C. Stidd, and Ben H. Hazen. First administration of the new code is in competent hands. James W. Mott, appointed corporation commissioner by Governor J. L. Meier, has selected as savings and loan supervisor, J. R. Callahan, who was formerly executive officer of the Federal, and later of the Union Savings and Loan Association, both of Portland. He has served as secretary of the State League, and as president of both the Portland League and the Oregon State League of Savings and Loan Associations.

Prior to enactment of this 1931 law Oregon associations had been regulated largely by a code passed by the Oregon Legislature in 1895. This code, with some subsequent amendments, has been the law governing the business in this state

until June 6, 1931, when the new Oregon code became effective. The original code was designed to provide for a plan which was then being used by the Equitable Savings and Loan Association of Portland and the executives of that Association were largely instrumental in its passage.

Oregon's Activity in National Affairs

Oregon's active participation in affairs of the United States Building and Loan League began with attendance at the Cleveland convention in 1924 of its first State League president, R. J. Kirkwood. Since that date it has always been represented at national conventions by one or more delegates.

Lee C. Stidd, of the Benefit Savings and Loan Association of Portland, was elected first director to represent the associations of the twelfth district on the directorate of the United States League. Ben H. Hazen of the Benjamin Franklin Association of Portland was elected state vice president for Oregon.

The State League

The first attempt to organize an Oregon League of Savings and Loan and Building and Loan Associations was made in 1920 when J. A. Buchanan of the Astoria Savings and Loan Association and R. J. Kirkwood of the Union Savings and Loan Association of Portland met for that purpose. Mr. Kirkwood was designated president and Mr. Buchanan, secretary. One or two unrecorded meetings were held and Mr. Kirkwood attended the United States League as representative of the Oregon organization.

The present Oregon League of Building and Loan and Savings and Loan Associations[3] came into being, according to its existing minutes, on September 7, 1924. Mr. Kirkwood called this meeting to order and presided during the session. O. C. Boggs of Medford was elected president to succeed Mr. Kirkwood. He was also appointed delegate to the United States League convention in Kansas City in 1925.

[3] The presidents of the Oregon League have been as follows:

	Residence	*Date*	*Convention at*
R. J. Kirkwood	Portland	1924	Portland
O. C. Boggs	Medford	1924–25	Medford
G. H. Foster	Baker	1925–26	Baker
L. C. Stidd	Portland	1926–27	Portland
A. A. Lee	Salem	1927–28	Portland
J. C. Kendall	Marshfield	1928–29	Marshfield
J. R. Callahan	Portland	1929–30	Portland
H. C. Pargeter	Roseburg	1930–31	

The Portland League

The associations of Portland have a local organization, known as the Portland League of Savings and Loan Associations.[4] Monthly meetings are held, principally for round-table discussion. These have led to a number of forward steps in the savings and loan movement of the City and State. Frank A. Chase and the Pacific Savings and Loan Conference were both brought to Portland under "City League" auspices, and the Portland Chapter of the American Savings, Building and Loan Institute benefits by its sponsorship.

Educational Activity

Chapter 31 of the American Savings, Building and Loan Institute is in Portland. It boasts one three-year graduate, and many students who have successfully completed courses in building and loan, commercial law, economics, and letter writing.

Guy E. Jaques, its president in 1931, is now governor of District Number 5 and is one of the Institute's trustees.[5]

Many persons prominent in public life in Oregon have been active in building and loan affairs in the State. Only a few of them can be mentioned here. State Senator B. L. Eddy of Roseburg is president of the Douglas Building and Loan Association; Federal Judge J. C. Kendall of Marshfield is president of the West Coast Savings and Loan Association and a past president of the Oregon State League; Edward H. Cookingham, president of the Ladd and Tilton Bank of Portland and vice

[4] Its present officers are Ben H. Hazen, president, and Fred G. Wills, secretary.

[5] The secretary of the local chapter is Wayne Pomeroy, and the vice president is Mrs. Nina Mauk.

president of the United States National Bank also of Portland, was formerly president of the Equitable Savings and Loan Association.

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BEN H. HAZEN, secretary-manager of the Benjamin Franklin Savings and Loan Association of Portland, which he organized in 1925. President of the Portland League of Savings and Loan Associations and state vice president of the United States League for Oregon.

Mr. Hazen was born August 22, 1890, in Davenport, Iowa, son of Edward H. and Sarah Freeman Hazen. Before entering the building and loan business he engaged in various business enterprises in the Northwest. He married Dana Willcox and they have four children.

PENNSYLVANIA

By JOSEPH H. SUNDHEIM

PHILADELPHIA, Pennsylvania, is the cradle of building and loan business in America and the first association was the Oxford Provident Building Association, organized at Frankford, which is now a suburb of Philadelphia, January 3, 1831. It is not necessary here to describe the details about the organization and operation of this first association, for the complete story is contained in Chapter III of this volume together with the general background against which this important development took place. Sufficient is the statement that this was a terminating association which wound up its affairs on June 10, 1841 and the few remaining orders were turned over to the Oxford Provident Association No. 2.[1]

Other associations followed in Philadelphia: the Franklin in 1845, also a terminating association; and the Kensington Building Association in 1847. The latter institution was incorporated in 1884 and changed to the serial plan of operation. It and the Decatur Building Association, formed in 1849 as the successor of the preceding Oxford Provident Associations, are by far the oldest building and loan associations in Pennsylvania.

Pennsylvania Legislation

Some few associations were incorporated under the Act of October 13, 1840,[2] although that law makes no specific mention of building and loan associations. It refers to associations for literary, charitable, and religious purposes, beneficial societies, fire, engine, or hose companies. The Act of April 22, 1850,[3] extended the Act of 1840 to "mutual savings fund, land and building associations." This act was local, being confined to the counties of Philadelphia, Schuykill, and Berks, but by subse-

[1] *Editorial Note:* The few details about the very first associations in Pennsylvania are supplied from a pamphlet by Arthur Brossman on "The Pennsylvania League of Building and Loan Associations" and published in 1931. Only the barest outline is traced here. Further details concerning the early spreading of the building and loan idea are to be found in Chapter IV above.

[2] Pamphlet Laws, 5.

[3] Pamphlet Laws 550.

quent legislation was extended to other parts of the State although it never became a general law.

By the Act of 1850 the courts of common pleas were authorized to grant charters of incorporation. The object and purposes of associations were not stated in the Act, nor were their powers enumerated or described. The Legislature appears to have assumed that the nature of such associations was well known. By the Act of May 8, 1855,[4] it was enacted "that in investments by building associations in loans to members thereof, the premium given for preference or priority of loan shall not be deemed usurious."

The Act of April 12, 1859,[5] revised the whole building and loan legislation, applied to the entire State, and by implication repealed all previous acts. This was a masterpiece of legislation. It provided for incorporation by the common pleas court of the proper county on the application of 10 or more persons. This act was followed by the Act of April 29, 1874,[6] which repeated most of the provisions of the Act of 1859, repealed all prior legislation, but made one important change in that all charters were granted by the executive department instead of by the judicial department of the government. The Act of April 10, 1879,[7] supplemented the Act of 1874, and made certain changes and additions that experience seemed to require. All building and loan associations in Pennsylvania are now operating under the provisions of these two acts (1874 and 1879) and they have been the models for legislation in many other states. Many subsequent acts have been passed, some enlarging and some restricting the powers of associations. Only a few of them can be mentioned here.

The Act of the Legislature, passed May 1, 1868,[8] imposed a tax on all corporations except manufacturing corporations. No exception was made of building and loan associations. To cure this defect the Act of May 13, 1871, was passed which provided that the Act of 1868 should not apply to building and loan associations, "*incorporated by the Courts of Common Pleas.*" The auditor general of the Commonwealth then took the position that associations incorporated under the Act of 1874 were

[4] P. L. 519.
[5] P. L. 544.
[6] Sec. 37, P. L. 73.
[7] P. L. 16.
[8] P. L. 108.

not within the exemption of the Act of 1871 because they were *not incorporated by the Courts of Common Pleas*, having been transferred to the executive department by the Act of 1874. A number of suits were started against associations by the auditor general on April 19, 1877, which, if successful, would have been ruinous to building and loan interests, and no doubt would have retarded future growth throughout the State and country.

This controversy led to the meeting in Lewar's Hall on September 22, 1877, at which the Building Association League of Pennsylvania was formed. The united efforts of the building and loan associations brought a favorable conclusion in this tax affair. Through the efforts of the counsel of the League the suits brought by the auditor general were discontinued. This first step was followed by the enactment in 1879 of a general act relating to building and loan associations,[9] which had been sponsored by the Pennsylvania League, and in 1883 by the enactment of a law specifically exempting building and loan associations from taxation.[10] These were the first two victories of the Pennsylvania League.[11]

Probably the most important legislation passed since 1883 were the various constructive acts of 1927.[12] At that time regulations concerning promissory notes,[13] publication of building and loan data,[14] membership fees,[15] cost of examination,[16] stock of minors,[17] contingent funds which could be accumulated up to 15% of assets,[18] and full-paid stock[19] were enacted. The provisions concerning full-paid stock were probably the most important. There had been no express authority in Pennsylvania for the issuance of full-paid stock, although the practice had been in use since the ruling of the Pennsylvania Supreme Court in 1906 in the case of *Folk* v. *State Capital Savings and Loan Association.*[20] In that case the court sanctioned the issu-

[9] P. L. 16.
[10] P. L. 38.
[11] See Brossman, *op. cit.*
[12] *Editorial Note:* This information concerning the 1927 legislation was taken from Brossman, *op. cit.*, p. 12, and from Peter G. Cameron, *A Compilation of the Laws Relating to Building and Loan Associations*, published by the Legislative Reference Bureau for the Pennsylvania Department of Banking, 1930.
[13] P. L. 1927, act 196.
[14] P. L. 1927, act 149.
[15] P. L. 1927, act 259.
[16] P. L. 1927, act 153.
[17] P. L. 1927, act 26.
[18] P. L. 1927, act 150 amending P. L. 1913, act 205.
[19] P. L. 1927, act 75.
[20] 214 Pa. 529 (1906).

ance of full-paid stock on the theory that associations were authorized to borrow in order to secure funds to meet the demand for loans and therefore it was legitimate for them to issue full-paid stock which fulfills the same purpose as borrowing, provided no special privileges are attached to such stock. This reasoning is interesting and significant as an explanation of the rise of full-paid stock to its important place in building and loan financial structure. The 1927 act thus recognized the existence of full-paid stock and provided (1) a uniform method of issuing it; (2) a maximum periodical dividend rate thereon; (3) and for withdrawal and transfer thereof.

Three kinds of stock are provided for by the laws of Pennsylvania: installment or serial stock, full-paid stock, and prepaid stock.

Building and loan associations of Pennsylvania are supervised and examined by the department of banking.

Pennsylvania League

The Pennsylvania State League has already been mentioned. It was formed at a meeting in Lewar's Hall, Southeast Corner of Ninth and Spring Garden Streets, Philadelphia, on September 22, 1877, under the title of the Building Association League of Pennsylvania and was the first building association league in the United States. Forty-three associations were represented at the meeting.[21]

Organization was effected by the election of the following officers: Joseph H. Paist, president; George Hawkes and Addison B. Burke, vice presidents; Wm. M. Weckerly, secretary, and John Smethurst, treasurer.

[21] Joseph H. Paist, Anchor, Lumbermans, Our and City of Penn; Harry T. Kingston, Householders; Lawrence Burr, Thirteen German Assn.; John I. Rogers, Union; John Smethurst, City of Homes; Edmund Wrigley, Quaker City; Theodore T. Subers, Republic; Charles M. Langfeld, Commercial; Jacob Aub, Columbia Avenue; George W. Schoch, Peoples; Charles Bell, Commonwealth; Henry B. Laffberry, Eureka; S. F. Getz, Commonwealth No. 2; Wm. McLean, Houseowners; George C. Evans, Excelsior; C. J. Miller, Norris No. 2, and Germania No. 3; Otto Wolff, Dickerson No. 3; W. H. Stock, Concordia No. 4; George D. Phelan, United Workmens; John Stackhouse, Willimantic; C. F. Kolb, Penn; C. Baker, Paragon; John Laverall, County; Joseph R. Clawson, Investors; John H. Sloan, Artisans; F. M. Wood, Artisans No. 2; Joseph S. Brown, Tradesmen's; George Hawkes, Cable; John G. Guether, National; John Hunter, Mutual Help; G. W. Fulmer, Huberville; Eugene F. Gregg, Knickerbocker; George W. King, North East; W. A. Redding, Addison B. Burk, and Michael J. Brown, Hearth Home; Horace Castle, Contribution; H. W. Gimber, Ark.; Wm. M. Weckerly, Commonwealth; Lisle Stokes, Crosby; and William Gorman, West Pennsylvania No. 2.

Early Pennsylvania Leaders

It is fitting and proper at this stage of our history to give personal attention to some of the men who attended this first meeting and who played prominent roles in the early building and loan history not only of Pennsylvania but of the nation.



Joseph H. Paist

Joseph H. Paist, who was first president and who continued in that office for 47 years, was born in Bucks County, Pennsylvania, but in early childhood removed to Philadelphia. In 1868 he assisted in forming the Artizan's Building and Loan Association and was one of its directors. In 1870 he assisted in the organization of the City of Penn Building and Loan Association and was its secretary until it went out of business at the expiration of its limited charter. He subsequently aided in forming the Householders', Lumbermen's, and City of Penn Associations and in the reorganization of Our Building Association.

Mr. Paist took an active part in the organization of the United States League of Building and Loan Associations and for a long time served on its executive committee. At one time he was tendered the presidency of the United States League, but declined on account of business matters.

Before reaching manhood he was a druggist, later he studied law, then became a war correspondent, later city editor of two of Philadelphia's dailies and wrote for the *New York Tribune*, *Washington Star* and other journals. He served as chief clerk of the Philadelphia Select Council for nearly 30 years. He was also interested in various business enterprises. In 1920, he was tendered a banquet in honor of the completion of his 42nd year as president of the Pennsylvania League. Almost 1,000 persons were present and the mayor of Philadelphia and former governor Edwin S. Stewart spoke in his honor.

He died in harness July 23, 1924, at the ripe age of 83 years while attending the convention of the United States League at Cleveland, Ohio.

Colonel John I. Rogers, prominent in the legal, literary, and military circles of Philadelphia, was born in 1844 in the old district of Moyamensing, Philadelphia. He studied law in the office of the Hon. Charles Ingersoll and at the University of Pennsylvania, and was admitted to the bar in 1865. He was an expert in building and loan association law and was elected chief counsel for the League of Building and Loan Associations of Pennsylvania at the time of its organization. He continued in that capacity for many years, and as such conducted all its important litigations.

Edmund Wrigley was by profession a conveyancer practicing in the City of Philadelphia. He left a monument, however, in the shape of two books which today are of great historical and practical value.[22] *The Workingman's Way to Wealth*, a practical treatise on building associations, published in 1869, and *How to Manage Building Associations*, a director's guide and secretary's assistant, published in 1873 with a second edition in 1876 to incorporate the legal changes resulting from the law of 1874.[23]

Addison B. Burke was born in Philadelphia on December 12, 1847. While studying at the Central High school, he enlisted in the army and at the close of the Civil War he engaged in several mechanical occupations. In 1870 he found his real vocation as a newspaper editor. He entered the service of the *Public Ledger* in September, 1872, as a reporter and soon thereafter was made assistant managing editor. He served in this capacity for 30 years, and in September, 1902, upon the sale of the paper, retired as managing editor. He was active in business and philanthropic enterprises in Philadelphia and for many years served as vice president of the Pennsylvania League of Building and Loan Associations. At the time of his death, on February 27, 1912, he was president of the United States League of Building and Loan Associations.

[22] Additional facts about Wrigley and his books will be found in Chapter XV above.

[23] *Editorial Note:* The Wrigley books shed some light on a practice which is used in the Philadelphia area, namely, "Lending on Second Mortgages," a procedure which is not permitted by law in most of the states. For further details concerning this practice, the reader is referred to William N. Loucks, *The Philadelphia Plan of Home Financing* (Chicago: The Institute for Research in Land Economics and Public Utilities, 1929.) Recent developments raise questions concerning the validity of the conclusions contained in this study.

Michael J. Brown[24] was born in 1844 in the old "Northern Liberties" district of Philadelphia. While Mr. Brown devoted a great deal of his time to the building association movement, he did not depend on it as his means of support. For more than 40 years he was engaged in the wool business. Mr. Brown was one of the organizers of the United States League and its fourth president. For 40 years he edited a building and loan association column in the *Philadelphia Public Ledger* and was editor and publisher of the *Building Association and Home Journal*, which was discontinued about 1889. Very few copies of this *Journal* are obtainable today, and these have great historical and practical value. The issue of July-August, 1888 contains an account by Addison B. Burke of how Mr. Brown first became interested in building associations.[25]

Another of the organizers of the State League was Otto Wolff, an attorney, who is believed to be the only living survivor of the organization meeting. He is still in active practice and is at present solicitor for several building and loan associations.

After the formal organization of the State League, a committee of five was appointed to prepare a code of laws for the organization and also to employ counsel to represent the associations against which suits for taxes had been brought by the auditor general.[26] Each member association was assessed $10 to defray expenses. A resolution was adopted that the name of the organization be "The Building Association League." The meeting adjourned to meet again on October 13, 1877, at a hall to be

[24] *Editorial Note:* An interesting sidelight upon Mr. Brown's contribution to the spread of the building and loan idea throughout the country has come to light in the research connected with this volume. Very frequently in states outside Pennsylvania, when reference was made to the fact that information about building and loan practice had been secured from the home of the movement in Philadelphia, the source of that information was said to "a Mr. M. J. Brown," or even merely "a Mr. Brown of Philadelphia." Probably his newspaper articles brought him many direct inquiries, and appeals for help and advice.

[25] "Not long afterwards Mr. Brown, being then a depositor in a building society, was invited to act as auditor. The secretary had prepared a report, and all the auditors were expected to do was to add up the columns of figures and sign their names at the end. But Mr. Brown was not that kind of an auditor. He wanted to see the securities; he wanted to look at the books of the depositors, and as he would not sign the report until he had really audited it, its presentation to the society was delayed. It was six months after the annual meeting before the report appeared. The secretary's report was entirely correct, but Mr. Brown knew that it was before he certified to that effect. In that six months Mr. Brown learned all about the business of building societies. He had been introduced in a favorable way to building society men, and he had developed some new ideas on the subject that his friends were anxious to try. They, therefore, formed a new society, made Mr. Brown secretary, and ever since that time he has been actively engaged in society work."

[26] See p. 549, above.

selected by the secretary, and all building associations in the State were to be invited.

At the second meeting of the League held October 13, 1877, at the southwest corner Sixth and Girard Avenue, president Joseph H. Paist presided and 66 delegates representing 66 associations were present. The report of the committee on a code of laws was received and approved, and a constitution and by-laws were adopted. The name was changed to "The Building Association League of Pennsylvania," and its object was declared to be "the protection and defense of building associations' interests."

Hon. F. Carroll Brewster, J. Levering Jones, Esq., and John I. Rogers, Esq., were selected as counsel.

Since its organization the League has sponsored and secured the passage of every worthy piece of legislation concerning building and loan associations that has been placed upon the statute books of Pennsylvania. It has also watched all proposed legislation and been the means of defeating much that would have injured the cause.

In September, 1880, the League membership had increased to 307. At the annual meeting held September 24, 1881, Mr. Paist was re-elected president; Michael J. Brown, secretary; Joseph K. Gamble, treasurer; and Addison B. Burke, vice president.

There is no more significant fact in the history of the institution than the long years of uninterrupted service of these four officers. Their monetary compensation was insignificant. Their work was a labor of love, and each continued faithfully performing the labors of his office until death overtook him at his task.[27]

At the annual meeting of the League held in September, 1925, the constitution and by-laws were revised limiting the president's term of office to one year, and also changing the name of the League to "Pennsylvania League of Building and Loan Associations."

One of the most notable events in all building and loan history was the celebration of the Fiftieth Anniversary of the founding of the State League, held at the Bellevue-Stratford

[27] Subsequent presidents of the Pennsylvania League have included Charles W. Zieber, J. Rhea Craig, Jr., George W. Cliffe, William E. Best, Joseph H. Sundheim, Charles Wilcox, and Edward C. Burton.

Hotel, in Philadelphia, Saturday evening, November 19, 1927. Almost 1,600 people attended.[28] The guests included many men and women prominent in building and loan work throughout the United States.

Finally may we mention an instance of cooperation between the Pennsylvania League and the Philadelphia Real Estate Board. In 1929 a Welfare Committee,[29] composed of representatives of these two organizations, was appointed for the purpose of advising members of building and loan associations how to refinance their homes when mortgages were called or had to be reduced or when payments could not be met. This committee meets once a week and its services have been much in demand.

Others who have served the Pennsylvania League faithfully in their respective offices are: John W. Speckman, J. Edward McCaffrey, and George W. Cliffe, secretaries; George W. Cliffe, and Edward C. Burton, treasurers; and F. Carroll Brewster, John I. Rogers, Winfield S. Kolb, H. W. Gimber, Robert T. Corson, William P. Siegert, J. Levering Jones, William A. Redding, E. O. Minchner, Martin H. Stutzbach, Thomas H. McCaffrey, James H. Wolfe and Robert T. Houlden, counsels.

At the present time 3,444 associations are operating in Pennsylvania.

Philadelphia has entertained the national convention on two occasions (1896 and 1909) and has appropriately been chosen the scene of the 1931 session which will celebrate the completion of the first 100 years of building and loan activity in the United States.

The Allegheny County League

A history of the building and loan movement in Pennsylvania would not be complete without some reference to the Allegheny County League of Building and Loan Associations, with headquarters in Pittsburgh, Pennsylvania.

[28] The speakers were: William E. Best, Esq. of Pittsburgh, Pa., president of the Building Association League of Pennsylvania and fourth vice president of the United States League of Local Building and Loan Associations; Otto T. Salick of Milwaukee, Wisconsin, president of the United States League of Building and Loan Associations; Walter B. Hilton of Wheeling, West Virginia, secretary of the West Virginia League of Building and Loan Associations; Hon. Charles O'Connor Hennessy of New York City, New York, president of the Franklin Society for Home Building and Savings, of New York, and past president of the United States League of Building and Loan Associations.

[29] *Editorial Note:* This material was taken from Brossman, *op. cit.*, p. 12.

Organized in 1921 it has contributed much to the progress and development of the building and loan idea, has co-operated with the Pennsylvania League of Building and Loan Associations in securing constructive legislation and preventing legislation that was considered detrimental and not to the best interest of the many shareholders in this State.

It has held an annual banquet each year since its organization; and has had as its guest each year the presiding United States League president from Miss Ann E. Rae, president in 1923-24, and including R. Holtby Myers, president in 1930-31, as well as many other League officials. In 1930 it entertained at its annual banquet all of the United States League officers and directors. It has given and created friendly support to the United States League at all turns. It is responsible for the Allegheny County Chapter No. 66 of the American Savings, Building and Loan Institute.

The League was conceived and organized by Hubbs Weimer, assisted by Charles Wilcox, Robert T. Houlden, D. G. Morgan, Peter M. Lippert, and R. Frank East, each one of whom has served as its president, and has operated quite successfully under their leadership, assisted by the many loyal building and loan men of Allegheny County who have given freely of their time and talents in an effort to make building and loan conditions as nearly ideal as is possible.

Pennsylvania has two Chapters of the American Savings, Building and Loan Institute. Chapter No. 56 was organized in Philadelphia in 1928 and Chapter No. 66 known as the Allegheny County Chapter was organized in Pittsburgh, in 1930.

Philadelphia Leaders

This history may not be concluded without a short biography of some of the men who have been leaders in building up this wonderful institution both in Pennsylvania and throughout the country. The list is by no means complete. There are many of whom the writer, with his limited time, could not get accurate information, and many more who are unknown to the writer. A history must to some extent be personal. So for the benefit of the future historian the following is appended.

James Clarency was born in Allegheny City, Pennsylvania, April 1, 1846. His father died when he was eight years old and his mother brought her little family of three boys to Philadelphia to live with relatives. It was necessary for him to go to work at an early age to help support his widowed mother. However, he obtained a good education by attending night schools and free lectures. He was employed by John Wanamaker for 18 years, and after that entered the insurance business, being connected with the Fire Association of Philadelphia for over 25 years. Mr. Clarency was a president of the United States League and for many years a faithful official of the Pennsylvania League. He was a familiar figure representing the Pennsylvania League at the national meetings and was a recognized authority in his field. He was secretary of a number of successful associations, and for a time was also active in politics, serving as a member of the State Legislature from 1893 till 1912. He died October 30, 1921.

Robert T. Corson was born in Frankford, Pennsylvania, January 31, 1858, where he attended the public schools, later studying law in the office of General Charles Collis and graduating from the University of Pennsylvania. He was active in civic and political affairs, being councilman from the twenty-third ward for a number of years, assistant city solicitor, director and vice president of the Frankford Business Men's Association, and the Historical Society of Frankford.

Mr. Corson was widely known in building association circles and was often called upon to address groups contemplating formation of an association. He was a faithful member of the Pennsylvania League of Building Associations, serving on the executive and legislative committees and being at his death its senior counsel. He attended the meetings of the United States League and contributed two papers: "The First Building Association in the United States" and "Getting Back to First Principles." He was elected treasurer of the United States League in 1917 which office he held until his death, August 19, 1921. One of his most important services to building and loan history was his preservation of many of the old building association records. Doubtless his connection with the Frankford Historical Society, noted above, explains his interest and far-sightedness in this direction.

Other Pennsylvania leaders who have rendered valuable and faithful services to the building and loan cause include: John W. Speckman, for many years secretary of the Pennsylvania League; George W. Cliffe, for over 30 years a member of

the executive committee of the State League and also at various times its president, vice president and secretary-treasurer; Robert T. Houlden, Arthur Brossman and Hiram Eves Turner, who have been active members of the executive committee of the Pennsylvania League.

« « BIOGRAPHICAL SKETCH » »



JOSEPH H. SUNDHEIM, president in 1928 of the Pennsylvania League. First vice president in 1927, and second vice president in 1926 of the same organization. Author of *Law of Building and Loan Associations.*

Mr. Sundheim is a lawyer in the firm of Bernheimer and Sundheim formed in 1904 and in continuous existence since that time. He is a graduate of the Law School of the University of Pennsylvania. He was born in Philadelphia on December 11, 1878, son of Herman and Caroline Sundheim. In 1908 he married Blanche Lang, and they have four children.

RHODE ISLAND

By EDWARD H. WEEKS

Early Associations

THE first building and loan association in this State was formed at Providence in 1881. Operating under a special charter, and taking its name from the founder of the State, the Roger Williams Savings Fund and Loan Association began business in 1881. Its incorporators and board of directors included some of the most prominent business men in the city of Providence, and as they represented many different interests it was only a short time before they had built up a most successful institution. "Shares in the Roger Williams" were bywords in a large number of families in this prosperous city. The Association is still doing business and has assets of approximately $8,500,000.

In the early 90's this same group of men organized the Homestead Savings and Loan Association, which was operated a few years and then was merged with the Roger Williams Savings Fund and Loan Association.

During the 10-year period after 1881, similar associations were chartered in Newport, Woonsocket, and Westerly, all operating after the pattern of the Roger Williams. These associations are all still conducting business successfully and prosperously along regulation building and loan lines.

The year 1895 brought two new associations, organized in Providence, both of which were started with the idea of becoming "nationals." At this time the "national" movement was just beginning to spread throughout the country, and promoters of these "nationals" had some misguided idea that large fortunes awaited them in the building and loan field.

Up to this time Rhode Island had no building and loan law, and the promoters of these two new associations drafted a law for this State which was adopted in 1895.[1] Immediately after the passage of this law, two new charters were granted:

[1] This law (P. L. 1895, ch. 1352) was patterned largely after the Minnesota law and permitted a "national" building and loan business to be organized and conducted. It was fairly satisfactory, but contained many deficiencies.

one to the Old Colony Cooperative Bank and one to the New England Savings and Loan Association, both of Providence and both organized in 1895.

The New England Association carried on for a few years and sold out to one of the Connecticut "nationals," which in turn was wound up in receivership.

The Old Colony Bank operated along "national" lines for about a year and a half, although it did not attempt to do business outside of the State. At the end of that time the board of directors, who included 15 or 20 of the most prominent men in the State, decided that the "national" plan[2] was not feasible. Hence a reorganization was effected along regulation building and loan lines. Today the Old Colony Cooperative Bank, with total assets of over $19,000,000 as of December 31, 1930, is the largest building and loan association in the State, and one of the largest of its kind in the country.

In addition to the associations already mentioned, there have since been incorporated associations in Pawtucket and East Greenwich, and both of these institutions are doing a prosperous business along regular building and loan lines. The Telephone Worker's Building and Loan Association of Providence was organized in 1927. This institution operates for its employees only, but they have built up a very successful business. There are now a total of eight building and loan associations operating in the State of Rhode Island with combined assets of approximately $32,000,000 as of December 31, 1930.

At the January, 1931 session the Rhode Island Legislature passed new building and loan legislation amending Chapter 265 of the General Laws. This new law[3] sets up a "building and loan incorporation" board composed of the bank commissioner, the general treasurer, and the attorney-general; requires every association to "take for every loan made, a note or bond secured by first mortgage on real estate"; requires every association each year to "set aside not less than 2% of the net profits of that year as a guaranty fund for the payment of contingent losses, until the total amount of such fund so set aside shall equal at least 5% but not more than 15% of the assets of such association"; . . . "such guaranty fund and any other surplus funds may be invested in such bonds and securities as are lawful for

[2] At the present time no "national" associations are operating in Rhode Island.
[3] H. 884, January Session, 1931, State of Rhode Island and Providence Plantations.

investment of funds of savings banks of this state and said other surplus funds, but not said guaranty fund, may be invested by any association in loans to members of such associations"; provides for the issuance of installment, prepaid, savings, and full-paid stocks.

Rhode Island, probably because of its small area and the relatively few associations operating there, has never organized a state league. But the State is proud of its record in the building and loan field. All of its associations enjoy the confidence of the people as well as of the bank commissioner under whose supervision they operate.

« « BIOGRAPHICAL SKETCH » »



EDWARD H. WEEKS, President, and formerly general manager, of the Old Colony Co-operative Bank at Providence. Mr. Weeks is interested in the work of the Providence Better Business Bureau and the Providence Safety Council.

He is a graduate of the Brown University and was a teacher before becoming connected with the Co-operative Bank. He was born in Vassalboro, Maine, on June 8, 1871, son of Howard J. and Annie P. Weeks. He married Edith Vincent and they have three children.

SOUTH CAROLINA

By E. O. BLACK

The First Building and Loan in South Carolina

THE first building and loan association in South Carolina was the Charleston Savings Institution which began business in 1843.[1] This organization was formed and operated on the co-partnership principle. It acted in the name of J. F. Schirmer, its secretary, as trustee. One of its advertisements as it appeared in the 1852 City Directory of Charleston is reproduced here.

CHARLESTON SAVINGS INSTITUTION
Charleston, S. C.

Office at the Apprentices Library, Society and Meeting Streets

Open Monday and Thursday Afternoons from 4 o'clock 'till sunset, and on Saturday nights from the ringing of the first to the last city bell. The interest on deposits is computed from the Third Wednesday of January and July, at six per cent, per annum. Dividends not drawn are credited to Depositors, and draw interest from date at which they were declared. At the expiration of every five years, a Surplus Dividend is also paid, consisting of the profits of the Institution, over and above the expenses and semi-annual Dividends already paid out or credited.

Applications for loans must be left with the secretary.

Officers—Robert Martin, President; Thomas Lehre, Vice President; J. F. Schirmer, Secretary; Henry S. Griggs, Treasurer.

Trustees—Wm. Bell, Wm. Gregg, Jos. Johnson, George Kinloch, Albert Elfe, T. Tupper, Geo. N. Reynolds, B. J. Howland, H. W. Caldwell, Jas. N. Caldwell, Wm. Kirkwood, Wm. McBurney, W. L. Porter, Geo. B. Loche, J. H. Taylor, J. C. Blum, Chas. H. West, S. S. Haivell, J. T. Welsman, and J. B. Betts.

Board of Investment—C. H. West, G. B. Loche, G. Kinloch, J. W. Caldwell, Jas. M. Caldwell and the President, Vice President, and Secretary.

The records of the office of Register of Mesne and Conveyances indicate that the Charleston Savings Institution progressed, rather slowly at first, and then with considerable momentum.

[1] When this association was organized has not been ascertained. Records of its mortgages, however, appear in the office of Register of Mesne and Conveyances for Charleston County. The first ones recorded bear the date 1843.

Reverend S. K. Cox, pastor of the Methodist Protestant Church of Charleston, was founder of the Mutual Deposit and Building Association in 1849. Two other associations, the names of which are not known, were formed at Charleston in 1849-50. Reverend Cox, in his book, *Building and Loan Associations—Their History, Principles and Plan of Operation*[2] says:

> "Three associations have been in existence in this city (Charleston, S. C.), but little over a year and have in that time . . . furnished many families with homes of their own, that could not otherwise have possessed them, given considerable impulse to mechanical enterprise, and in many other ways promoted the prosperity and welfare of the Community."

Similar constitutions appeared soon afterwards in Columbia, Camden, Beaufort, Cheraw, and other sections of the the State. They are now established in most of our progressive cities and towns. The results which have followed the establishment of these institutions have been most gratifying. Probably 90% of the owned homes in South Carolina are directly or indirectly the result of building and loan activity.

South Carolina has the distinction of being the home of the first book on building and loan published in the United States. The volume by Reverend S. K. Cox, just referred to, was published January 8, 1852, in Charleston, S. C., by Walker and James and copyrighted by Walker and Cox. The book contains many most interesting features, several of which are described in detail in the chapter on "Building and Loan Literature." To avoid duplication, therefore, only the most important point will be considered here—namely, the early use of the "permanent" plan of operation in South Carolina, because it dominates the history of the building and loan movement in this State.

The following passage gives the key to Reverend Cox's system:

> "The societies first established were upon the temporary principle; the number of shares, as well as the duration of the society; being usually restricted . . . It was, however, ascertained that this did not suit all parties . . . this occasioned the introduction of the permanent feature, by which an individual is enabled to enter the society at any time without being subject to back payments, and precisely on the same footing with the original members.
>
> "Another advantage . . . of permanent societies is that the borrower has the privilege of choosing the period over which he will spread his re-

[2] See Chapter XV.

payments . . . and he can, therefore, make his arrangements with much greater precision, according to his anticipated income, and the various circumstances of which he alone can form a correct judgment."

Reverend Cox came to South Carolina from England and, at the time that the building movement was launched in this State, the English societies were passing through a period of transition from the temporary or terminating plan of organization to the permanent. This is the situation referred to in the first sentence quoted above, and it explains the development which took place subsequently in South Carolina. Elderly people who were living in this State 40 years ago told the writer that the temporary or terminating plan died-a-borning in Charleston during the late thirties. It could not succeed there because of the prevailing diversity of interests and incomes. In short, the ideas presented in the advertisements of the Charleston Savings Institution and in the book by Reverend Cox were not merely idealistic tendencies. They were born of necessity from the conditions then obtaining in South Carolina. It was soon discovered that the original building and loan scheme, where every "share" represented a dwelling house and every member was required to pay a uniform amount monthly until he possessed a dwelling house, could not succeed in this State. Monthly payrolls were then scarce in South Carolina and incomes more or less irregular. Hence a different plan was necessary and the permanent plan may be said to have been original in this State. Shares were sold, at any and all times, to any and everybody, upon the installment or other plans upon which people would buy, and dividends were paid or credited at the rate of 6%, compounded semi-annually with a surplus dividend consisting of the profits of the institution over and above the semi-annual dividend already paid or credited, to those who remained until the maturity period. Each member was given a separate ledger account and allowed to pay any amount at any time except in the case of borrowers, who were not allowed to fall below a certain minimum. This is known here as "The South Carolina Plan," and is the plan upon which practically all of our associations operate. The terminating plan was made a feature or department of several banks during the 50's. The idea came to this State from Philadelphia. In conjunction with interlocking banks, many homes were financed through such associations. They were classed as banks by the Federal Government about 1913, and called upon for income

and other taxes. This led to immediate modification and the general adoption by them of the original South Carolina plan.

Lawmakers Have Co-operated

So far as the writer has been able to ascertain, the laws under which building and loan associations operate in this State have always provided for the permanent procedure, outlined above.

South Carolina Civil Code (Sec. 4301) contains the following provisions:

"The Declarants may name an amount as the initial capital stock, and a larger amount as the ultimate capital stock. The Board of Directors shall call for subscriptions to the capital stock either in whole or in such installments as it shall see fit."

These provisions enable the building and loan organization to sell shares of stock at any time and upon any terms, and to cancel them when desirable, within the limits of the initial and ultimate capital stock, which limits are entirely optional with the declarants.

This code contains the only specific legislation of a comprehensive character passed in South Carolina with reference to building and loan associations. In addition to its provisions, certain other items may be mentioned.

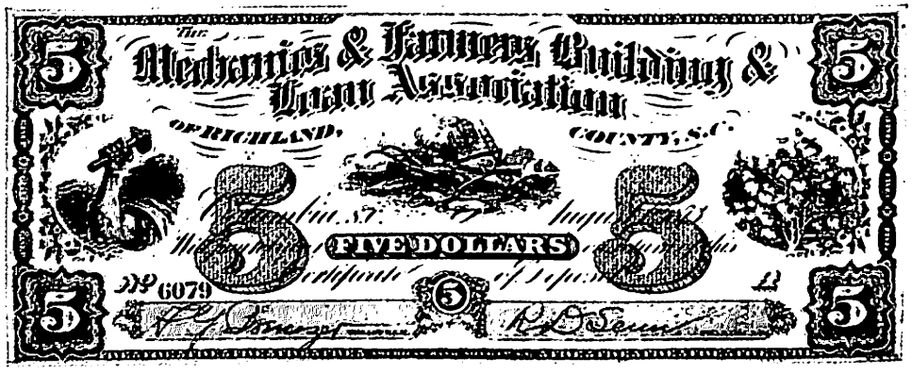
Building and loan associations in South Carolina are chartered, organized, and operated under the general laws of the State relating to business corporations. In 1903 the Legislature passed an act fixing the charter fee of associations at $25.00; in 1918 building and loan associations were exempted from taxation; in 1926 they were exempted from payment of a corporation license; and in 1929 they were relieved from the duty of placing documentary stamps on stock certificates.

No building and loan association in South Carolina has ever failed. One or two departments of purely speculative enterprises, improperly called by the building and loan name, toppeled when the speculative venture went down, but aside from these calamities, in which only a few hundred dollars were lost, the name "building and loan" has not been stained.

South Carolina statutes do not limit the type of shares which may be issued by building and loan associations operating in the State. The one restriction is that no type of shares may be preferred as to earnings, voting privileges, etc.

Innovations

The Farmers and Mechanics Building and Loan Association of Columbia, under authority of an act of the Legislature, was issuing currency in 1873. The bills, which were handsomely engraved by the American Note Company, were in denominations of $1, $2, $3, and $5.



Money Issued by a Columbia, S. C., Building and Loan Association in 1873.

Congress levied a tax of 10% on all state bank and building and loan money. This was prohibitive, and this building and loan association, like state banks, had to call in its circulation. This practice of issuing money was never resumed either by the building and loan associations or by the banks after the imposition of this 10% tax.

Early in its history the movement, to a certain extent, gravitated to the banks and in many instances hardly any shares were issued. Most of the money was raised through the bank's savings department, loaned by the bank to the building and loan association and, in turn, loaned by that association to the home owner. Several building and loans in the State terminated by becoming commercial banks.

One building and loan association in the State financed not only homes and churches, but also a theatre and two cotton mills.

The South Carolina Building and Loan League

Largely through the efforts of William Goldsmith of Greenville, the South Carolina Building and Loan League was organized at Columbia, May 25, 1908. Its objects, as set out in the

constitution, are "to promote the interests of the associations in the State; to endeavor to secure uniformity of procedure and to obtain, through union, strength and stability." Mr. Goldsmith has lived to see the fruits of his labors fully realized. At the annual meeting in 1912 a definite uniformity program was launched. This program included standard forms and practical aid in organizing and revising building and loan associations in accordance with the sound original practices of the early days. As a result, many new associations have been established and many revised. Activity in this direction has increased the interest in and attendance at the State League meetings and contributed greatly to the popularity of the building and loan idea throughout the State. Spectacular practices have disappeared and excessive fee promoters have been eliminated before they could get a foothold. Even the "nationals" seem never to have flourished in South Carolina. The building and loan resources have increased greatly and their enviable record for strength and stability has been conspicuously maintained. Owned homes have increased by leaps and bounds and a great future for the movement looms ahead.[3]

[3] The men who have served the South Carolina League as president are: R. W. Shroud, William Barnwell, B. M. Spratt, Cullen Sullivan, T. T Hide, William Goldsmith, J. S. Morse, William Shannon, E. O. Black, M. A. Moore, J. B. Cannon, H. A. Gibbes, P. W. Spencer, L. A. Wittkowski, W. A. Clarkson, Wm. F. Robertson, T. S. Perrin, Carl H. Hart, Wm. P. Jacobs, C. W. Stikeleather, S. S. McCullough and J. B. Woodson. John T. Melton was the League's first secretary.

In various ways, others, whose names we have not space to mention, have served also, faithfully and well.

« « BIOGRAPHICAL SKETCH » »



E. O. BLACK, President, Equitable Building and Loan Association; formerly secretary-treasurer and president, South Carolina Building and Loan League; president, Southeastern Building and Loan Group; vice president, United States Building and Loan League for South Carolina. He is author of a "Building and Loan Guide" giving instructions for the organization and operation of building and loan associations.

Mr. Black has been vice president and cashier of the Commercial Bank of Columbia; president of the Columbia and South Carolina Chamber of Commerce, and active in various civic movements in his city and his State.

He was born near Cartersville, Georgia, in 1872, son of Alexander C. and Ellen Smith Black. He married Louise Shirer after the death of his first wife, Hattie Medbery. They have one child.

SOUTH DAKOTA

By C. F. EASTON

BACK in the days of the sod shanty, the cowboy, and the Indian fighters, when history was first being written in the Territory of the Dakotas, back in 1883, a small group headed by such men as A. C. Mellette, afterwards the first governor of South Dakota, and E. G. Fahnestock, a building and loan enthusiast from Philadelphia, and others who could envisage the future, organized the first association, in what is now the State of South Dakota.

In about 1881 E. G. Fahnestock located in Watertown, and about the same time C. F. Easton located in Aberdeen. Both conmenced the agitation for a building and loan association which resulted in the organization of the Watertown Building and Loan Association at Watertown, South Dakota, on November 2, 1883. The incorporators were: H. M. Pierce, John F. Brock, A. C. Mellette, and E. N. Banvord.

A. C. Mellette was the first president of this Association and L. D. Lyon its first secretary. On April 5, 1884, E. G. Fahnestock was elected secretary. Watertown is now a thriving place in South Dakota. At the same time that the Watertown Association was organized Mr. Easton was busy at Aberdeen, but Watertown perfected its organization first.

Little or no law was in operation as a basis for the formation of these associations and, on the borders of civilization among the class of people resident there, mere laws made by man were not considered essential. But with the rapid influx of people from the East, as early as 1885, it was found advisable to secure authorization for the incorporation of such associations. The men already mentioned, with others at Yankton and Aberdeen, prepared such a measure which was adopted by the territorial Legislature of that year.[1] It was largely copied from the laws of Pennsylvania providing for the terminating plan with quite a broad tendency toward the serial and Dayton features. Many of the associations organized after the legislation of 1885 used a modified form of the terminating plan. The Aberdeen Association was designed to issue several series but the accounting and assets of each series were to be kept separate. A few years after its organization, however, it changed to the full serial plan. Probably no associations in South Dakota ever operated under the full terminating plan.

[1] Laws 1885, ch. 34, p. 56.

Immediately after the passage of the law of 1885, associations were formed at Yankton, by E. A. Bruce and associates; and at Aberdeen by C. F. Easton, T. C. Gage, and others. In the succeeding few years several associations were organized, including those at Madison in 1888, Oantan, Lake Preston, and others. Associations in all of the places named are still in successful operation.

Owing to depressed conditions in the State immediately preceding the panic of 1893 and a few years succeeding, several of the younger organizations went into voluntary liquidation, several were absorbed by the Aberdeen Association, and two doing a "national" business (one of them of considerable size) were closed by court receivers with heavy losses, but there seems to be no record of any losses having been incurred either by the borrowing or investing members in any of the local associations which ceased business. In 1889 a measure was prepared by C. F. Easton in the nature of an interpretive law defining why such associations should not be taxed, and exempting loans to their members from all taxation. This was passed by the Territorial Legislature over the Governor's veto.[2] It has never been repealed and, while its constitutionality may be questioned, only very few of the associations have ever been taxed. Later in 1893 Mr. Easton prepared a general code for the incorporation, supervision, and regulation of such associations which was adopted by the State Legislature of South Dakota.[3] This law has since been amended and rewritten several times but all of the basic principles of cooperation then set forth have been retained.

South Dakota associations are subject to taxation on their surplus and undivided profits, as monies and credits, to the amount of 4 mills per annum, and will probably be subject to a like tax on total assets for several years to come, although there is some question as to the application of that tax and no associations appear to have paid it. Those associations which

[2] Laws 1889, ch. 41, p. 59.
[3] Laws 1893, chs. 40, 41, pp. 60, 70.

have invested their surplus and undivided dividends in United States government bonds have not been assessed under the present laws.

The associations of the State are under the supervision of and are examined by the state banking department. The examinations for a good many years have been made annually and have been very strict. Since the passage of the act referred to,[4] quite a number of associations have been formed, each of the principal cities and towns of the State having one or more. As of December 31, 1930, 23 associations are in successful operation with combined assets of $6,350,585 and a total membership of over 10,000. Nearly all of them are on the serial plan; four only have guarantee or permanent stock; many issue full-paid stock withdrawable under various conditions.

Under the present law the associations can issue: full-paid, non-withdrawable, guarantee stock; full-paid, withdrawable stock; prepaid, withdrawable stock; serial installment stock; juvenile stock; pass-book stock; debenture stock secured by pledge of assets. All of these stocks are withdrawable under varying conditions except the guarantee stock.

While the building and loan movement cannot be regarded as strong in proportion to the population of South Dakota, many of the older associations have supplied money for the acquiring of from one-quarter to over one-half of all homes now in existence in their respective communities.

The Home Building and Loan Association of Aberdeen is the largest association in the State.[5] It was formerly the Aberdeen Building and Loan Association, incorporated in 1885, but was reincorporated as the Home Building and Loan Association in 1904. It now has a perpetual charter and its assets are over $950,000. It has loaned on more than one-third of all homes in Aberdeen during 45 years of operation, and during that time has taken only three homes under foreclosure from members who obtained loans from the Association. All associations of the State have a very similar record in the matter of foreclosures.

The state organization in South Dakota is very new. It was formed in 1928 and only a small percentage of the associations in the State have as yet joined the League.[6] Its first officers were C. D. Sterling, Redfield, president; B. E. Beach, Huron, vice president; and A. C. Hunt, Rapid City, secretary-treasurer.

[4] Law of 1895.

[5] Its present officers are: C. F. Easton, president; A. C. Witte, vice president; T. C. Gage, secretary and treasurer; and Charles N. Harris, attorney.

[6] The following men have been prominent in the development of a South Dakota State League: C. D. Sterling of Redfield who was elected president of the League; A. C. Hunt of Rapid City, who was elected secretary and treasurer; others include: B. E. Beach of Huron; Philo Hall and O. O. Olson of Brookings; Herbert E. Hitchcock of Mitchell; C. A. Heaton of Watertown; R. B. Easton of Aberdeen; F. H. Hewitt of Rapid City; L. A. Boyles of Yankton, and R. B. Fitzgerald of Madison.

« « BIOGRAPHICAL SKETCH » »



C. F. EASTON, president, Home Building and Loan Association of Aberdeen. Mr. Easton was one of the organizers of this Association, as well as one of the promoters of building and loan activities in the State of South Dakota. He has been active in securing much of the legislation now regulating South Dakota building and loan practice.

He was born in Louis County, New York, August 31, 1851, son of Frank M. and Amelia F. Easton. He married Eva Burns in 1883, and they nave three children.

TENNESSEE

By JAMIE McMULLEN

THE history of the building and loan movement in Tennessee started 76 years after the "Volunteer State" was admitted to the Union. While this history covers a period of almost three score years, yet during the first three decades of the movement not much can be related that would be very complimentary to these institutions.

The first building and loan association in Tennessee was organized February 24, 1872 as the Knoxville Building and Loan Association. The incorporators were R. R. Burden, Harvey Clark, James L. Gaines, John M. Brooks, and C. W. Charlton. L. C. Shepard was the first president and John M. Brooks, the first secretary. This Association failed in 1897 along with eight other associations and all with considerable loss to the shareholders.[1] All of these early associations were organized in the serial plan and those which are still in existence, with the exception of the American Association which changed to the permanent plan, are still using the serial form. The terminating plan was never used in Tennessee.

There seems to be evidence of some form of state organization in Tennessee as far back as the 80's. Its headquarters were at Memphis and its interest was primarily in legislation. Further facts are not available. After several years it was dispersed, for what reason we do not know.[2]

In 1897 the Southern Building and Loan Association also failed. It was located at Knoxville and was the largest[3] of the "national" associations.

At this time there were no laws of any kind regulating building and loan associations. Charters were issued by the chancery court where the corporations were located. But after

[1] The most that any of them paid was 35%, and the Knoxville Association paid even less.

[2] *Editorial Note:* This information was taken from an article by John E. Huffman, "A Review of the Building and Loan Movement in the Southern States," 1894 *Proceedings of the United States League*, p. 137.

[3] " . . . its resources, inclusive of a gross premium of 50% in its loans, approximating at one time $5,000,000." (Henry S. Rosenthal, *Cyclopedia of Building, Loan and Savings Associations*, (Cincinanti: American Building Association News Publishing Co., 1927), p. 140.

the enactment of a general law in 1875,[4] governing the granting of charters to corporations, the chancery court no longer exercised this power and building and loan associations, along with other corporations, secured their charters from the secretary of state.

According to available information, Tennessee has had to date more failures and liquidations than associations in existence at the present time. Since the movement originated in this State, 117 associations have been organized but at this time only 41 of the number are in existence and active. However, the saddest part of the story occurred during the years prior to 1910. From 1872 to 1910 a total of 84 associations had been organized and during this period 68 of them fell by the wayside through failures, liquidations, or retirement, leaving only 15 associations in existence at the close of 1910.

A reader of this article would naturally ask why this state of affairs existed. The answer is readily given in a very few words, and it appears to be the "same old story." The movement was accepted as splendid by our citizens, but its possibilities were also recognized by outsiders and by those seeking only to capitalize the idea for personal gain.[5] Because of inadequate laws practically no supervision was in force, and as a result the subsequent failures retarded materially the growth of the movement. The prejudices and criticism incidental thereto have not yet been fully overcome.

For some time after these failures the movement was almost at a standstill, for during the period from 1910 to 1920 only two associations ventured to organize, and during this same period seven of those already in business ceased to function, leaving only 12 in operation at the close of 1920.

But a brighter picture can be painted of the development during the past 10 years. The leaders of the movement, together with others interested in seeing it develop unhampered by sinister influences, were able to have certain laws enacted to provide for a safer management of associations in the State of Tennessee. These institutions were first placed under the supervision of the commissioner of insurance and banking. While the examinations were conducted by the regular State

[4] Acts of 1875, ch. 142.

[5] Promoters of this type of association took money for organizing the associations and then loaned the money at an enormously high premium bid. Much of the money was used up in salaries. An example, the Southern Association, has already been referred to.

bank examiners, yet this supervision contributed very materially to whatever success the movement has attained during the past few years.

Chapter 7 of the Acts of 1923 was the first really constructive, modern legislation enacted to give protection to building and loan associations.[6] This was called the Reorganization Bill and moved building and loan supervision from the treasurer's office to the department of insurance and banking, with provision for annual examination. Through the efforts of the Tennessee League the Legislature of 1929 created a separate bureau of building and loan associations.[7]

The Tennessee building and loan law provides for two types of stock or shares: serial and permanent. Loans are made on the premium bid plan.

From 1920 to 1930, 31 new associations entered the field with only one failure recorded during that period. Forty-one associations reported to the bureau on December 31, 1930, showing total assets of $18,399,386.

The American Building and Loan Association of Memphis, with T. C. Ashcroft as president and E. P. Carsley as secretary, is the largest in the State. The date of organization was 1889. The oldest association still in business is the DeSoto Building and Loan Association of Memphis, of which P. Galbreath is president and M. V. Burke, secretary. This institution was organized in the year 1875. The individual associations in Tennessee are relatively small.

On January 18, 1922 the Tennessee League of Building and Loan Associations was organized in Memphis, Tennessee, with the following persons present at the first meeting: W. R. Brinfurst, Jr., Nashville; W. T. Cutten, Memphis; R. A. Hurt, Jackson; R. S. Fletcher, Jackson; H. L. Nichel, Clarksville; Elias Gates, Memphis; T. C. Ashcroft, Memphis; R. L. Matthews, Memphis; C. E. Barbour, Memphis.

The Tennessee League started in 1922 with seven members, which have now increased to 22. Paul Baldbridge, secretary of the Jackson Building and Loan Association, has been secretary

[6] The article by Huffman previously cited and continued in the 1895 *Proceedings* states that the laws of 1884 and 1889 gave Tennessee a full code regulating the building and loan business, and certain acts of 1891 practically allowed the "nationals" to operate in their own way.

[7] Public Acts 1929, ch. 117, H. B. 434. R. E. McNellis is now supervisor in charge of this bureau and C. P. Moore, chief examiner.

of the League since its organization, and W. T. Outten of Memphis was the first president.

Mr. Elias Gates was attorney for the State League until his death in 1929. He was a very enthusiastic worker and gave a great deal of his time in trying to get adequate building and loan laws passed for the protection of the investors. C. E. Barbour, secretary of the American Building and Loan Association of Memphis, was also an ardent worker until his death in 1926.

Since the laws of Tennessee have placed building and loan associations under the jurisdiction of the bureau of building and loan associations, whose business it is primarily to protect the investor, the outlook is very bright, and those who are interested in this work can vision a great future for building and loan associations in the Volunteer State.

« « BIOGRAPHICAL SKETCH » »



JAMIE McMULLEN, secretary-treasurer and director of the Home Building and Loan Association of Knoxville, with which Association she became connected in 1925 as assistant secretary. Has served as vice president of the Tennessee League of Building and Loan Associations and has been Tennessee's representative on the national executive committee since 1926.

Miss McMullen was born in Knoxville, January 23, 1887, daughter of Paul Stuart and Margaret Luttrell McMullen.

TEXAS

By DONALD SCOTT

THE history of the Texas building and loan business falls naturally into two major periods; the first, from 1867 to 1916; the second, from 1916 to date.

The Period 1867 to 1916.[1]

On November 6, 1866, the Texas Legislature by a special act created the Young Men's Mutual Real Estate and Building Association of Houston. This institution, according to its charter, was authorized "to make contracts, hold, buy and sell property both real and personal, to contract, and execute leases . . . deeds, mortgages and deeds of trust, to have a succession . . . and to declare dividends."[2] This institution, although really a land company, was the forerunner in this State of the modern building and loan association. The original charter for 20 years was subsequently extended for 50 years, and the company was in operation as late as 1876.[3]

On June 24, 1870, Mr. T. C. McMahon, a prominent banker of Galveston, secured a charter from the Legislature and started the Island City Real Estate and Homestead Association with a capital of $75,000.[4] During the 70's many real estate concerns fashioned somewhat after building and loan associations were incorporated in the State.[5] The one which

[1] Material on the early associations was secured in part from an unpublished manuscript on "The History of Texas Building and Loan Associations" by Avery L. Carlson of Texas Christian University. The data are corroborated in part by statements in an article by John E. Huffman, "A Review of the Building and Loan Movement in the Southern States," 1894 *Proceedings of the United States League*, p. 137, where he says that in 1894 Texas had two associations more than 10 years old, one organized in 1867 with a real estate investment feature prominent. Of true building and loan associations, one started in 1879 and another in 1880; the former sold out in 1890 to a land trust company, and the latter continued in business.

[2] Gammel's Laws of Texas, vol. 5, p. 1486.

[3] *Report of the Secretary of State*, Texas, 1876, p. 636.

[4] Gammel, *op. cit.*, vol. 6, p. 508.

[5] *Ibid.*, vols. 6 and 7. Among the companies incorporated about this time were the Austin Joint Stock Building Company, the German Land and Improvement Company, the Galveston Building Association; the Austin Homestead Building Association, the Excelsior Real Estate and Building Association, the Houston Real Estate and Banking Company, Paris Real Estate and Banking Association, the Jefferson Real Estate Trust and Dollar Savings Company, and the Colorado Real Estate and Banking Company. The names of these companies indicate that many of them had real estate investment aspects and were not pure building and loan concerns.

functioned more nearly as a modern association was the Mechanics Building Association of Jefferson which was granted a 12-year charter with an authorized capital of $300,000 on December 12, 1871. The purpose clause of the charter reads: "to purchase, own and sell real estate and personal property . . . loan its funds on security on such terms as the association may direct for the purpose of building up and improving property in the city of Jefferson."[6]

Another association was organized in 1879, but 1880 marked the beginning of the Dallas Homestead and Loan Association, which is believed to be the oldest association still in operation in Texas.

From this time on for a short period the development of the business was quite rapid, being marked by the organization of the Mutual Building Association, Dallas; the Sulphur Springs Building and Loan Association, Sulphur Springs; the Mechanics' Building and Loan Association, Houston; the Greenville Building and Loan Association, Greenville; the Tyler Building and Loan Association, Tyler; the Hesperian Building and Loan Association, Gainesville; and several others. By 1888, 50 associations were reported to have been operating in Texas.[7]

These associations were practically all of the original type of neighborhood mutuals. The majority of them operated on the terminating plan, though a few were already making use of the serial plan. As the natural result of the terminating character of these early units a number of them quite rapidly went out of business so that in 1893 the first official report on building and loan, published by the United States Commissioner of Labor, showed a total of 39 local associations, with a membership of 4,139 and total assets of $1,944,873. The report also stated that two "national" associations were operating in Texas with 1,503 members and $239,526 in assets. Of the 39 local associations 20 operated under the terminating plan, 17 under the serial, and 2 under the permanent plan. The same gradual elimination of the terminating plan units continued through the remainder of this period.

The turn of the century was also marked by the entrance into Texas of several so-called 3% companies. These companies

[6] *Ibid.*, vol. 7.

[7] From an article by R. T. Hill in the *Journal of the American Social Science Association* for the year 1888.

operated under a number of different names, being called "3% housing trusts," "nationals," etc. Their financial organization was extremely unsound. Nevertheless, they acquired a substantial volume of business as a result of the good reputation of the true building and loan associations. Because of their fundamental unsoundness these companies were short lived, but since the public regarded them as building and loan associations their collapse caused serious injury to the legitimate building and loan business of the State. Consequently, in 1915 only 19 associations were operating in Texas with a membership of 3,903 and total assets of $1,247,303.

These early associations also ran into some difficulty with the usury laws of the State.[8]

In spite of the slow growth in size of the business this first period is of very great significance to Texas building and loan development, for during this time the public was gradually made conscious of the services and possibilities in the building and loan field. The sound, constructive policies pursued by the pioneers of these early associations were immeasurably significant in building up in the public mind a belief in the safety and profitableness of building and loan. Without such a beginning, the development which has taken place in recent years would have been impossible.

Consequently, we should know of those pioneers who by their tireless efforts laid the foundation for the great business which now exists in Texas. Because of the limitations of space, it is impossible to do more than list a few of these pioneers, such as John Seiders of the Taylor Building and Loan Association, Taylor; Robert Zapp of the Galveston Building and Loan Association, Galveston; Sig Wacholder of the Sulphur Springs Building and Loan Association, Sulphur Springs; C. D. Gillespie of the Mutual Building Association, Dallas; A. J. Kaelin of Houston; B. E. Julian of the Dallas Homestead and Loan Association, Dallas; and J. L. Penry, of the Standard Savings and Loan Company, Dallas.

It would be very difficult, if not impossible, to classify these men according to the significance of their contributions. Each of them has played an essential part in making the Texas building and loan business what it is today. However, one man deserving of special mention is J. L. Penry, who wrote the Texas

[8] For example, see *Jackson v. Cassidy*, 68 Tex. 282 (1887).

building and loan law of 1913[9] and was largely instrumental in obtaining its adoption.

The 1913 law represents the first attempt[10] to place Texas building and loan upon a definite legal basis and was instrumental in partially curbing the activities of fraudulent promoters in this field by requiring a "certificate of approval" from the commissioner of banking and insurance in order to operate. It contained the usual provisions concerning incorporation, purpose, capital stock, and duration of charter (50 years). The words "building and loan association" were not required to appear in the title, however. Supervisory authority was placed in the commissioner of banking and insurance. Many associations were organized under the authority of this act.

In this first period two attempts were made to organize Texas associations into a state league. The business at this time, however, was still too essentially local and small-scale to make a state-wide organization possible. Thus, the Texas League of Building and Loan Associations, organized in 1897, was in existence only two or three years and the Building and Loan Association League of Texas, organized in November, 1915, was also short lived.

The League organized in 1897 had as its secretary, T. J. Gafford of Sulphur Springs. The president was William G. Bell of Austin.

The League organized in 1915 had the following list of officers: Kenneth Krahl of Houston, president; J. T. Patterson, Houston, secretary; and John Seiders, San Saba, treasurer.

The first period may be summarized by stating that a sound foundation was laid by those able men specifically referred to and by many others, and that the business was given a definite legal status by the law of 1913.

The Period Since 1916

The second period is marked by almost revolutionary changes. It has been characterized by the widespread adoption of the permanent plan, by the development of large-scale units,

[9] H. P. No. 17, ch. 33.

[10] The second installment (1895 *Proceedings of the United States League*) of the article by Huffman, already referred to, contains the statement that no specific laws regulated building and loan associations at that time.

by the conversion in many cases to the "spread system"[11] in the place of the earlier membership, cancellation or withdrawal fees, and by the introduction of the permanent stock plan of operation. Growth has been astonishingly rapid.

The year 1916 marked the upward turn in volume; 27 associations were operating in the State with 5,875 members and $1,942,438 in assets. At the close of business, December 31, 1930, 154 local Texas associations were administering $134,743,150 in assets.

The first significant development of this period was the organization in 1916 of the Continental Savings and Building Association at Dallas which was the first Association to grasp the possibilities of large-scale development inherent in the permanent plan. The success of this Association led within a very few years to the organization of the Dallas Building and Loan Association, the San Antonio Building and Loan Association, the Gibraltar Savings and Building Association of Houston, the Guaranty Building and Loan Company of Galveston, the Tarrant County Building and Loan Association of Fort Worth, the North Texas Building and Loan Association of Wichita Falls, the People's Building and Loan Association of El Paso, and many others.

At the present time, there is one Chapter of the American Savings, Building and Loan Institute active in Texas. This is the Houston Chapter No. 24, located at Houston. Three other cities have been granted charters. They are Fort Worth No. 22, Dallas No. 23, and San Antonio No. 25.

Important building and loan research projects are being encouraged by the Friedlander prize, given annually to the student of the University of Texas who writes the best thesis on building and loan. The prize was made possible by I. Friedlander of Houston who donated $1,500 in building and loan stock to the University of Texas, and the income from this stock constitutes the prize. Last year's research resulted in a balance sheet analysis of Texas building and loan associations, compiled by Herschel C. Walling. The study provides accurate information on the condition and the economic position of the building and loan industry in Texas.

This period, also, has its pioneers. The list could include

[11] The system of meeting operating expenses out of the margin derived by lending the shareholders money at a rate higher than that paid to savings members on their investments.

the names of over 100 men who have made significant contributions to the growth of our business in the last 14 years. Three men, however, Ralph Beaton of Dallas, Maco Stewart of Galveston, and I. Friedlander of Houston deserve special comment.

Mr. Beaton organized the Continental Savings and Building Association of Dallas. As had been previously indicated, this Association was the first of the modern type to be set up in Texas. I believe that it may be safely said that its success led directly to the organization of some of the most progressive Texas associations, and that these later organizations followed very closely the trail which was blazed by the experience of the Continental Association.

Mr. Stewart's outstanding contribution is his organization of the permanent stock plan in Texas. The general opinion is that the present recognition of this plan in the recent building and loan law and its growing popularity among executives and shareholders in this State may be attributed to the success which Mr. Stewart achieved as a result of introducing permanent stock into the Guaranty Building and Loan Company.

The importance of Mr. Friedlander's contribution may be grasped by noting that the law of 1913 failed to deal with a number of very important problems which arose as a result of changes in operating methodology during this second period. By 1924 a number of very serious difficulties had arisen because of the uncertain legal status of Texas associations under the new conditions. As chairman of the legislative committee of the State League Mr. Friedlander was the prime mover in securing the passage of the building and loan law of 1929,[12] which places Texas building and loan upon a legal basis comparable with the best in the country. Mr. Friedlander is the chairman of the advisory committee on state legislation of the United States League.

To this list of leaders of the second period of Texas building and loan development must be added the name of Dr. Horace F. Clark. Dr. Clark was known to practically every building and loan association in the country as the former educational director of the American Savings, Building and Loan Institute, and as the outstanding building and loan authority in the world. He cooperated closely with Mr. Friedlander in the construction of the Texas building and loan law of 1929 and was responsible

[12] Laws of 1929.

for some of its most important provisions. He saved Texas associations untold thousands of dollars by successfully representing them in tax cases before the Department of Internal Revenue, and was called to Texas frequently for consultations in which his sound advice proved to be of immeasurable benefit.

In March, 1930, Dr. Clark came to Texas to assume the presidency of the United Guaranty Security Company which was being established to further the introduction of the permanent stock plan in Texas. He continued his active interest in national building and loan welfare, however, and his untimely death was the direct result of that continued interest. He was killed in an airplane accident on January 4, 1931, while returning from Shreveport, Louisiana, where he had made the outstanding address before the Centennial meeting held in that City. His loss is irreparable, and he is mourned by every building and loan man in the country.

Building and loan associations of Texas are under the supervision of the state banking department. They are organized in the main, on the permanent plan, either on the strictly mutual basis or on what might be termed the mutual-guaranty system. The law does not permit use of the term "guarantee capital," so associations organized on this basis are merely called "permanent stock" associations. The permanent stock is, however, in the nature of a guaranty fund, and is issued up to 5% of the assets of associations making use of it until the total permanent stock equals $250,000. Associations of over $5,000,000 total assets are not required to have more than $250,000 of permanent stock if they desire to operate on the permanent stock basis. Texas associations are permitted to issue juvenile shares.

The present Texas League of Local Building and Loan Associations was organized in 1922 with E. E. Shelton of Dallas, as president, and O. H. Kirkland, secretary.

This second period, like all eras of great development, has been one of problems and of stress. Such an era always develops its leaders who should be given recognition in a record of this type. Probably the best way to choose, from the many able men in the Texas building and loan movement of today, those who deserve special comment is to follow the choice of

the business itself. This leadership is reflected in the list of presidents of the current State League.[13]

The possibilities for growth of the business in Texas are tremendous. From the standpoint of modern large-scale operation, the building and loan business in Texas is only 14 years old. During this short period it has climbed to the 16th place in total building and loan assets. But, when it is recognized that Texas is first in size and fifth in population, it will be seen that this history of Texas building and loan is but a prelude to tremendous development.

In 1928 Texas entertained the annual convention of the United States League at Dallas.

[13] The following men have served the Texas State League of Building and Loan Associations as president since its organization in 1922: 1922, E. E. Shelton, Dallas Building and Loan Association, Dallas; 1923, C. H. Sinex, Tarrant County Building and Loan Association, Fort Worth; 1924, W. W. McAllister, San Antonio Building and Loan Association, San Antonio; 1925-26, I. Friedlander, Gibralter Savings and Building Association, Houston; 1927, H. R. McKeever, Citizens Savings and Loan Association, Fort Worth; 1928, Ralph Beaton, Continental Savings and Building Association, Dallas; 1929, G. J. Cassleberry, Peoples' Building and Loan Association, El Paso; 1930, J. Wilkie Talbert, North Texas Building and Loan Association, Wichita Falls.

« « BIOGRAPHICAL SKETCH » »



DONALD SCOTT, head of the Department of Economics in the School of Commerce, Southern Methodist University, Dallas, Texas, and student of building and loan affairs. Conducted the Dallas Chapter of the American Savings, Building and Loan Institute in 1925.

Prior to going to Texas, Mr. Scott had several years' business experience in Michigan. He is a graduate of the University of Michigan, and a member of Phi Beta Kappa. He was born in Elkins, West Virginia, in 1899, son of George B. and Emma H. Scott. In 1922 he married Iida Tuomela.

UTAH

By O. R. DIBBLEE

Early Development

ECHOES of the great centennial celebration of the birth of building and loan will scarcely have faded out in the Nation when Utah will observe the semi-centennial anniversary of the same thrift system within her own boundaries. The half century mark will be reached in 1933 by the pioneer association of the Beehive State.

Fifty years is not a long time in the history of America, but in the history of Utah, 50 years harks back to the days when the Territory was still a part of the great western frontier.

On July 16, 1883, Zion's Benefit Building Society was incorporated—the first building and loan institution in Utah, and one of the first, if not *the* first, to be established West of Omaha.

Utah was fertile soil for the early and ready inception of the cooperative thrift idea, because cooperation was a social theory of the Utah pioneers and a stern necessity imposed by their isolation. They were people so fervid in their conviction that they adventured—at least once—into communism, or community ownership. They can therefore easily be imagined laying vigorous hold on a system so cooperative and practical as building and loan.

So it was inevitable that Zion's Building Society should thrive from the very start. It is today one of the largest and strongest associations in Utah. The records reveal that the by-laws of this Utah institution were borrowed from a Mr. M. J. Brown of Philadelphia, who was kind enough to send to Utah a copy of his society's by-laws.

Arthur Parsons, who issued the call for the first meeting of the founders of Zion's Benefit Building Society, is today its president. He was not its first president, however, that honor being bestowed upon T. G. Webber, now deceased.

That the movement won the support of influential and public-spirited citizens is evidenced by the personnel of the first board of directors. It included, for example, in addition to Mr. Webber who was manager of the big Church Store still operated under the name of Zion's Cooperative Mercantile Institution; John C. Cutler, who later became Governor of Utah, John R. Winder, a pioneer churchman; Francis Armstrong, mayor of Salt Lake; Professor Toronto, of the University of Utah; John T. White, a physician; P. W. Madsen, a business man, and many others whose names have been written high in the business achievements of our State. Among the original incorporators was William J. Bateman, who immediately became assistant secretary, but soon after was promoted to the office of secretary, which position he still retains.

On June 18, 1887, a group of Salt Lake business men filed the articles of incorporation of the second association to be formed in the State under the name of Utah Loan and Building Association. This group also included in its original personnel the name of a later Governor, that of A. L. Thomas, who had been sent to Utah to fill a special commission and was appointed Territorial Governor in 1888 by Benjamin Harrison, President of the United States. The Association in the 43 years of its existence attained to the stated assets of only $230,672.19, and in 1930 was absorbed by an association of the permanent stock type, which had been organized but a few years before.

On April 5, 1892, a third group of incorporators organized the Western Loan and Savings Company, which later changed its name to Western Loan and Building Company.

A further interesting phase of the record of the Western Association is that not a member of its original organization now appears on its roster of officers or managers. However, two of the incorporators of the Zion's Benefit Building Society, P. W. Madsen and Dr. John T. White, went over to the Western Association and became its president and vice president respectively.

The Western Association was a permanent stock type of association and the first of its kind in the state. Mr. Madsen appears to have acquired the controlling interest in the permanent capital and since his death in 1922, the control has passed on to his sons, who still continue to operate successfully that Association. At the writing of this history, the combined assets of the Western Association are approximately $30,000,000.00.

February 19, 1904, the Provo Building and Loan Association was organized and on March 5, 1906, the Deseret Building

Society. Both of these institutions were of the serial, non-permanent type.

In the period between 1917 and 1925, building and loan was supervised by the State Securities Commission, whose principal duty appears to have been the chasing of stock promotions and stock promoters. It is not entirely clear from the records whether it was because building and loan was under supervision of the Blue Sky Department that promoters went into the business, or whether it was because promoters had gone in the business that it was put under the supervision of the Blue Sky Department. Regardless of which was first, "the hen or the egg," Utah's building and loan business beginning in 1917 went through a considerable period of invasion by a group of sales promoters, who today point with pride to the fact that in Dunn's and Bradstreet's rating they have several figures behind the dollar sign that follows their names.

Between 1917 and 1924, 18 associations were formed, all but five of which had some amount of permanent or controlling capital stock. The "sins" of the first permanent association's forfeitures, while they had been less spectacularly indulged in, have been nevertheless as effective in causing loss to the person who withdrew before maturity from the newer associations.

The inevitable happened—and even though the Blue Sky Commission branded as "within the law, insofar as state supervision was concerned" these heavy deductions, sometimes referred to by the courts as "unconscionable contracts"—the public rebelled and the situation ripened into exactly the proper condition for one of the most vicious attacks building and loan has ever suffered in America.

Mob reasoning has never been noted for its discretion or clarity of thinking—in this case, incited by one of the local papers, everything under the name of building and loan suffered greatly. Strange as it may seem, mortgage companies and syndicates with contracts having loadings equal or greater than the worst building and loan contract, escaped without a word of censure and are, at the date of this writing, selling thousands of their contracts bearing loading deductions from 5% to 7½% of the maturity value of the contract.

However, building and loan finally secured remedial legislation and is again emerging to a position of confidence in the minds of the people. While some men in the business welcome

the disastrous experience as a means of escape from the unsatisfactory conditions, nevertheless, almost any person well informed on building and loan matters will promptly admit that building and loan as a financial institution suffered more from the "cure" than from the cause of its brief but active experience with the "gentlemanly racketeers."

Utah Building and Loan League

The Utah League of Building and Loan Associations was formed in 1922, with 14 associations in its membership. Its first officers were Arthur Parsons and Thorwald L. Larson, both of Salt Lake City. The remaining eight associations throughout the State did not join in the formation of the League. Some of these associations have since come in, and one of the original promoters of the League withdrew during the period when one of the local newspapers was carrying on its fight against some of the building and loan practices.

Under the Utah statutes, building and loan associations had their choice of either the permanent or non-permanent stock plan. The two oldest associations in the State represent these two methods of organization; and about the same conflict of interests, practices and policy prevails in Utah as elsewhere between the representatives of these two plans of operation, the Zion's, representing the non-permanent plan, and the Western, the permanent plan. At the time of the formation of the League, these two institutions were the two largest then in existence in the State. A close third was the Deseret Building Society, also a non-permanent stock plan association.

Ten of the member associations forming the League were of the permanent capital type, many of them very small, some of them less than a year old, and all of them operating with a loading and penalty for early withdrawals. According to the records of the Blue Sky Commission at the State Capital, these loadings ranged all the way from 3½% to 10% on the maturity value of the certificate subscribed for. The League immediately went about attempting to stabilize a number of building and loan practices, and one of the first things to receive attention was the "leveling off" of the commissions allowed the fiscal agents or promoters.

Naturally, there was much resistance to this program on the part of the fiscal agents with high commission contracts, and

much advocacy of such a program by the non-permanent plan companies and by the companies attempting to operate on the low commission plan. The promoters with high commissions could and did mercilessly raid the sales organizations of the low commission companies—with what result one may easily imagine.

The Securities Commission attempted to regulate this matter by limiting the commission allowed to be paid, but since it could not go into the question of loading itself, the managers paid the maximum commission allowed, and then through salaries or expense allowance easily evaded the regulation and attempted to outbid their competitors for salesmen.

This condition eventually brought the low commission and non-stock or self-styled "mutuals" into an alliance within the League for the purpose of getting legislative correction of these evils. The first legislative correction brought the gross loading to 5%. After operating under these conditions for four years (1925-1929) a committee of the League was appointed, charged with the duty of bringing about a 2% law. Prior to that time, commission was determined by the by-laws of each particular company. The lack of unanimity of opinion on the part of the committee handling the question of the 2% or 5% loading, resulted in the Legislature reaching the close of its session and the opposition going home satisfied that there would be no change in the law. The Bank Commissioner, Seth Pixton, notified the then president of the League, O. R. Dibblee, that the bill was lost and the Legislature was ready to adjourn. Mr. Dibblee called together a few of the members advocating the 2% plan and they were successful in securing unanimous consent of the Legislature for consideration of the new bill, bringing the loading or fees of building and loan to its present status of 2%.

Special mention is due Joseph E. Kjar, who was at that time secretary of the League, and also secretary of the Deseret Building Society, for his efforts in connection with this particular legislation.

This legislative change took place in March at the close of the 1929 session. The law became effective in May and the national convention of the United States League of Building and Loan Associations was held in Salt Lake City the following August.

The Utah League was host to the United States League of Building and Loan Associations during the last week of August 1929. The session of the United States League was presided over by the Honorable Walter F. McDowell, who up to a few years ago had been president and manager of a large association in Tacoma, Washington, and who had subsequently become affiliated as vice president and director of one of the Utah associations; thus was Utah afforded the distinction of having an executive of one of its own associations preside as head of the United States League of Building and Loan Associations at a meeting within the State. The United States League Session was well attended, and undoubtedly gained for Utah a permanent and favorable position in the minds of the building and loan fraternity throughout America.

Tragedies

Utah has had one genuine building and loan failure and one "still-born" association. The failure referred to was that of the Utah State Building and Loan Association which occurred October 31, 1920. It was brought about by a set of one of the most peculiar circumstances that ever occurred to a financial institution. The secretary became mentally unbalanced, but not sufficiently so as to arouse the suspicion of his directors or others until he had so befuddled the records of payments, that no man nor set of men were able to untangle them. There was no evidence of actual or criminal default. Pass book entries were credited in the membership ledger records of persons in no way related to the person having made the pass book payment. Persons with credits either on ledger sheets or in pass books claimed their benefits. This resulted in a considerable deficiency between the money on hand and these total credits, so that no one will ever know the actual ratio of loss resulting from the liquidation of the Utah State Building and Loan Association. However, this Company was finally liquidated through the Banking Department, paying a 51% dividend, of all the claimed credits.

The other association failure referred to, if it may be so classed, came about through the practice of a group of promoters. A charter had been taken out for the Association, allowing each subscriber to vote the number of shares subscribed for and also providing that salesmen might sell the shares,

report collections and retain all of the first several months' collection as a commission. The story told us is that a couple of smart salesmen went out and wrote several thousand shares in the name of persons known or unknown using the graveyards in that particular section of the State as a guide;—in each case they wrote a proxy to themselves. A stockholders meeting was promptly called and they took the Association over and operated it for a few months until the few dollars which had found their way into the treasury were exhausted. About the only credits issued were for membership rights. Since their charter did not provide for the accounting of these first monthly payments, it was very difficult to determine how many of these membership shares had been issued for bona fide payments, and how many were issued for the convenience of the promoters.

Brief Comment on Personalities

In writing such a section as this, much depends on the definition of "prominent." Conceiving that the word could be defined in terms of contribution made, the list of prominent personalities would include many others besides presidents of the Utah League. But space requires that the list be limited to the very briefest proportions.

The first president of the Utah League was Arthur H. Parsons, who at the time of his election was president of the Zion's Benefit Building Society. Mr. Parsons acted between the period of September, 1922 and April, 1923, which was the first annual meeting of the League and at which time he was re-elected for the term running from April, 1923 and ending April, 1924. As has been previously stated, Mr. Parsons was one of the originators of the building and loan movement in Utah, and can well be called the "Dean" among its leaders. He did not complete his entire second term as president.

Other past presidents who have served the State League well include: H. M. H. Lund, Thorvald L. Larson, Stuart P. Dobbs, Nephi L. Morris, L. W. Smeltzer, C. Clarence Neslen, and J. H. Andrews.

Special mention should be made of Walter F. McDowell. When the National Building and Loan Association of Salt Lake City elected Walter F. McDowell as one of its vice presidents and a member of its Board of Directors, it brought to Utah

one of the most distinguished characters in the building and loan field in America today. Mr. McDowell took an active part in Utah League affairs and contributed much to the advancement of the building and loan business in the State. While Utah has not advertised itself as a health resort, Mr. McDowell was kind enough to say that his time spent in Utah not only brought him pleasure, but contributed greatly to the upbuilding of a health which had suffered much impairment in the months and years immediately preceding his coming to Utah. Mr. McDowell was also vice president of the National Building and Loan Association of Nevada, National Mutual Savings and Loan Association of New Mexico, and had other affiliations in the West. Utah has been very proud of Mr. McDowell, and in his death suffered a great loss.

« « BIOGRAPHICAL SKETCH » »



O. R. DIBBLEE, President and general manager of the National Building and Loan Association which was organized in 1922. Also, president of National Mutual Savings and Loan Association of New Mexico, the National Building and Loan Association of Nevada, and the National Reserve Holding Company of New York.

He was born in Kankakee, Illinois, son of Richard Harvey and Harriet Skeels Dibblee. He married Winifred Candland of Mt. Pleasant, Utah, and they have four children.

VERMONT

By REUBEN A. COOKE

Development

THE first charter to operate a building and loan association in Vermont was granted November 26, 1878, but the Association did not begin business until 1895. The applicants were the leading bankers, business and professional men of Burlington.

Among the signers were such outstanding names as Laurence Barnes, Charles W. Woodhouse, William G. Shaw, Frederick C. Kennedy, Torrey E. Wales, Joel H. Gates, Henry Loomis, Charles F. Ward, Edward Lyman, U. A. Woodbury, Bradley B. Smalley, A. E. Richardson, Willard Crane, Bennett Turk, George Grenville Benedict, Henry Ballard, Samuel Pope, and C. W. Brownell, Jr. The prime influence was William G. Shaw, a banker and large real estate holder.

As the plan of operation was a new, and so far as Vermont was concerned, an untried one, none of the other applicants for the charter seemed willing to assume the responsibility of sponsoring the suggested enterprise, or to undertake the task of formation. Consequently, the charter lay dormant for many years.

The second charter was granted to the Essex Co-operative Savings and Loan Association, Essex Junction. The applicants were the Hon. Samuel A. Brownell, C. M. Ferrin, E. B. Williams, C. S. Fletcher, W. J. Shiland, W. B. Johnson, C. H. Hayden, J. H. Donahue, and others.

Mr. Brownell became its first president and retained that position until the liquidation of the Association in 1913 when the Essex Trust Company was formed and took over some of the loans of the building association.

An unusual feature of the Essex Association was that it was empowered to loan on collateral security. It could also loan its funds in the same manner and under the same provisions and conditions that any savings bank in the State may loan, if it had accumulated surplus funds for which there was no demand for loans, withdrawals, or maturing shares.

In 1894 a general law[1] was enacted permitting the organization of cooperative savings and loan associations on application by 15 or more individuals of age, and residents of the State. Such associations were required in part to carry the name "cooperative savings and loan association."

The passage of this law was largely the product of the energy of the Hon. William J. Van Patten, mayor of Burlington, manufacturer and philanthropist, with the cooperation of the Hon. Charles O. Smith, president of the Burlington Savings Bank.

The first association to be formed under the general law was the Queen City Co-operative Savings and Loan Association, Burlington, under date of March 27, 1895. Its officers were W. H. Hale, president; C. L. Dolan, vice president; T. P. Daley, secretary; James E. Miles, treasurer. Its subscribers were few, volume of business was small, and it was liquidated in 1899 without loss to its stockholders.

The general law of 1894, as well as the special charter of 1878 to the Burlington Association, provided for the issuance of serial shares, annually, semi-annually or quarterly; installment shares only, payment $1.00 per share per month; matured value $200 each; entrance fee of 25 cents per share permitted but infrequently charged; premium bids advancing one eighth per cent (above 6%); fines for arrearages of 2% per month, with limit of six months; maximum shares 25 per person; largest loan one bid, $2,000; maximum loan to member, $5,000; capital limitation, $1,000,000.[2]

Amendments in 1923,[3] 1925, and 1929 raised capital limitations, increased the shares per person to 40 and the maximum loan to $8,000.

The Burlington Building and Loan Association at Burlington, organized in 1895 under the 1878 charter, started business in May, 1895 with William J. Van Patten as president; U. A. Woodbury, vice president; R. A. Cooke, secretary and treasurer; and T. E. Wales, C. A. Hibbard, George D. Wright, C. W. Brownell, H. W. Hall, H. R. Conger, J. E. Fox, F. C. Herington, E. F. Henderson, A. L. Barrows, J. W. Jones, and Van G. Isham as director.

[1] Laws 1894, ch. 229.

[2] G. L. 1925, act 96 removed the limitation as to number of shares and raised the limit on capital to $5,000,000.

[3] G. L. 1923, act 100 increased the capital limit to $2,000,000 and the number of shares to 20,000.

The second association formed under the general law was the Springfield Co-operative Savings and Loan Association, at Springfield, Vermont, in 1910, with Col. George F. Leland as president and Claude G. Leonard as secretary-treasurer.

Brattleboro had an association in 1912; St. Albans in 1915; Bennington and Windsor, in 1917.

In 1914 an association was formed in Northfield, but the town was small and served by several banks; the volume of business secured by the association was limited and it dissolved in 1922 without loss to its stockholders. The Randolph Association came into existence in 1920.

All associations in Vermont are of the serial type. No association has ever operated under the terminating plan. As shares are only of the serial type, to be paid for at the rate of $1.00 per share, no full-paid or part-paid shares can be issued, nor can certificates of deposit be issued.

"National" associations operated in a small way in Vermont and resulted in losses to their members. The last one to do business in the State was an association of Dallas, Texas, and through the efforts of the Vermont State League its license was rescinded.

State League

The Vermont League of Co-operative Savings and Loan Associations was formed in 1922 with R. A. Cooke, president, Burlington; Col. George F. Leland, vice president, Springfield; Carl S. Hopkins, secretary, and treasurer, Brattleboro; these officers with Gilbert F. Davis, Windsor; S. A. Richmond, Brattleboro; M. D. Armstrong, St. Albans, comprised the executive committee.

The League[4] has been particularly active in promoting the building and loan idea in various ways. It has helped in the formation of associations at Poultney and Rutland in 1924, Barre in 1926, Middlebury, Pittsford, Montpelier, and St. Johnsbury in 1928.

Tax Situation

The general law of 1894 stated that these cooperative associations should be deemed to be savings institutions for

[4] The present officers of the Vermont League of Co-operative Savings and Loan Associations are R. A. Cooke, president; George F. Leland, vice president; Carl S. Hopkins, secretary and treasurer; Gilbert F. Davis, S. A. Richmond, and M. D. Armstrong who compose the executive committee.

purposes of taxation. At that time, and since, a tax of seven mills on the dollar was imposed against the accumulations of savings institutions and deposits on which interest was paid by national banks. No tax was paid by the cooperative associations, however, until 1910 when a seven mills tax was collected on the value of the free shares.

In 1917 the cooperatives organized under the general law were exempted[5] from payment of the seven mills tax. In 1925 an intangible property law was passed bringing this class of property under a four mills tax.[6] An act of 1927[7] again brought the exemption to cooperatives from the imposition of a seven mills tax but this was repeated in 1929.[8]

In 1930 for the first time the tax commissioner instructed the listers or assessors to require disclosure as to the holdings of members in building and loan associations and his tax inventory blanks issued for that year called for returns of such holdings for purposes of taxation at the four mills rate.

Although sixteen million or 8% of deposits in other savings institutions were exempt from payment of a state tax, on account of purposes for which employed, the tax commissioner considered association members as a "privileged class," in spite of the fact that 98.89% of their deposits were used for creating values directly for the state whereas, on June 30, 1928, 54.23% of the resources of other state savings institutions were invested in securities originating outside of the boundaries of Vermont.

Over 95% of total assets of all associations being invested in first mortgage loans on homes of moderate cost, paying the highest rate of local taxes, makes a situation where double taxation exists if members' holdings should be taxed.

The Legislature of 1930-1931 passed for the first time an income tax law.[9] This reduced the tax on deposits in savings institutions and on interest-bearing deposits in national banks from seven to six mills on the dollar. It also repealed the intangible tax law of 1925.

It granted exemption from taxation to accumulations in cooperative savings and loan associations organized under the

[5] G. L. 1917, act 49.
[6] G. L. 1925, act 21.
[7] G. L. 1927, act 6.
[8] G. L. 1929, act 25.
[9] G. L. 1931, act 17.

general laws. This exemption was secured only by great activity on the part of the State League which in this labor alone justified its existence.

Personalities

At the annual meeting of the State League on October 1, 1930, at Randolph, President R. Holtby Myers of the United States Building and Loan League gave two instructive and interesting talks; it was the first time in the history of the building and loan movement in Vermont that an officer of the national body had visited a State meeting.

Carl S. Hopkins and S. A. Richmond of Brattleboro, E. C. Ripley and H. B. Prude of Poultney, Gilbert F. Davis of Windsor, H. M. Totman and Dr. H. W. Holden of Randolph, N. N. Atwood of St. Albans, Esme Smith and Miss Lula M. Tye of Rutland have given whole heartedly of their time and have been conspicuously prominent in promoting the building and loan idea in their communities as well as in others.

The building and loan movement in Vermont has also received the support of persons who have been active in public affairs in the State. To mention only two instances, former Governor U. A. Woodbury was made vice president of the Burlington Association at its organization and Benjamin Gates, for several years state auditor, is president of the Montpelier Association.

Unusual Record

One of Vermont's associations has, what we believe, an unusual and unique record of service to its community and devotion to high ideals by its officers. The record of the Bennington Co-operative Savings and Loan Association, officered by Hiram L. Hall, president, William H. Willis, secretary, William P. Hogan, treasurer, assisted in their labors by Fred Martin, a manufacturer, shows that they were organized in 1917, that their loaning rate has been 6%, dividend to shareholders 6%, assets, as of December 31, 1930, $433,822.90, surplus and guarantee fund $11,000 with never a dollar paid to any officer for compensation, nor has any charge been made for rent or lights; we doubt if any other association in the country of equal resources and length of service can show a like record.

Growth

While the growth of the movement in Vermont during the past 10 years has been gratifying, the restrictions imposed upon the associations as to sources for their funds and the provisions as to the investment thereof preclude the hope that many new associations will be formed during the next decade as a liberalization of the laws will be a slow and difficult task.

The oldest association in the State, the Burlington, is now finishing 33 years of business during which it has loaned to home owners in that city over $3,000,000 with only four foreclosures, two of which were "friendly", to bring to a deserted wife the title to the property. The Association has never lost a dollar through foreclosure.

The number of associations reporting to the banking department has increased from seven with resources of $548,618 June, 1920 to 14 associations on December 31, 1930 with in assets of $4,749,000.

« « BIOGRAPHICAL SKETCH » »



REUBEN A. COOKE, treasurer, Burlington Building and Loan Association; president, Vermont League of Co-operative Savings and Loan Associations.

Mr. Cooke has had a variety of experience in business activity and is at the present time a director of a number of Burlington companies. He was born in Milford, Massachusetts, September 18, 1861, son of Aldrich S. and Elizabeth Landers Cooke. In 1888 he married Kate E. Barker, and they have three children.

VIRGINIA

By JOHN ADAMS LESNER

THE Virginia Legislature first authorized "building fund associations" in 1852,[1] and a number of terminating associations were formed and ran their course, followed by the modern serial and permanent plan.

The earliest association formed under this statute, of which record can be found, was the Norfolk Building Fund Association, organized February 24, 1859 on the terminating plan. The names of the organizers of this Association will be of interest to building associations, as in many cases their descendants are to this day connected with the movement. John B. Holmes, J. Hardy Henfren and Henry J. Maigne were president, secretary, and treasurer, respectively, and W. H. C. Ellis, attorney. The board of directors was composed of the officers and N. C. King, James E. Barry, William Denby, and John Mellen. The organization was completed with three trustees consisting of V. A. Nottingham, Thomas J. Corprew, and J. P. Biddle.

This terminating association was apparently successful in its operations and was followed by numerous others, in many of which the names of the original organizers again appeared.

The organization of the oldest association now existing, of which record is available, being almost certainly the oldest association now doing business in the State, presents many interesting items illustrating the crude beginnings of the movement. The Norfolk and Portsmouth German Building and Loan Association was organized on January 6, 1875, to operate on the serial plan and under very complete articles of association which left no detail unprovided for.

The rules of order set forth would make a model guide for some of our legislative bodies. No member was permitted to speak more than twice on any one subject and then for not more than 10 minutes, a fine of 10 cents for each infraction of this rule being duly enforced.

The articles showed a rigorous desire to see all business faithfully dispatched, with a weather eye out for the revenue

[1] Acts 1852, p. 81.

of the young building association. Fines were provided and enforced for each contingency, members were fined five cents per share for the first week's delinquency and 10 cents per week thereafter. Each member was required to attend annual meetings upon paying of a fine of 50 cents, quite a large sum in those days. Insurance was kept in force by the members by a penalty of $3.00 for permitting a lapse.

The members were not the only ones subjected to fines. The directors were charged 10 cents for each meeting they failed to attend, the secretary $3.00 for each and every neglect of duty, and $1.00 for failure to have the books of the association available when called for by the board of directors.

In 1878 the Association was functioning in offices for which a rental of $3.00 per month was paid. There were six directors who punctiously collected directors' fees of 15 cents per nightly meeting, and the secretary was paid $6.25 every three months for his services. A frequent item of expense for which receipts were carefully preserved was "1 gallon coal oil, 25 cents." All records were painstakingly kept in long hand, partly in English and partly in German script. This Association had 217 shares outstanding in 1878, with total assets of $20,000, and today is operating on a strictly mutual plan under another name with assets of $2,500,000.

Of the existing building associations in Virginia, 19 were organized prior to 1890; from 1890 to 1900, 13 associations were organized; from 1900 to 1920, 23; and in the following six years 24 associations started business. By December 31, 1930 the total building and loan assets in Virginia amounted to $60,439,000, having increased 35.6% in the four years since 1926. The 1930 increase amounted to over $1,500,000. During 1930, 92 associations were in operation in Virginia; nine of them, with total assets of $885,000, were operated by negroes.

Organization in Virginia

The group organization of the building association movement in Virginia has only recently gained momentum. Under the leadership of John A. Lesner, president of the Mutual Building Association of Norfolk, the Virginia State League of Local Mutual Building and Loan Associations was organized June 11, 1924, officered by John A. Lesner, president; John A. Morris, first vice president; J. A. Baer, second vice president; Fred Pilcher, third vice president; J. Newton Gordon, fourth

vice president; S. W. Lyons, Jr., secretary; and L. C. Page, treasurer. For several years thereafter it functioned through an executive committee, headed by Mr. Lesner.

The organizers of this League included, in addition to Mr. Lesner, Samuel W. Lyons, Jr., of the Chesapeake Building Association, Norfolk; J. Newton Gordon of the Co-operative Building and Loan Association, Lynchburg; Lawrence C. Page of the Tidewater Perpetual Building and Loan Association, Norfolk; John A. Morris of the Portsmouth and Norfolk County Building and Loan Association, Portsmouth; Fred Pilcher, Petersburg; and J. A. Baer of the Roanoke Mutual Building and Loan Association, Roanoke.

The League has proved very beneficial to the movement in originating protective legislation, preventing unfair state tax rulings, and in disseminating information. The first annual conference of the League, to which non-members as well as members were invited, met very successfully in Lynchburg, June 6, 1929, followed by an even better attended conference in Richmond, in June, 1930. These meetings have readily proved their worth in the opportunity to get together and discuss problems and in the interesting and instructive help afforded by the United States League officials, who are always so willing and anxious to help with their presence, advice and instruction.

A strong local league has been organized and is functioning in the cities of Norfolk and Portsmouth, where approximately 60% in amount of resources of all associations of the State are located.

Virginia Laws

Only during the last few years has there been any material legislative regulation. At the present time, Virginia building associations enjoy the usual tax exemptions, provided they operate on a "purely mutual" plan and confine their operations within a restricted area. Maintaining a proper reserve fund has finally, after much opposition, been made compulsory.

Virginia statutes place no restrictions upon the kinds of shares which may be issued in the State and practically all kinds may be found, including the Dayton plan. The only specific limitation prevents the receiving of deposits. Juvenile shares are not issued; stock for children is taken out in the name of an adult as trustee.

Subjection to examination by the examiners is still optional with the association,[2] unless the banking department has reason to believe that an association is in difficulties. It is anticipated and hoped that this will be made compulsory very soon.

A movement is now on foot under the advice of the state tax commissioner and the head of the state banking department to codify and improve all building association laws for Virginia, and it is anticipated that a comprehensive and modern enactment will be obtained at the 1932 session of the Virginia General Assembly.

While the building association movement in Virginia has been retarded by the disastrous experiences in the failures of the old "national" associations, the sting of these losses has been ameliorated by the passage of time and the safety represented by the modern plans of operation.[3]

The movement is still in its infancy, and the opportunities for greater and ever more extended fields of usefulness are fully realized as we follow in the steps of the great leaders in the movement throughout the country.

There are no limitations as to the character of stock issued in this State. The best information available does not indicate that any associations are issuing what is known as juvenile stock, though the serial, guarantee capital, and permanent stocks are all used.

[2] See legislation of 1926 for first reference to supervision.
[3] No "national" associations are operating in Virginia at the present time.

« « BIOGRAPHICAL SKETCH » »



JOHN ADAMS LESNER, president of the Mutual Building Association of Norfolk since 1917 and director since 1907. Organizer and president of the Virginia State League of Local Mutual Building and Loan Associations from 1924 to date and of the Norfolk and Portsmouth League of Local Mutual Building and Loan Associations from 1920 to date. State vice president of the United States Building and Loan League.

Served the State of Virginia as senator for many years. Postmaster of the city of Norfolk. Has held presidential office in the Portsmouth Chamber of Commerce and Board of Trade.

Senator Lesner was born in Huntersville, Norfolk County, Virginia, now part of the city of Norfolk, June 25, 1868. He married Rose Creekmur Isaac in 1924.

WASHINGTON

By DR. J. BENJAMIN ROBERTSON

Washington's First Associations

SINCE Washington was not admitted into the Union until 1889 the history of her savings and loan associations is not lost in the haze of antiquity, but is a mere matter of reminiscence of the living. The first association to be incorporated in the State was the Washington National Building, Loan and Investment Association of Seattle, which was chartered September 21, 1889 (the same year the Territory became a State). The first officers included: Edward O. Graves, president; Robert Moran, vice president; I. Hill Case, secretary and manager. This institution has had only three presidents—Herman Chapin succeeded Mr. Graves, and Raymond R. Frazier succeeded Mr. Chapin. On June 11, 1908, it became the Washington Savings and Loan Association, and on September 12, 1917, with assets over $6,000,000 it became the Washington Mutual Savings Bank, and now has assets in excess of $54,000,000.

This association was organized on the permanent plan.[1] The word "national" in its title was purely incidental and had nothing to do with the plan or scope of operation.

The second association was incorporated February 19, 1890, only five months after the first. This association is the Interstate Savings and Loan Association of Walla Walla, which (since the conversion of the Washington Association to a mutual savings bank) now has the distinction of being the oldest savings and loan institution in the State. Its present president, E. H. Nixon, a civil war veteran past 87, has been connected with the Association since its organization. He now is the oldest president of any of the associations in the State and has to his credit the longest period of savings and loan service of any man in Washington.

The Growth of Savings and Loan Associations

Following the incorporation of the first association in Washington in 1889, others soon joined the ranks. By 1892

[1] The relative recency of building and loan activity in this region precludes the possibility of the terminating plan having ever been in use in Washington.

there were four associations and in 1905 Washington had seven associations with combined assets of $906,916.14. Not until 1906 did building and loan in Washington reach the first million. By 1912 there were 22 associations with assets of more than $5,500,000. Encouraged by the activities of the State League and fostered by the law of 1913, our growth was rapid.

Year	Number of Associations	Assets
1915	24	$ 10,022,132
1920	43	20,175,163
1925	71	76,145,600
1930	73	108,261,370

At the close of business December 31, 1930, there were 72 associations doing business in the State of Washington, with total assets of $108,261,269.57.

The State League

For the first score or more years, Washington associations were under the laws written at the time the State was admitted to the Union.[2] These laws were indefinite and inadequate. There existed not only many wildcat financial institutions simulating the legal associations, but the associations themselves were run so loosely and so divergently that it was difficult to know just what constituted a savings and loan association. In 1908 State Auditor C. W. Clausen, who exercised a limited supervision of all financial institutions, issued a call to the 18 legal associations then doing business in the State to meet at Olympia for the purpose of organizing a State League. Too much credit for this organization and its subsequent accomplishments cannot be given Mr. Clausen who, as state auditor, has always had the best interests of Washington associations at heart. The first conference met in the office of Mr. Clausen at Olympia on December 21, 1908, and representatives of 16 associations were present. The officers of the Washington Savings and Loan League, elected at this meeting were: A. B. Weed, president; R. Campbell, vice president; H. O. Shuly, treasurer; Dudley Eckelman, secretary.

The State League immediately set about helping to rid the State of Associations whose practices are undesirable, and at the same time looked forward to freeing itself of such undesirable practices as the tontine or annuity features, membership

[2] Laws 1889-90, ch. 4, pp. 56-71.

fees, and various fines and forfeitures. The League then, in 1911 through its legislative committee with Raymond R. Frazier, who helped organize the League in 1908, chairman, prepared the present savings and loan code, which was passed by the State Legislature in 1913, and became the first comprehensive law governing our associations.[3] The League is ever on the alert to improve and strengthen the laws and has caused amendments to be passed from time to time further safeguarding savings institutions and their patrons.

The State League has also been ever ready to protect Washington associations from harmful legislation and has had to protect us from all sorts of unjust taxation, both state and national. However, the 1925 Legislature in spite of the efforts of the League, passed an excise tax[4] which unduly discriminated against the savings and loan associations. Through the efforts of the League and other agencies, this law was declared unconstitutional by the Supreme Court of Washington in 1930.[5] The League[6] recognizes that the Washington associations with their comparatively large amount of capital have become a decided power in the State, and are willing to bear their just portion of responsibility. However, they must be protected in the future against gross injustices of taxation.

The savings and loan associations in Washington have always been under state supervision, at first by the state auditor and later by the department of efficiency. The laws of 1925 created the division of savings and loans.[7]

The 1923 National Convention

The United States Building and Loan League held its 1923 convention in Tacoma, Washington. This meeting was presided over by J. E. Kinney of Columbus, Ohio. It was at this convention that Miss Ann E. Rae of Niagara Falls, the only woman ever so honored, was elected president of the National League.

[3] Amendment of S. L. 1913, ch. 110, pp. 326-45. All building and loan statutes in Washington, including the amendments of 1919, were incorporated in Remington's Recompiled Statutes 1922 as sections 3716-57.

[4] S. L. 1925, ch. 114; amended by S. L. 1927, ch. 208. All building and loan laws and amendments are now included in Remington's Compiled Statutes 1927, super-section 11087, subsection 1.

[5] *Aberdeen Savings and Loan Association v. Chase*, 157 Wash. 351 (1930).

[6] The present officers of the State League are: J. T. S. Lyle, president; M. L. Carrier, vice president; A. R. Gardner, secretary.

[7] S. L. 1925, ch. 144.

Institute

Washington has two Chapters of the American Savings, Building and Loan Institute. The Tacoma Chapter was established five years ago with B. J. Potter as president of Chapter No. 3. He was succeeded by W. H. Harker of the American Association, Kingston Lister of the Tacoma Association and Locke C. Riehl of the Pierce County Association. These executives have had the cooperation not only of their fellow workers in the various Tacoma associations, but have received financial and other assistance from the various local associations. In 1929, Chapter No. 62 was organized in Aberdeen with W. O. McCaw as president who still holds that office.

Some Prominent Personalities

Lack of space forbids giving biographies of all those who have so valiantly fought for the higher ideals of economic justice in our State. The past presidents and secretaries and others of the State League are men of whom any commonwealth might justly be proud.

James Fred Leghorn was the first inspector of savings and loan associations when they came under close state supervision in 1913. In 1922 he became deputy supervisor of banking, in charge of savings and loan associations, which looked to him as to a father. He especially worked for their financial strength and solvency. He was well known nationally as an authority on savings and loan legislation, and for his work in driving from the State the so-called "housing corporations" which seemed to have the backing of high pressure promotion.

Frank A. Chase, who was the fourth president of the State League, had savings and loan training here as secretary of the Spokane Savings and Loan Association, which is proud to have helped develop him for greater work in the American Savings, Building and Loan Institute.

Washington is proud to claim Walter F. McDowell, the first man from the West to be president of the United States Building and Loan League.

Raymond R. Frazier was the third president of the State League (1911-1912). With his attorneys, he was largely responsible for the preparation of the excellent law governing savings and loan associations in Washington.

W. O. McCaw, of the Aberdeen Savings and Loan Asso-

ciation, past president of the State League, vice president of the Savings Building-Loan Conference of the Pacific, for two years president of the Aberdeen Chapter of the Institute, has served for 10 years on the executive and legislative committees of the State League and for the past four years has been on various committees of the national league.

Frank G. Jones, with the Security Savings and Loan Association of Aberdeen since its organization 15 years ago, has been a member of the executive committee of the national league, and ever active in the State League.

« « BIOGRAPHICAL SKETCH » »



DR. J. BENJAMIN ROBERTSON, President, American Savings and Loan Association of Tacoma; former member, educational committee of the United States League. Dr. Robertson is a physician and surgeon, having graduated from the Indiana University and Indiana Medical College.

He was born in Seymour, Indiana, on December 19, 1875, son of William and Sarah Johnson Robertson. In 1906 he married Anna Harmon and they have three children.

WEST VIRGINIA

By WALTER HILTON

Early Development

ASSOCIATIONS have existed in West Virginia for 60 years or more. The oldest in continuous existence is the Traders Building Association at Parkersburg, organized July 2, 1879. Two other associations also now do business there, the Exchange Building Association, organized in 1902, and the Citizens Building Association organized in 1888.

There seems to be no record of the organization of the first association in the State, although 40 have been dissolved, most of them voluntarily, and only one of them is reported as "below par."

Laws

An act of the Legislature of Virginia, passed in 1852, authorized and provided for the organization of building associations. It does not appear that any such associations were ever organized under that act within the boundaries of what is now the State of West Virginia.

The first statute providing for the organization of building and loan associations in West Virginia was an act of the State Legislature adopted in 1867. By this statute they were called homestead and building associations. The corporate powers were narrow, being limited to "the purpose of raising money to be used among the members of such corporation in buying lots or houses or in building, or repairing houses," and for any violation of these powers, the association was to forfeit all its rights and privileges as a corporation.

This law was not attractive to stockholders, since they were held for a double liability "for the purpose of securing the creditors for such associations." There was a public need for such an institution at the time, and notwithstanding the limitations and imperfections of the statute, associations were organized in the principal towns of the State and prospered fairly well until 1882, when the Supreme Court of West Virginia decided that associations were bound under the statute to see to the application of the money loaned by them. The law now became unpopular.

The statute of 1867 was amended by an act passed in 1891, and the institutions were then called "building and loan associations." This law removed the double liability of the stockholders and the duty of the corporation to see to the application of the money loaned, and greatly enlarged the powers of the corporations. In addition to the right of loaning to its stockholders the moneys accumulated from time to time, associations were also given the right and power to purchase land or erect houses and to sell, convey, lease, or mortgage the same at their pleasure to their stockholders or others for the benefit of their stockholders. The powers granted by this amended law were larger than those found in a majority of the state building and loan statutes today. What was then lacking in the amended law were those restrictions, limitations, and supervision by the State necessary to secure efficient management and to prevent exploitation.

The next legislation affecting building and loan associations was an amendment of the banking law. Acts 1905, Chapter 83, provided:

> "Every building and loan association organized under the laws of this state and desiring to operate within the state shall file with the Commissioner of Banking a certified copy of its charter and constitution and by-laws. The Commissioner of banking shall carefully examine the same, and if he finds that they provide a just and equitable plan for the management of the association's business, he shall issue to such association a certificate of authority, permitting it to begin business. But if he find the provisions of said charter, constitution and by-laws to be impractical or inequitable or oppressive to any class of share holders, he shall withhold his certificate of authority. No building and loan association incorporated under the laws of this state shall transact any business except the execution of its articles of incorporation, the adoption of its constitution and by-laws and the election of directors and officers until it shall have received the certificate of authority above provided for."

The same provision was also made to apply to any amendments of its charter, constitution, and by-laws. Penalty for violation was provided and the Acts of 1907 and 1908 contained further amendments to the banking law which provided for periodical reports by building and loan associations to and for periodical examinations by the commissioner of banking.

Acts of 1919 provided that building and loan associations could establish a contingent fund to pay losses and stabilize the maturity of shares.

Acts of 1921 amended Chapter 54 of the Code to do away with bidding in making loans.[1]

Acts of 1923 further amended the banking law and placed foreign building and loan associations operating within this State under the control of the commissioner of banking, and required him to examine all associations twice each year.

Paid-up and installment shares are permitted under the West Virginia law. No guarantee capital, permanent, or juvenile shares are permitted.

B. S. Morgan, an attorney of Charleston, has been very active for years in endeavoring to shape the State legislation for the building and loan movement, and during recent years an aggressive State League has developed, with its crowning achievement a comprehensive and clear building and loan law, definitely establishing the rights, powers, and responsibilities of associations. An active executive and legislative committee, under the leadership of Edward M. Surber, persisted through more than four years of effort until a bill was perfected which met with the practically unanimous approval of the 63 associations of the State. This was no mean achievement, considering the wide variation in practices. Very serious legislative opposition was so completely overcome that the law unanimously passed both the Senate and House of Delegates, March 6, 1931.[2]

The new law, among other provisions, requires that all associations hereafter formed shall be permanent in character, though present serial associations are permitted to continue. Minors over 14 may be shareholders; associations may borrow money, have a contingent reserve of 8% and an undivided profits account of 5%, and may invest otherwise idle funds as may be approved by the commissioner of banking. Foreign associations are put upon exactly the same plane as domestic associations each paying the regular corporation stock tax on shares actually issued, while excused from the gross sales tax applying to corporations generally; except that foreign associations are required to pay $500 on entering the State, $200 annually, and $10 with the filing of each semi-annual report. Domestic associations are examined twice a year, paying the actual cost

[1] Sections, 25, 26, 27, 28 and 29.
[2] S. B. 35.

to the State, and foreign associations may be required to submit to the same.

A certain type of foreign building and loan association entered the State of West Virginia in 1889 or 1890, and for 10 years practically overran the State. The Supreme Court of West Virginia decided that under the State law, no building and loan association could collect premium on a loan for an indefinite time, but that the premium must be in all cases "a fixed definite and lump sum."[3] This decision, and others, discouraged further operation of these corporations within the State, in connection with the increased powers given the commissioner of banking. Only a few foreign associations now operate within the State, and these are of the modern type and well regarded.

The decisions of the supreme court of the State have aided greatly in solving building and loan problems and in improving building and loan practice in the State.

Associations

In per capita assets Morgantown is the banner building and loan city of West Virginia. The first association to be organized in Morgantown began business about the year of 1892, and was run in connection with what is now the Second National Bank and the system used then was copied after an association that was operating in Cumberland, Maryland.

The older associations operated on the serial plan strictly, that is to say, every share of stock dated from the same date and paid out at the same time. They met once a week in some office or store to receive dues. The par value of the shares was the same as now, $130. Practically all present associations are serial in theory, although in actual practice they are really permanent plan institutions. The transition from the serial to the permanent plan has been so gradual that no date can be set as marking the change.

It happened that the directors in the older associations were chosen from the very best and most reliable business men, and succeeded from the very first. The money was put up and sold to the highest bidder, sometimes bringing unwarranted premiums. When the associations had a surplus of funds they awarded money to their stockholders and they were required to take out and pay the minimum for it. The bookkeeping methods were rather primitive, but seemed to serve the purpose.

[3] *Floyd v. National Loan and Investment Company*, 49 W. Va. 327.

At no time since the organization of the original associations has Morgantown been without one or more building and loan institutions in active operation, and it is estimated that fully 60% of the dwelling houses in Morgantown have been financed by building and loan associations.

Growth

There are now 63 associations with $37,000,000 assets. The largest single association is the Hancock County Association with $5,000,000 of assets; it is located in Chester, a town of 3,500 population. Morgantown has the largest total with nine associations and about $9,000,000 assets. Charleston follows with seven associations and about $7,000,000 resources, and Fairmont, a few miles removed from Morgantown, has four associations with about $4,000,000, thus making the densest building and loan area in the State, about $14,000,000 in a district of about 30 miles, and a population of about 100,000.

The West Virginia Building and Loan League was organized January 28, 1915. L. E. McWhorter was the first president and David Dick the first secretary.[4]

The building and loan movement in West Virginia has received considerable support from various leaders in State activities. Dr. Frank B. Trotter, for many years president of the West Virginia University at Morgantown, has long been active as a building and loan director. Other State Officials who have served in similar capacities are Frank Lively of the State Supreme Court of Appeals, and W. B. Mathews, Clerk of the State Supreme Court.

[4] Present officers names are: Edward M. Surber, president; Carl D. Springer, 1st vice president; Robert R. Hardesty, 2nd vice president; and W. B. Hilton, secretary-treasurer.

« « BIOGRAPHICAL SKETCH » »



WALTER HILTON, president and general manager of the Building and Loan Life Insurance Company; secretary-treasurer of the West Virginia League of Building and Loan Associations. Mr. Hilton has had a variety of business experiences and is particularly active in real estate and civic affairs. He is a member of the Wheeling City Zoning Commission; past president of the West Virginia Real Estate Association; director of the Wheeling Savings and Loan Association, and the Real Estate Finance Company.

He was born in Wheeling, West Virginia, February 21, 1877, son of Edwin Walter and Joanna White Hilton. In 1915 he married Leah Davis and they have two children.

WISCONSIN

By BURNE POLLOCK

Early Associations

APRIL 7, 1876 was the date of the incorporation of Wisconsin's first building and loan association, the Platteville Loan and Building Association, organized by Hanmer Robbins in southwestern Wisconsin in the center of the lead mining district. Robbins was an early organizer and legislator, interested in schools, railroads, farming and mining. Prior to organizing Wisconsin's first association he drafted and had enacted by the Wisconsin State Legislature at the session of 1875 a complete and comprehensive law to govern building and loan associations and made a trip to Philadelphia to study the operation of the associations then operating in that City and to secure copies of forms and other first-hand information.

Hanmer Robbins was a colorful figure. He was born in Deerfield, Oneida County, New York, December 11, 1815. He came to Platteville, Wisconsin in 1837 where he taught the village school for two years; then followed various mining and farming activities. He was particularly active in educational affairs, serving as superintendent of schools in Platteville; chairman of the educatinal committee of the State Legislature at the time the University of Wisconsin was reorganized and women were admitted to the University; and a member of the State Board of Normal Schools.[1]



Hammer Robbins

This first association under the leadership of Mr. Robbins, together with A. W. Bell, later district attorney of Milwaukee County, Captain W. Homer Beebe, a civil war veteran and co-inventor of the telephone, H. J. Traber and Alexander Butler, was successful, and many residents of Platteville invested and secured loans for home construction. It continued in operation

[1] He was also president of a local railroad, and general manager during its construction. He was evidently of an adventurous nature, for he went to California in 1850, returning in 1852. He married Miss A. L. Goodell, of New York in 1847.

and grew in size and importance for a number of years, until the failure and closing of Platteville's first bank. The closing of the bank caused withdrawal of funds from the association and forced its liquidation. The depositors in the bank received only 15 cents on the dollar in its liquidation; members in the Platteville Loan and Building Association received 100 cents on the dollar and 6% in addition.[2]

The second association organized in Wisconsin was the Eau Claire Savings Loan and Building Association, which was incorporated in August, 1877. It continued for a number of years, and other associations were organized in Eau Claire, but all were subsequently liquidated and for some time Eau Claire was without building and loan facilities.

The first association in Milwaukee, known as the Mutual Loan and Building Society, was incorporated March 12, 1884, with John J. Maher as its secretary. This "grand old man" in Wisconsin's building and loan history is still secretary of this Association. Judge Maher has been an active worker in this cause for many years, assisted in organizing the Wisconsin League, and served as its first president with Frank Armitage of the Citizens Mutual Building and Loan Association in the office of secretary. The Wisconsin League was organized in 1896. At a later period Mr. Maher was appointed on a special committee to revise the building and loan statutes of Wisconsin, serving with Lieutenant Governor Emil Baensch of Manitowoc and Judge W. C. Palmer of Racine.

The second association organized in Milwaukee was the Bohemian National Loan and Building Association, which was incorporated in July, 1888. The active officer in the pioneer Association was Charles Jiran who was for many years its secre-

[2] The books and records of this first Wisconsin Association and its articles of incorporation bearing the signatures of the incorporators have been preserved and are in possession of the writer, to whom they were left by the last secretary of the Association, the late Hon. H. W. Murphy, who acted in the liquidation.

Included in these materials is one of the first pass books issued by the Platteville Loan and Building Association which contains, among other interesting items, the following statement of obligation:

"We, the subscribers, stockholders and members of the 'Platteville Loan and Building Association,' do hereby severally and jointly bind and obligate ourselves that we and each of us shall and will, pay our monthly dues on all shares of stock (including shares transferred to the association as collateral security for loans) also all interest and fines lawfully chargeable against us, and that we will in every particular fulfill the requirements of the Constitution and By-laws of the said 'Platteville Loan and Building Association' now adopted or which may at any time hereafter be adopted.

tary and who lost his life through the act of a crazed fanatic while at his post of duty in the Association's office. The Association organized by Mr. Jiran is now a flourishing organization.

The first Polish association made its appearance in Milwaukee in January, 1886, being known as Skarb Polish Building and Loan Association. For many years most of the associations in Milwaukee were made up of members of races of European extraction, including Bohemian, Polish, German, and Slavic associations. The books of these associations are kept in foreign languages.

Other early associations[3] in Wisconsin were the La Crosse Mutual Loan and Building Association, organized in December, 1881; the Sheboygan Mutual Savings, Loan and Building Association, organized in April, 1885; and the Provident Loan and Building Association of Madison, organized in November, 1885. The La Crosse Mutual Association now enjoys the distinction of being the oldest existing Association in the State and the Sheboygan Association was for many years the outstanding building and loan organization in the State. Its founder was Thomas M. Blackstock, and its present secretary, W. C. Roenitz, has served during all but the first year or two of the Association's existence. As in the organization of Wisconsin's first association, a man was sent to Philadelphia when the association was projected to get information and learn how to operate a building and loan business. The Sheboygan Association was for many years the largest in the State in the volume of assets. The City of Sheboygan owes much to this Association for its fostering of home ownership.

An interesting instance of a quasi-building and loan enterprise is the Savings and Investment Association of Milwaukee which "devotes itself more particularly to the object of aiding working men to procure building lots at a low price. It was organized in 1883.[4]

An Awakening of Interest

It would be difficult to trace the comparative growth of Wisconsin associations in the earliest years of the building and

[3] Interesting additional details concerning these early associations are contained in Albert Shaw, "Cooperation in the Northwest," *Johns Hopkins University Studies in Historical and Political Science*, vol. 6, pp. 326-7 (1888).

[4] *Ibid.*, p. 327.

loan movement in the State. A report made to the Governor of Wisconsin on August 25, 1898, by Hon. E. I. Kidd, then state bank examiner, shows the number of associations as 53 with total assets of $3,568,440.05; the Citizens Loan and Building Association of Eau Claire was then the largest having assets of $257,212.13. In 1904 there were 55 associations with total assets of $4,021,485.38; in 1909, 53 associations with total assets of $5,268,853.41. At the close of 1912 the total assets of the 61 associations of the State amounted to $8,692,830.40.

In 1912 the United States Building and Loan League sent out an invitation to all state building and loan supervisory departments to send a representative to the annual convention being held that year at Atlantic City. Hon. A. E. Kuolt, commissioner of banking of Wisconsin, designated Burne Pollock, then a resident of Lancaster, Grant County, who was acting as building and loan supervisor, to attend the convention. Mr. Pollock was at the Atlantic City meeting and was elected secretary-treasurer of the National Association of Building and Loan Examiners which was organized at that time. Mr. Pollock was also the active agent in the bringing of the 1913 convention of the United States League to Milwaukee. Attendance was good and the convention was interesting. Milwaukee extended a bountiful hospitality. Three distinguished foreign guests, Sir Enoch Hill, J. H. Hill and Thomas Whitley, all connected with one of the largest building societies in England, attended.

The coming of the United States League to Milwaukee marks the date of the start of the rapid growth of building and loan in Wisconsin, especially in Milwaukee. At that time (1913) Wisconsin was seventeenth in the list of states in volume of building and loan assets, having 61 associations with assets of approximately $8,600,000. In 1920 it moved up to fifteenth place, in 1921 to twelfth place, in 1923 to tenth place, and in 1924 attained ninth place, a position it has maintained since that time. President James of the United States League in an address delivered at the semi centennial celebration of the founding of the first building and loan association in Wisconsin on April 7, 1926, stated that Wisconsin's growth for several years had been "five times as fast as the country-over average."

During the period from 1913, the year the United States League met in Milwaukee, until 1923, the number of Wisconsin

associations increased from 65 to 140, and total assets from $10,456,499 to $92,992,109. This was also a period of transition, a period of systematization.

Wisconsin's Largest Associations

Wisconsin's largest association is the Mutual Building and Savings Association of Milwaukee, organized in 1892. For many years it remained a small organization and in 1913 after 20 years of striving, its assets amounted to a little over $400,000. Today its assets are over $26,000,000. The Mutual Association is twice as large in assets as its nearest rival in Wisconsin and is sixteenth in size in the list of associations in the United States.[5]

The second largest association in Wisconsin is the Security Loan and Building Association, of Milwaukee, organized in April, 1913. Its assets are over $13,000,000. Third in volume of assets is the Employees Mutual Savings, Building and Loan Association of Milwaukee, with assets over $10,000,000, which was organized in 1914 by employees of the Milwaukee Electric Railway and Light Company. Another organization which has had an exceptional growth is the Integrity Savings, Building and Loan Association of Milwaukee. It was organized in 1912, with present assets over $10,000,000. Fred W. Krueck is secretary.

The State League

The Wisconsin Building and Loan League was founded in Milwaukee in June, 1896, following a preliminary meeting of local secretaries to consider the organization of such a league.[6]

Character of Wisconsin Associations

In the early days many of the associations had been weekly-plan associations and serial associations. The newly formed associations sought out the best and most modern systems and investigated to ascertain the most approved plans of accounting. The state supervisory department was forced, on account of the large number of charters applied for, to prepare and

[5] As of June 30, 1930. See 1930 *Building and Loan Annals*, p. 548.

[6] The present officers of the Wisconsin Building and Loan League are as follows: George H. Beckley, president; Fred W. Hermann, 1st vice president; Peter A. Cleary, 2nd vice president; L. E. Stanton, secretary; G. A. Karsten, treasurer; Carl Taylor, executive secretary.

standardize a "model form" of by-laws for adoption by the new associations and also to prepare and recommend a "model" set of books, and a standard accounting system. As a result, uniform books and accounting forms were adopted by Wisconsin associations, and the old associations gradually adopted the more up-to-date forms. This brought about a practically uniform set of governing by-laws. Of the nearly 200 associations now operating in the State, only one or two are on the weekly plan and the antiquated "serial" plan has disappeared. On December 31, 1930, the 188 associations operating in the State had total assets of $290,625,985.

Wisconsin building and loan associations are purely mutual and purely local. Regularity in payment is demanded in time and amount of payment. There is no "optional payment" stock and all associations are limited in the loans they may make to homes, i. e., to improved properties. They may not loan on vacant lots. No foreign (out-of-state) associations are authorized to transact business in Wisconsin.

The Wisconsin associations may make loans only on properties located within 50 miles of their offices, and this means one office, for they do not have branches. About 1915 or 1916 some of the Milwaukee associations started a policy of opening branch offices. Within three or four months a number of branches were opened, and there was a prospect of the City being "peppered" with building and loan branch offices. The State supervisory department and State League officials asked and secured the enactment of a State law to prohibit branches, and the branches were abolished and closed.

Many Wisconsin associations have finely appointed offices in which they do business. The buildings in which the association offices are located are not, however, owned by the associations for Wisconsin laws do not permit building and loans to own office buildings.

The associations are limited not only to making loans on homes but also limited as to the size of the individual loans, which are proportionate to the size of the association making the loan. The largest loan that may be made by any association in the State is $25,000. This precludes large apartment-house loans. Laws also prohibit loans on commercial properties, schools, churches, garages and manufacturing plants.

Wisconsin has no "guarantee-capital" associations; all are mutual and divide profits equitably among all stockholders. The statutes require all associations to build up a permanent "contingent loss" fund by regular appropriations of not less than 5% of profits. Wisconsin methods of accounting, both for building and loan associations and banks, do not permit associations to set up interest and other earnings accrued but not collected as assets for the purpose of declaring dividends. Wisconsin associations must actually collect interest due before they may divide it as a dividend. A uniform method of computing and declaring dividends has been adopted by the Milwaukee League and is being worked out to be used by all associations of the State. Uniformity in building and loan practice and method is recognized and is probably more prevalent in Wisconsin than in any other state.

There are no interlocking directorates; a secretary may be a secretary of only one association in Wisconsin, and devotes his time and attention to building up the one association with which he is connected. Wisconsin laws require the words "building and loan" to form part of the title of every association operating under the act.

Freedom from Difficulties

Wisconsin has at no time had any serious difficulties in the administration of building and loan operations and no serious failures have brought losses to stockholders. During the history of the development a few dishonest officials have tried to enrich themselves but they have been detected before serious losses resulted. Some years ago certain Illinois and Minnesota associations solicited business in Wisconsin and caused some losses, but they suffered the same fate as other "nationals" in other states. Through efficient State supervision and the local auditing committees of the associations the investments of the stockholders have been safeguarded. Wisconsin associations as a whole have been efficiently managed and no associations have been closed as a result of mismanagement in recent years.

The Building and Loan Idea

In January, 1925, the publication of a building and loan trade journal known as the *Building and Loan Idea* was commenced as a private venture by Burne Pollock. This publication was subscribed for nationally and discussed the technical problems connected with the operation of associations. It was discontinued at the close of the fifth year.

Wisconsin Leaders

At the 1923 convention of the United States League held in Tacoma, Washington, Otto T. Salick, secretary of the Washington Building and Loan Association of Milwaukee, was started at the "bottom rung" of the ladder of offices of the United States League, and was elevated each year in succession until he was elected president of the United States League at the 1927 meeting held in Asheville, North Carolina. Mr. Salick's Association was organized in 1915. He was successively president of the Milwaukee County League, the Wisconsin State League, and the United States League, within the short period of 12 years after he became interested in building and loan. Mr. Salick is the only Wisconsin man who has held office in the National League.



Otto T. Salick

It will be impossible in this short history of the building and loan movement in Wisconsin to record the name of every leader, every active worker, every enthusiast, who has been connected with this important thrift and home ownership movement which has made such rapid strides in Wisconsin in recent years.

The story of the early workers is already told in the recital of the organization of the first associations in Wisconsin. The pioneer worker in Milwaukee, Judge Maher, is still active and as much interested in the welfare of the movement as he was 46 years ago. Other early workers who are still active are Frank Armitage of the Citizens Mutual Building and Loan Association of Milwaukee, J. F. Lefebvre of Green Bay and John A. Morris of Chippewa Falls.

Wisconsin has among its building and loan directors two former governors of the State and a lieutenant governor. For-

mer Governor Walter Kohler serves on the board of the association he helped to organize in his home town of Kohler; former Governor Francis E. McGovern is a director of the Wisconsin Savings, Building and Loan Association of Milwaukee; and Emil Baensch, former lieutenant governor, is a director of the Manitowoc Association.

« « BIOGRAPHICAL SKETCH » »



BURNE POLLOCK, Director and secretary-manager of the Milwaukee Mid-City Building and Loan Association. He also served as president and instructor of the Milwaukee Chapter of the American Savings, Building and Loan Institute. For 10 years Mr. Pollock was state bank examiner of Wisconsin, charged with supervision of building and loan associations.

Mr. Pollock had also varied experience in newspaper work and other business fields, especially banking. He was born January 5, 1879, in Lancaster, Grant County, Wisconsin, son of Andrew Edward Bell and Mary Raines Pollock. On April 26, 1922, he married Violet Frances Sufield.

WYOMING

By LESTER GOODWIN

THE history of building and loan in Wyoming is brief as is its history as a State, for Wyoming was admitted to the Union in 1890. The first association of which anything is known was one operating in Laramie. Little of a definite nature is known of this Association and about the only information available concerning it is contained in the following statement in a letter of recent date from J. M. Travelle, secretary of the Albany Mutual Building Association of Laramie:

> "When I came to Wyoming in September, 1887, there was an association doing business in Laramie known as the Albany County Savings, Loan and Building Association, operating under the terminating plan. This Association wound up its affairs and went out of business at the time of the organization of the Albany Mutual Building Association. This Association was presumably operated on the terminating plan."

The first record of a building and loan association goes back to territorial days and is of the incorporation of the Evanston Building and Loan Association on July 15, 1889. This Association was organized at Evanston, Wyoming, under territorial laws by E. W. Hinchman, Leo Kastor, Joseph E. Carlin, William H. Parpe, Charles Stone, John R. Arnold, and J. C. Hamm. The original authorized capital was $200,000. When Wyoming attained statehood, the Association filed a petition to be recognized and transact business under the original corporation laws of the State. The Evanston Building and Loan Association is no longer operated but no notice of dissolution appears on the records of the secretary of state.

The next association to be organized was under the general corporation laws of Wyoming, the Lander Building and Loan Association at Lander. Articles of incorporation were filed in September, 1891, with an authorized capital of $1,000,000. The articles of incorporation do not appear in the records but a minute, dated September 3, 1891, refers to notice from the secretary of state that they had been filed. The officers then were: Ben Sheldon, president; F. E. Rice, vice president; J. Lamoureux, treasurer; and F. T. Wright, secretary.[1] This As-

[1] From a letter to the writer from S. Conant Parks, president, First National Bank of Lander, dated June 9, 1931.

sociation was successfully operated for several years but by August 6, 1896, it had practically ceased loaning and it was ordered that funds on hand be applied to paying for stock of withdrawing members. The certificate of final dissolution of the Association was filed April 4, 1922. Some members offered and sold stock for less than book value, but those who held ultimately received full value. Some of the original incorporators are still living, but we know of none who are identified with building and loan work.[2]

Both the Evanston and Lander Associations were organized under the serial plan.

The third association to be incorporated was the Albany Mutual Building Association, organized at Laramie under the serial gross premium plan and incorporated on January 22, 1892. The original incorporators were W. H. Holliday, J. D. Conley, E. Crumrine, L. Thobro, C. E. Golden, W. E. Chaplin, and John T. M. Kingsford. Of these, only two are living today, W. E. Chaplin of Van Nuys, California, and John T. M. Kingsford of Ogden, Utah. Its authorized capital was $750,000. One of the original incorporators, W. H. Holliday, was then and throughout his life a leader in many enterprises, both commercial and civic, in Laramie. Mr. Holliday died February 25, 1925. This Association is the largest association from point of assets in Wyoming today, and also the oldest association, having been in continuous operation since its incorporation in 1892.

The next, the Carbon County Building Association, Rawline, Wyoming, incorporated May 17, 1895, contains the following interesting statement among the objects for which it was formed:

> "To promote the industrial interests of the County of Carbon by furnishing a place for speedy, safe and profitable investment of the savings of the several Shareholders and by furnishing to the several stockholders means with which to erect buildings and purchase real estate and to provide themselves and families with homes and homesteads and to that end to loan money to the several stockholders of the corporation."

Of the incorporators of most of the associations of the early days, little is known. There are few who could be called pioneers in the business and who are still identified with building and loan work.

While the total assets of the building and loan associations in Wyoming at this time are not an imposing figure when compared with those of other states, it is of importance when compared to population. Each person in the State of Wyoming has an average of $65.00 invested in building and loan associations, and this is exclusive of those investments in building and loan associations not authorized to transact business in the State.

[2] *Ibid.*

Wyoming Laws

The first statute in Wyoming concerning domestic building and loan associations was passed in 1897.[3] Prior to 1897 building and loan associations were incorporated under the general corporation law and were not even mentioned in that law. The one specific mention of building and loan associations before 1897 was in the laws of 1895[4] when the state examiner was authorized to investigate an association upon the written request of stockholders whose holdings in the association totaled 1,000 or more shares. Between 1897 and 1927 only one enactment[5] concerned building and loan associations and this related to the regulation of foreign associations and remained on the statute books with one or two amendments until 1925, when it was repealed. In 1923 the permanent plan was authorized and provided for guarantee capital stock.[6] The legislation of 1927 was the first comprehensive enactment of building and loan in the state.[7] It covered the matter of incorporation, operation, supervision, fees and dues of the state examiner, fee for examination, etc. It provided for operation under either the serial or permanent plan and repealed the laws of 1923 and 1925. Associations theretofore doing business were permitted to operate under either the serial, permanent, or guarantee capital plan, but no further associations could be organized under the latter plan.

Wyoming has had no failures among building and loan associations and but one reorganization; that occurred during the year 1930. On June 30, 1930, there were 12 domestic associations in Wyoming and 13 foreign associations[8] authorized to do business in the State. The total assets of all Wyoming

[3] S. L. 1897, ch. 78.
[4] S. L. 1895, ch. 100.
[5] S. L. 1901, ch. 44, repealed by S. L. 1925, ch. 160.
[6] S. L. 1923, ch. 95.
[7] S. L. 1927, ch. 103.
[8] By foreign associations are meant those which are incorporated in some other state and permitted to operate in Wyoming. Some of these associations operate in only two states and others in as many as eight states. The home offices of these associations are located in Salt Lake City, and Ogden, Utah; Denver, Colorado; Lincoln and Omaha, Nebraska; Billings and Butte, Montana; Reno, Nevada; and Phoenix, Arizona.

building and loan associations as of December 31, 1930, were $9,912,519.78 and the total assets of all foreign associations authorized to do business in the State of Wyoming as of June 30, 1930, amounted to $85,881,537.17 with nearly $7,000,000.00 of that amount employed within the State of Wyoming.

Wyoming has no state league and no connecting building and loan body. Each building and loan association conducts its own business in its own way, independent of the others and fights its battles alone. Organization of a league has been attempted but with no results. It is hoped and expected that with the present close cooperation between the supervising official and the building and loan associations something of benefit to all associations may be accomplished in a legislative way in the near future.

Wyoming has been harassed and overrun with many stock propositions, whose agents declare them to be building and loan propositions, under some other name, with the obvious purpose of evading the "loading" or membership requirements in the laws of this State. At the 1931 session of the Wyoming Legislature all companies or syndicates[9] of this type were placed under the supervision of the State and subject to all provisions and conditions imposed upon building and loan associations.

The State has a population of 222,000 scattered over many square miles of territory. With such sparse population, education along building and loan lines has been difficult and expensive, as compared with the returns therefrom. But this gives Wyoming perhaps a better outlook for the expansion of building and loan associations than is common to most other states.

[9] These types are commonly called "thrift syndicates" and in two or three instances "holding companies."

« « BIOGRAPHICAL SKETCH » »



LESTER GOODWIN, Secretary-treasurer of the Wyoming Building and Loan Association. Entered building and loan work as a salesmen after five years of clerical and business experience. Member of the executive committee of the Savings, Building Loan Conference of the Pacific. Has served the Casper Chamber of Commerce as secretary, and first vice president.

Mr. Goodwin was born in Ford City, Missouri, August 20, 1898, son of Nathan A. and Flora Cox Goodwin. He married Mildred Kepner on July 19, 1924. They have one son.

« PART III »

Statistical Appendix of Building and Loan Growth by States

« »

STATISTICAL APPENDIX

Comparative Yearly Data Showing Number of Associations, Total Membership, and Total Assets by States

Compiled by

H. F. Cellarius, Secretary-Treasurer
United States Building and Loan League

ALABAMA

Year	*Number of Associations*	*Membership*	*Assets*
1918	8	10,460	$ 4,257,463
1926	20	20,000	15,000,000
1927	18	30,350	21,245,032
1928	12	38,750	27,797,944
1929	10	42,500	30,271,200
1930	10	41,340	29,434,882

ARIZONA

Year	*Number of Associations*	*Membership*	*Assets*
1918	4	2,400	$ 802,699
1919	4	2,870	1,080,524
1920	4	3,100	1,173,812
1921	4	3,500	1,315,782
1922	4	3,750	1,415,308
1923	4	5,000	1,927,937
1924	3	5,550	2,378,893
1925	6	5,530	2,371,970
1926	6	3,925	1,681,526
1927	6	4,400	1,942,019
1928	6	5,500	2,744,802
1929	8	6,700	4,414,866
1930	9	7,250	4,838,421

ARKANSAS

Year	*Number of Associations*	*Membership*	*Assets*
1914	40	21,635	$ 9,627,893
1915	39	22,540	10,031,099
1916	41	22,860	10,174,008
1917	40	21,053	10,583,447

ARKANSAS (Continued)

Year	Number of Associations	Membership	Assets
1918	42	21,386	$ 12,234,608
1919	44	26,692	14,753,804
1920	49	28,000	17,886,788
1921	54	28,225	17,997,261
1922	54	28,225	17,997,261
1923	54	34,209	21,412,098
1924	59	39,267	24,848,268
1925	63	46,286	27,551,264
1926	71	53,064	32,029,637
1927	73	58,729	35,830,037
1928	74	66,688	39,870,217
1929	71	75,271	43,601,366
1930	66	72,717	44,737,088

CALIFORNIA

Year	Number of Associations	Membership	Assets
1893	125	24,488	$ 16,756,085
1895	135	20,439	18,623,274
1896	136	19,957	17,792,310
1897	138	19,153	17,938,109
1898	148	37,690	20,771,226
1899	151	37,780	20,285,454
1900	148	37,456	18,935,883
1901	131	40,561	17,881,576
1902	138	47,292	18,190,867
1903	146	53,376	19,865,852
1904	141	59,848	21,306,042
1905	142	55,055	22,586,871
1906	131	36,180	19,228,938
1907	110	33,565	19,522,896
1908	107	31,142	19,635,667
1909	105	30,839	20,228,116
1910	107	32,119	21,255,176
1911	96	34,685	23,340,012
1912	91	30,921	24,866,572
1913	93	37,811	28,316,022
1914	93	39,485	29,515,763
1915	89	38,788	30,441,084
1916	90	42,250	32,794,018
1917	91	42,227	35,928,447
1918	86	40,409	37,120,999
1919	85	38,228	38,374,332
1920	87	42,420	47,851,294

CALIFORNIA (Continued)

Year	Number of Associations	Membership	Assets
1921	96	54,102	$ 56,496,548
1922	112	63,825	64,732,760
1923	132	88,039	85,270,459
1924	138	116,389	108,687,143
1925	152	156,388	140,657,891
1926	176	223,440	190,106,988
1927	191	261,232	241,796,747
1928	206	323,160	297,189,401
1929	222	437,584	477,226,116
1930	209	600,000	510,520,490

COLORADO

Year	Number of Associations	Membership	Assets
1916	44	10,200	$ 6,668,983
1918	38	15,483	7,823,972
1919	37	18,000	9,071,034
1920	42	22,000	10,986,445
1921			
1922	50	28,635	14,304,330
1923	51	40,520	20,246,886
1924	55	53,042	25,672,269
1925	56	72,183	30,458,600
1926	64	85,144	35,186,058
1927	62	119,631	42,476,646
1928	67	131,528	49,553,846
1929	69	117,023	54,017,612
1930	68	121,854	60,034,372

CONNECTICUT

Year	Number of Associations	Membership	Assets
1893	15	3,222	$ 477,345
1895	14	7,673	1,931,662
1896	16	10,415	2,707,926
1897	15	11,208	3,243,935
1898	15	13,643	3,627,828
1899	15	12,773	3,774,526
1900	16	13,147	4,157,804
1901	16	13,082	4,245,648
1902	16	11,765	4,145,197
1903	16	8,035	3,851,539
1904	16	4,033	3,712,383
1905	13	3,016	1,446,535
1906	13	3,331	1,605,712

CONNECTICUT (Continued)

Year	Number of Associations	Membership	Assets
1907	13	2,731	$ 1,804,857
1908	13	2,891	1,898,830
1909	11	2,864	2,096,523
1910	12	3,041	2,339,138
1911	12	3,344	2,655,758
1912	14	3,931	2,978,235
1913	13	5,592	3,241,853
1914	16	7,111	3,581,778
1915	16	12,618	3,855,546
1916	22	13,964	4,259,325
1917	22	14,900	4,869,748
1918	22	15,000	5,250,000
1919	22	16,500	5,960,065
1920	30	18,615	7,097,282
1921	32	25,000	9,383,012
1922	34	26,600	9,633,382
1923	35	29,112	11,701,198
1924	37	32,677	14,193,310
1925	37	35,574	16,197,954
1926	38	35,896	18,290,897
1927	38	44,504	20,614,415
1928	39	30,808	22,589,054
1929	44	32,808	24,730,822
1930	44	38,000	26,166,906

DELAWARE

Year	Number of Associations	Membership	Assets
1921	24	8,000	$ 3,945,522
1922	33	8,950	4,430,385
1923	37	10,800	5,360,670
1924	40	12,650	6,201,339
1925	40	14,500	7,412,252
1926	41	16,250	8,844,308
1927	42	17,750	10,212,369
1928	44	18,650	11,827,813
1929	44	19,500	14,031,047
1930	43	19,700	15,488,721

DISTRICT OF COLUMBIA

Year	Number of Associations	Membership	Assets
1909	22	27,125	$ 14,393,927
1910	19	29,233	15,250,731
1911	20	31,143	16,401,243
1912	20	32,231	17,716,100

DISTRICT OF COLUMBIA (Continued)

Year	Number of Associations	Membership	Assets
1913	20	34,846	$ 18,941,184
1914	20	36,165	20,130,152
1915	19	37,044	20,959,574
1916	18	38,008	22,144,880
1917	19	37,075	22,399,995
1918	20	38,951	24,250,684
1919	20	44,249	27,545,933
1920	21	45,525	30,125,125
1921	24	48,567	33,261,000
1922	21	51,109	35,830,000
1923	22	52,860	38,771,000
1924	24	55,654	42,032,000
1925	23	57,239	46,020,000
1926	22	59,299	50,729,274
1927	22	63,768	57,191,666
1928	22	68,543	63,363,948
1929	24	72,043	68,409,716
1930	24	75,253	75,404,000

FLORIDA

Year	Number of Associations	Membership	Assets
1924	25	18,150	$ 15,450,000
1925	47	25,365	33,616,550
1926	73	27,000	39,357,725
1927	115	28,500	40,840,280
1928	71	16,000	21,603,363
1929	69	16,500	21,658,451
1930	68	13,500	17,828,835

GEORGIA

Year	Number of Associations	Membership	Assets
1925	21	4,300	$ 1,250,000
1926	21	5,000	1,500,000
1927	30	6,500	2,500,000
1928	34	12,054	3,954,001
1929	36	15,083	5,149,446
1930	37	16,731	6,039,453

IDAHO

Year	Number of Associations	Membership	Assets
1926	12	4,250	$ 2,335,265
1927	12	4,700	2,738,752

IDAHO (Continued)

Year	Number of Associations	Membership	Assets
1928	13	6,300	$ 3,795,742
1929	14	6,900	4,474,998
1930	14	8,565	5,639,876

ILLINOIS

Year	Number of Associations	Membership	Assets
1893	631	174,380	$ 69,887,405
1894	698	197,000	81,796,350
1895	726	198,924	82,639,258
1896	718	196,732	80,105,574
1897	682	180,000	73,399,192
1898	637	165,000	63,451,757
1899	599	100,000	54,104,602
1900	572	85,000	47,896,148
1901	546	80,850	43,684,289
1902	514	79,200	40,303,852
1903	500	83,000	39,432,282
1904	502	80,375	40,975,601
1905	505	83,425	42,897,266
1906	501	93,625	46,022,382
1907	502	100,680	50,074,144
1908	517	108,734	54,313,466
1909	524	118,994	58,444,972
1910	540	135,024	63,200,354
1911	568	155,320	68,975,451
1912	592	172,456	74,457,794
1913	591	187,779	82,007,561
1914	608	203,669	90,572,343
1915	632	215,150	98,390,668
1916	649	230,667	105,478,403
1917	662	246,800	113,528,525
1918	681	240,000	119,712,407
1919	670	252,500	128,251,005
1920	700	269,000	137,000,000
1921	709	348,000	174,360,342
1922	741	390,000	201,928,358
1923	771	450,000	232,092,934
1924	814	572,000	273,326,625
1925	852	783,888	317,403,747
1926	881	840,000	355,509,301
1927	910	861,000	388,097,831
1928	916	873,000	419,927,785
1929	927	918,000	448,423,317
1930	933	945,500	470,073,267

INDIANA

Year	Number of Associations	Membership	Assets
1893	429	93,132	$ 23,933,204
1895	502	142,093	34,347,023
1896	505	157,264	38,095,147
1897	492	137,510	37,624,418
1898	448	127,726	34,888,818
1899	424	109,043	31,435,587
1900	408	103,812	29,637,826
1901	403	112,822	29,232,668
1902	393	106,155	30,018,407
1903	379	97,213	30,035,098
1904	377	110,496	29,988,987
1905	357	106,779	31,073,129
1906	349	97,528	32,201,253
1907	334	117,974	34,040,117
1908	342	120,078	34,131,416
1909	327	120,500	35,934,418
1910	339	129,583	38,416,322
1911	351	133,381	44,060,128
1912	357	142,202	51,101,921
1913	323	151,181	53,878,749
1914	341	164,620	56,427,549
1915	344	190,925	63,679,080
1916	350	192,375	72,294,256
1917	351	202,409	78,112,917
1918	346	198,418	80,468,883
1919	355	210,701	94,223,198
1920	358	212,300	109,721.337
1921	364	245,983	121,595,380
1922	369	270,725	140,945,474
1923	377	298,001	167,982,946
1924	380	317,055	192,025,913
1925	397	349,879	218,479,623
1926	399	382,123	247,903,736
1927	404	404,521	274,240,104
1928	402	440,168	298,282,407
1929	402	450,373	312,330,284
1930	398	429,447	306,870,182

IOWA

Year	Number of Associations	Membership	Assets
1893	81	22,125	$ 6,171,890
1897	87	25,000	6,594,778
1899	79	23,000	5,723,799

IOWA (Continued)

Year	Number of Associations	Membership	Assets
1900	79	20,000	$ 5,170,247
1901	63	18,000	4,645,046
1902	72	20,000	5,656,469
1904	60	16,500	4,700,000
1905	60	16,550	4,746,627
1906	56	15,950	4,577,214
1908	48	15,300	4,390,443
1910	49	16,500	4,863,729
1912	47	19,052	5,715,614
1914	49	26,233	7,367,345
1915	51	36,200	12,517,852
1916	50	33,035	9,638,852
1918	57	35,440	12,385,755
1919	64	40,500	14,310,487
1920	68	49,000	17,654,390
1921	70	52,800	19,000,000
1922	72	52,800	24,659,855
1923	71	56,500	28,995,486
1924	74	65,000	33,309,995
1925	74	71,800	37,380,525
1926	74	71,800	40,771,567
1927	74	53,049	43,497,008
1928	74	67,088	46,282,496
1929	74	64,421	49,045,649
1930	74	65,343	49,708,190

KANSAS

Year	Number of Associations	Membership	Assets
1893	71	7,265	$ 2,552,217
1899	46	12,000	2,880,764
1900	40	10,000	2,814,138
1901	40	9,974	2,807,966
1902	40	10,526	3,119,518
1903	40	11,259	3,417,114
1904	40	12,397	3,822,278
1905	44	13,394	4,257,216
1906	45	14,533	4,562,928
1907	48	16,343	5,118,842
1908	55	17,660	5,779,198
1909	58	39,114	10,107,663
1910	58	37,776	11,457,558

KANSAS (Continued)

Year	Number of Associations	Membership	Assets
1911	58	41,216	$ 13,070,170
1912	55	43,912	14,920,949
1913	59	48,829	16,708,538
1914	61	51,654	18,525,023
1915	65	56,689	20,797,976
1916	71	61,027	23,554,109
1917	72	66,442	26,000,167
1918	74	64,679	28,157,391
1919	86	75,859	33,110,230
1920	88	83,351	39,059,897
1921	110	103,575	46,820,132
1922	120	118,220	55,613,521
1923	132	131,000	66,610,104
1924	144	152,615	78,850,057
1925	148	172,272	93,267,836
1926	153	189,393	107,315,298
1927	152	194,200	117,979,508
1928	151	211,820	126,114,205
1929	155	211,938	132,186,748
1930	155	210,283	132,362,649

KENTUCKY

Year	Number of Associations	Membership	Assets
1910	97	41,417	$ 15,395,504
1911	104	44,500	16,816,741
1912	106	48,000	18,498,415
1913	108	52,464	20,324,590
1914	116	56,278	21,799,935
1915	115	61,056	23,176,078
1916	118	61,915	25,512,910
1917	125	62,846	27,085,282
1918	122	63,266	28,439,546
1919	119	67,000	30,457,286
1920	119	75,000	35,000,000
1921	118	95,000	40,092,313
1922	121	111,000	46,428,750
1923	140	116,000	55,000,000
1924	136	116,400	55,196,457
1925	145	125,200	64,192,658
1926	147	133,400	74,704,133
1927	151	141,900	85,509,918
1928	155	154,700	97,438,412
1929	158	170,500	110,805,706
1930	161	182,900	118,928,259

LOUISIANA

Year	Number of Associations	Membership	Assets
1893	26	7,166	$ 3,564,818
1901	32	20,885	5,943,208
1902	36	18,000	6,500,000
1903	39	18,150	6,609,242
1904	45	20,830	7,423,968
1905	46	22,030	8,126,254
1906	46	23,380	9,004,960
1907	50	25,437	10,328,307
1908	53	27,363	11,523,654
1909	59	29,800	13,461,091
1910	60	34,688	15,866,563
1911	66	38,200	18,117,329
1912	66	40,250	19,077,275
1913	67	46,043	21,317,982
1914	66	45,492	21,062,792
1915	66	50,462	23,362,690
1916	69	53,030	24,549,245
1917	67	47,793	25,911,928
1918	64	50,366	27,586,719
1919	65	62,906	34,514,331
1920	68	80,000	46,183,575
1921	67	90,000	55,911,962
1922	70	91,000	69,189,443
1923	86	111,072	87,896,857
1924	94	135,360	106,931,401
1925	94	162,148	129,924,059
1926	100	165,332	154,186,635
1927	105	190,650	174,818,227
1928	105	193,359	186,892,047
1929	106	204,496	190,561,316
1930	102	200,930	182,358,292

MAINE

Year	Number of Associations	Membership	Assets
1893	29	7,366	$ 1,375,227
1895	33	8,088	2,469,884
1896	34	8,226	2,691,446
1897	33	8,230	2,912,963
1898	32	8,156	3,009,998
1899	32	8,155	2,975,716
1900	33	8,064	2,862,178
1901	34	8,073	2,865,380
1902	34	8,255	2,854,626

MAINE (Continued)

Year	Number of Associations	Membership	Assets
1903	35	8,444	$ 2,932,206
1904	35	8,539	3,097,237
1905	35	8,694	3,192,473
1906	35	8,966	3,434,726
1907	35	9,345	3,676,453
1908	35	9,429	3,869,142
1909	35	9,691	4,085,811
1910	35	10,949	4,343,975
1911	37	10,611	4,645,137
1912	37	11,118	4,901,396
1913	37	11,389	5,205,361
1914	37	12,113	5,558,269
1915	37	13,120	5,957,696
1916	38	14,584	6,437,278
1917	38	14,959	6,671,239
1918	38	15,057	7,251,168
1919	38	15,484	8,050,930
1920	39	17,518	9,248,960
1921	39	18,200	10,176,958
1922	38	18,400	10,585,468
1923	39	22,550	12,657,941
1924	39	25,600	14,335,323
1925	39	25,787	16,631,015
1926	38	26,171	17,458,473
1927	38	29,180	19,549,005
1928	36	28,673	20,981,542
1929	36	29,000	23,508,352
1930	36	30,000	25,000,000

MARYLAND

Year	Number of Associations	Membership	Assets
1918	590	87,963	$ 41,782,242
1921	777	161,045	80,522,440
1922	785	177,150	88,575,000
1926	1,210	330,000	200,000,000
1927	1,210	330,000	210,000,000
1929	1,200	330,000	215,000,000
1930*	1,150	330,000	220,000,000

MASSACHUSETTS

Year	Number of Associations	Membership	Assets
1893	115	53,953	$ 13,653,330
1894	117	57,369	18,584,671

*Estimated.

MASSACHUSETTS (Continued)

Year	Number of Associations	Membership	Assets
1895	119	60,238	$ 20,552,667
1896	122	63,105	22,906,692
1897	123	65,419	24,597,843
1898	124	66,163	25,793,353
1899	125	68,349	26,744,647
1900	126	71,965	27,721,748
1901	128	74,771	28,674,297
1902	130	79,315	30,391,665
1903	130	84,527	32,919,738
1904	129	88,692	35,614,047
1905	130	95,287	38,725,081
1906	133	104,482	42,557,575
1907	135	114,705	47,220,074
1908	137	120,575	51,339,903
1909	140	129,619	55,945,634
1910	147	142,355	61,498,838
1911	160	158,365	67,573,380
1912	162	172,691	74,484,048
1913	169	188,741	81,708,343
1914	174	204,249	90,781,470
1915	179	217,427	101,543,318
1916	183	236,760	113,305,907
1917	184	247,725	126,695,037
1918	186	247,224	140,201,034
1919	190	262,000	154,876,000
1920	202	296,411	174,042,652
1921	206	308,791	196,195,049
1922	209	327,157	225,092,157
1923	211	356,636	264,755,632
1924	217	382,274	311,962,911
1925	220	439,553	369,273,095
1926	220	466,492	425,511,319
1927	221	497,220	478,005,147
1928	226	512,714	516,138,388
1929	227	519,198	543,654,998
1930	227	513,431	562,718,248

MICHIGAN

Year	Number of Associations	Membership	Assets
1893	72	19,837	$ 5,474,146
1897	70	20,497	6,495,307
1898	73	35,972	10,885,708
1899	72	32,775	10,159,562
1900	66	32,677	10,118,876

MICHIGAN (Continued)

Year	Number of Associations	Membership	Assets
1901	63	31,787	9,386,764
1902	63	32,142	$ 9,906,073
1903	58	32,391	10,746,298
1904	53	31,096	11,410,575
1905	53	32,016	12,121,325
1906	53	35,958	13,031,682
1907	55	39,958	14,157,529
1908	58	39,182	15,056,493
1909	59	41,188	16,304,383
1910	63	44,994	18,124,731
1911	65	44,162	20,119,823
1912	67	47,119	22,030,439
1913	65	55,889	24,008,662
1914	64	58,655	25,739,835
1915	65	59,365	27,696,545
1916	70	63,733	31,379,472
1917	72	69,041	35,659,360
1918	70	82,565	37,923,798
1919	69	92,099	42,408,116
1920	75	99,765	50,976,795
1921	78	106,250	54,306,848
1922	81	114,730	58,546,237
1923	80	126,487	68,765,435
1924	80	158,597	80,302,267
1925	90	177,883	96,302,277
1926	83	192,070	112,887,929
1927	78	206,774	126,799,126
1928	72	212,329	142,638,654
1929	69	212,672	161,105,257
1930	67	210,722	167,199,813

MINNESOTA

Year	Number of Associations	Membership	Assets
1893	82	12,751	$ 5,753,100
1895	74	11,100	4,961,578
1896	72	10,800	4,836,319
1897	69	9,000	4,269,666
1898	46	7,500	2,818,179
1899	46	7,500	2,848,179
1900	34	5,000	2,278,510
1901	15	2,300	1,191,720

MINNESOTA (Continued)

Year	Number of Associations	Membership	Assets
1902	16	2,200	$ 1,066,680
1903	16	2,200	1,066,680
1904	17	2,650	1,242,783
1905	17	2,900	1,346,576
1906	18	3,085	1,433,990
1907	18	3,085	1,433,990
1908	67	11,022	4,559,027
1909	67	11,022	4,559,027
1910	59	11,536	5,075,947
1911	62	12,110	5,364,224
1912	64	12,710	5,789,860
1913	61	13,460	6,347,622
1914	65	16,629	7,176,472
1915	64	18,500	7,501,626
1916	66	20,630	8,353,105
1917	63	22,020	8,979,642
1918	64	21,800	8,890,021
1919	63	23,600	9,624,190
1920	63	23,904	11,354,493
1921	75	26,000	12,400,000
1922	66	30,575	14,686,752
1923	75	33,200	16,000,000
1924	79	42,880	20,839,954
1925	83	66,429	25,212,662
1926	83	69,618	28,643,208
1927	84	80,956	32,422,622
1928	80	83,090	36,738,928
1929	79	92,554	39,422,419
1930	78	106,038	42,514,855

MISSISSIPPI

Year	Number of Associations	Membership	Assets
1926	35	18,600	$ 13,015,838
1927	36	21,800	15,417,900
1928	52	26,600	18,035,002
1929	43	29,500	19,862,916
1930	47	30,000	20,462,096

MISSOURI

Year	Number of Associations	Membership	Assets
1893	349	50,083	$ 31,297,331
1895	310	60,000	28,000,000
1896	288	58,024	26,352,954

MISSOURI (Continued)

Year	Number of Associations	Membership	Assets
1897	255	49,463	$ 22,497,709
1898	222	41,809	18,255,186
1899	191	38,000	13,835,817
1900	174	33,000	11,448,394
1901	148	27,000	9,386,764
1902	138	18,730	8,228,265
1903	134	9,996	7,771,790
1904	127	18,464	7,782,018
1905	125	17,700	7,580,698
1906	123	19,100	8,186,945
1907	118	20,625	8,839,903
1908	123	21,698	9,300,661
1909	128	23,717	10,168,631
1910	130	24,594	11,431,451
1911	134	26,950	12,633,297
1912	134	31,151	14,022,021
1913	139	33,108	15,668,919
1914	145	37,464	18,055,859
1915	153	43,987	20,509,725
1916	157	50,404	23,543,833
1917	155	56,116	26,770,144
1918	158	55,147	29,260,489
1919	169	59,280	33,378,449
1920	181	71,494	40,863,168
1921	190	94,882	49,768,530
1922	201	104,214	60,497,796
1923	224	124,845	75,376,038
1924	241	154,780	93,557,805
1925	242	182,550	117,007,732
1926	243	215,000	139,461,899
1927	251	229,305	159,773,547
1928	241	241,680	179,628,005
1929	237	265,774	198,852,368
1930	242	282,031	210,920,602

MONTANA

Year	Number of Associations	Membership	Assets
1910	10	1,552	$ 886,994
1911	10	1,552	886,994
1912	16	1,794	1,092,993
1913	18	1,803	1,111,955
1914	13	1,963	1,332,450
1915	13	2,020	1,462,982

MONTANA (Continued)

Year	Number of Associations	Membership	Assets
1916	16	2,737	$ 1,640,029
1917	16	4,239	1,849,935
1918	18	5,441	2,094,836
1919	20	7,376	2,567,197
1920	21	16,156	3,667,486
1921	21	17,000	4,050,000
1922	26	23,936	5,460,973
1923	26	32,000	10,447,187
1924	30	34,400	11,649,272
1925	30	36,900	13,109,462
1926	31	37,500	13,738,790
1927	30	41,500	16,337,508
1928	26	44,500	18,384,866
1929	27	43,728	20,367,830
1930	27	45,163	21,235,125

NEBRASKA

Year	Number of Associations	Membership	Assets
1893	66	7,675	$ 2,971,912
1894	86	8,910	3,888,001
1895	81	12,960	3,924,778
1896	76	12,145	3,771,833
1897	68	11,821	3,554,788
1898	64	12,752	3,428,728
1899	60	13,813	3,332,781
1900	60	15,000	3,697,356
1901	59	17,926	4,314,744
1902	58	19,420	4,758,293
1903	59	20,446	5,343,429
1904	60	23,499	6,217,350
1905	60	28,999	7,269,297
1906	61	31,789	8,961,788
1907	66	39,898	11,422,890
1908	68	42,683	13,415,822
1909	70	49,441	17,094,771
1910	70	54,701	21,327,766
1911	69	58,191	24,885,285
1912	68	68,459	28,946,108
1913	70	70,996	32,746,726
1914	72	75,354	37,138,413
1915	71	83,765	41,660,870
1916	72	94,927	47,917,847
1917	73	101,929	54,545,630
1918	73	104,363	57,151,546

NEBRASKA (Continued)

Year	Number of Associations	Membership	Assets
1919	74	112,868	65,768,060
1920	74	119,131	$ 77,939,337
1921	76	133,782	84,071,013
1922	80	143,456	91,994,730
1923	81	163,000	108,798,586
1924	82	192,200	123,021,650
1925	84	202,100	141,435,904
1926	83	218,807	153,128,475
1927	83	235,581	155,213,561
1928	84	250,000	161,398,928
1929	83	252,638	163,460,364
1930	83	225,000	148,706,763

NEVADA

Year	Number of Associations	Membership	Assets
1926	1	900	$ 460,370
1927	1	900	523,714
1928	1	1,475	847,835
1929	1	1,360	819,670
1930	1	2,890	2,076,372

NEW HAMPSHIRE

Year	Number of Associations	Membership	Assets
1893	16	4,193	$ 571,093
1898	17	5,000	1,939,878
1899	17	4,950	1,921,927
1900	16	4,800	1,830,162
1901	16	4,800	1,853,092
1902	17	4,850	1,740,116
1903	15	5,175	1,753,560
1904	15	5,160	1,728,275
1905	16	5,280	1,799,363
1906	16	5,475	1,836,334
1907	16	7,110	1,915,187
1908	17	7,250	1,978,127
1909	17	7,400	2,016,861
1910	17	7,650	2,072,233
1911	17	7,800	2,191,623
1912	17	7,900	2,302,370
1913	19	8,050	2,390,899
1914	19	9,169	2,505,085
1915	20	9,424	2,734,727

NEW HAMPSHIRE (Continued)

Year	Number of Associations	Membership	Assets
1916	20	7,689	$ 3,013,260
1917	22	8,554	3,336,072
1918	22	8,642	3,682,699
1919	22	9,109	4,112,444
1920	25	11,067	4,700,529
1921	25	14,458	5,255,668
1922	27	12,393	5,791,551
1923	28	13,305	6,581,635
1924	28	14,221	7,330,534
1925	28	14,773	8,145,481
1926	28	15,115	9,223,974
1927	28	16,444	10,397,431
1928	28	16,483	11,502,362
1929	29	17,208	12,726,849
1930	29	17,670	13,793,061

NEW JERSEY

Year	Number of Associations	Membership	Assets
1893	286	85,698	$ 31,629,555
1895	287	101,619	38,882,110
1896	304	111,575	40,967,624
1897	300	116,739	41,038,934
1898	305	92,667	44,317,824
1899	335	99,160	46,100,000
1900	326	97,115	45,554,964
1901	327	100,700	46,599,451
1902	341	106,624	48,480,377
1903	353	112,539	51,460,688
1904	368	116,445	54,361,023
1905	382	121,196	57,657,384
1906	389	131,218	61,988,192
1907	415	143,886	67,802,407
1908	447	156,306	73,518,234
1909	477	164,569	78,788,161
1910	511	178,622	86,602,359
1911	563	198,057	96,448,627
1912	599	219,418	106,554,997
1913	643	241,487	118,953,658
1914	707	265,509	132,605,897
1915	742	281,464	143,903,994
1916	756	299,913	155,126,962
1917	793	329,063	168,215,913
1918	792	348,805	169,308,867

NEW JERSEY (Continued)

Year	Number of Associations	Membership	Assets
1919	841	354,564	$199,270,033
1920	939	426,264	238,908,007
1921	986	536,391	285,014,487
1922	1,098	678,973	359,268,557
1923	1,091	687,587	402,728,756
1924	1,361	927,495	599,812,925
1925	1,410	1,008,092	645,539,550
1926	1,473	1,081,381	760,067,751
1927	1,536	1,166,980	886,167,505
1928	1,561	1,250,000	1,032,429,060
1929	1,562	1,200,000	1,151,503,097
1930	1,561	1,198,177	1,211,941,913

NEW MEXICO

Year	Number of Associations	Membership	Assets
1913	13	3,670	$ 1,519,741
1914	13	3,828	1,585,513
1915	13	3,810	1,578,109
1916	13	3,720	1,541,936
1917	13	3,515	1,469,276
1918	13	3,515	1,454,728
1919	13	3,355	1,387,867
1920	13	4,100	1,707,200
1921	13	4,700	1,937,744
1922	13	5,200	2,170,000
1923	11	5,450	2,300,000
1924	12	5,750	2,550,000
1925	12	6,300	2,950,000
1926	18	6,500	3,250,000
1927	18	7,150	3,833,490
1928	18	7,600	4,172,351
1929	19	5,047	4,805,512
1930	18	5,350	5,111,330

NEW YORK

Year	Number of Associations	Membership	Assets
1893	390	110,390	$ 28,877,641
1894	393	162,838	45,023,735
1895	325	89,917	34,852,726
1896	313	94,964	36,452,917
1897	317	102,902	37,385,642
1898	325	89,620	37,569,733
1899	299	89,409	37,253,725

NEW YORK (Continued)

Year	Number of Associations	Membership	Assets
1900	293	89,998	$ 36,499,754
1901	283	86,042	34,996,485
1902	305	88,620	33,885,742
1903	300	90,429	33,342,475
1904	261	90,695	32,844,829
1905	247	95,065	33,661,549
1906	240	105,434	35,254,790
1907	240	107,450	37,633,163
1908	235	108,200	39,162,602
1909	247	114,436	42,070,940
1910	249	124,581	45,527,467
1911	241	128,533	49,584,570
1912	237	151,019	59,040,511
1913	241	161,880	64,249,990
1914	245	172,247	68,476,499
1915	251	179,380	72,419,658
1916	254	200,314	79,629,881
1917	253	199,571	86,072,829
1918	249	200,111	89,017,871
1919	254	208,999	100,259,014
1920	267	249,174	115,779,799
1921	280	279,749	131,270,091
1922	282	321,044	153,161,292
1923	291	360,094	182,449,453
1924	301	408,996	217,007,141
1925	305	447,721	258,089,817
1926	309	504,008	297,707,160
1927	313	555,242	349,533,632
1928	313	577,121	401,460,686
1929	309	593,098	422,141,280
1930	307	595,865	440,729,014

NORTH CAROLINA

Year	Number of Associations	Membership	Assets
1906	75	16,905	$ 4,346,242
1907	81	21,469	5,355,536
1908	87	26,276	6,021,421
1909	98	23,789	6,791,619
1910	112	26,680	7,488,232
1911	113	25,174	8,375,305
1912	119	26,060	9,581,659
1913	127	29,824	11,071,159
1914	138	33,375	12,703,354
1915	155	38,945	14,359,449

NORTH CAROLINA (Continued)

Year	Number of Associations	Membership	Assets
1916	148	42,400	$ 15,904,770
1917	140	37,400	17,608,000
1918	133	40,000	19,453,000
1919	141	53,121	23,452,771
1920	145	58,000	26,000,000
1921	219	65,000	29,500,000
1922	235	65,000	44,398,834
1923	234	76,786	57,950,374
1924	217	85,000	70,000,000
1925	216	92,007	81,188,546
1926	240	96,590	85,715,009
1927	235	102,000	91,000,000
1928	232	108,170	95,009,520
1929	238	105,058	95,848,057
1930	235	95,915	92,192,374

NORTH DAKOTA

Year	Number of Associations	Membership	Assets
1899	7	1,000	$ 364,130
1900	6	1,966	393,263
1901	6	2,000	428,684
1902			
1903			
1904	5	1,070	696,337
1905	7	1,450	801,052
1906	7	1,700	991,303
1907	7	2,200	1,286,681
1908	9	2,600	1,497,822
1909	9	3,125	1,785,782
1910	9	3,802	2,149,852
1911			
1912	9	4,315	2,520,953
1913	9	5,200	2,698,235
1914	9	5,700	2,807,475
1915	10	5,500	2,725,859
1916	10	5,600	2,746,810
1917	10	5,785	2,837,118
1918	10	5,835	2,911,970
1919	10		
1920	12	7,325	3,656,795
1921	13	8,100	4,041,443
1922	13	9,075	4,529,065
1923	16	10,875	5,425,172

NORTH DAKOTA (Continued)

Year	Number of Associations	Membership	Assets
1924	16	12,360	$ 6,169,397
1925	17	13,960	6,965,555
1926	18	15,300	7,788,410
1927	19	16,800	8,859,341
1928	20	19,000	10,469,619
1929	20	19,600	10,952,539
1930	20	20,000	13,385,735

OHIO

Year	Number of Associations	Membership	Assets
1893	718	233,348	$ 67,136,721
1894	747	255,838	86,047,104
1895	745	279,956	92,121,630
1896	755	297,650	96,906,824
1897	761	297,787	99,770,161
1898	768	297,803	101,089,277
1899	773	287,477	102,409,699
1900	763	293,717	105,502,111
1901	757	300,315	105,374,306
1902	737	296,074	110,951,257
1903	731	301,460	101,221,442
1904	699	320,215	102,578,670
1905	674	299,904	109,741,189
1906	654	310,835	121,094,217
1907	644	321,780	132,714,147
1908	645	327,662	139,340,424
1909	647	328,866	153,504,501
1910	641	362,318	170,750,527
1911	643	384,257	187,434,123
1912	649	396,482	205,445,994
1913	649	524,316	224,037,997
1914	656	611,467	240,930,785
1915	657	649,126	263,106,613
1916	658	664,862	270,552,589
1917	678	767,100	321,741,529
1918	723	842,754	359,559,538
1919	692	824,275	381,478,703
1920	775	973,168	462,790,288
1921	778	1,152,121	525,696,242
1922	875	1,169,828	564,348,517
1923	824	1,375,968	648,160,960
1924	1,000	1,689,686	765,306,091
1925	865	2,098,733	847,570,701

OHIO (Continued)

Year	Number of Associations	Membership	Assets
1926	841	2,147,275	$ 928,381,733
1927	827	2,282,693	1,035,429,317
1928	812	2,452,025	1,237,520,617
1929	810	2,388,625	1,283,665,876
1930	791	2,583,767	1,244,266,926

OKLAHOMA

Year	Number of Associations	Membership	Assets
1912	29	3,190	$ 1,116,612
1913	39	5,051	1,669,372
1914	33	6,233	1,940,571
1915	35	8,947	2,700,000
1916	37	13,200	4,250,000
1917	34	18,142	6,554,175
1918	44	19,800	9,134,704
1919	58	28,468	17,418,801
1920	62	46,343	28,590,423
1921	73	66,684	39,348,311
1922	82	89,164	51,713,296
1923	85	102,311	65,810,618
1924	86	121,442	77,788,006
1925	88	146,210	92,061,767
1926	90	167,410	103,343,185
1927	89	184,810	116,318,814
1928	88	216,131	130,612,128
1929	91	265,679	139,808,782
1930	82	255,000	139,804,195

OREGON

Year	Number of Associations	Membership	Assets
1918	10	10,204	$ 4,198,083
1919	9	11,100	4,571,389
1920	10	17,611	5,200,457
1921	12	18,626	6,816,954
1922	14	24,990	10,000,000
1923	19		
1924	20	28,800	11,802,437
1925	37	34,200	14,871,323
1926	42	38,200	18,280,225
1927	40	44,700	21,913,657
1928	37	50,700	24,968,215
1929	39	51,000	28,320,667
1930	31	52,000	30,569,103

PENNSYLVANIA

Year	Number of Associations	Membership	Assets
1893	1,076	233,665	$ 81,566,894
1895	1,131	253,860	99,519,917
1896	1,160	260,000	105,000,000
1897	1,200	300,000	111,714,871
1898	1,225	308,000	112,665,766
1899	1,174	281,456	112,120,436
1900	1,115	281,980	110,493,510
1901	1,168	299,573	110,817,281
1902	1,178	291,768	113,886,020
1903	1,196	313,193	117,861,779
1904	1,223	319,459	123,448,958
1905	1,257	329,852	128,053,425
1906	1,321	346,372	137,640,602
1907	1,400	374,950	146,915,600
1908	1,423	389,446	158,510,745
1909	1,466	394,860	168,043,443
1910	1,536	426,479	181,302,088
1911	1,573	444,712	197,376,758
1012	1,629	475,494	213,825,547
1913	1,710	510,839	233,564,445
1914	1,765	545,624	255,187,937
1915	1,832	568,126	276,393,311
1916	1,989	625,003	298,827,067
1917	2,089	677,911	324,265,393
1918	2,072	709,452	353,561,938
1919	2,342	835,998	400,823,587
1920	2,788	1,036,052	475,615,427
1921	2,998	1,151,369	543,139,652
1922	3,300	1,254,299	625,865,793
1923	3,916	1,412,072	741,539,681
1924	4,314	1,616,286	867,212,736
1925	4,461	1,712,746	994,022,640
1926	4,465	1,770,528	1,126,693,333
1927	4,427	1,776,104	1,245,987,953
1928	4,272	1,756,253	1,340,056,344
1929	3,899	1,626,015	1,398,307,825
1930	3,441	1,540,585	1,371,223,429

RHODE ISLAND

Year	Number of Associations	Membership	Assets
1913	6	7,719	$ 4,522,350
1914	6	9,112	4,786,746
1915	7	9,263	5,041,439

RHODE ISLAND (Continued)

Year	Number of Associations	Membership	Assets
1916	7	10,114	$ 5,360,530
1917	8	11,499	5,938,436
1918	8	12,205	6,377,469
1919	8	12,870	7,129,893
1920	8	14,680	8,126,956
1921	8	18,398	9,275,587
1922	8	20,537	10,545,499
1923	8	23,143	12,561,164
1924	8	26,685	14,887,675
1925	7	29,248	17,075,323
1926	7	31,819	19,538,506
1927	7	34,437	22,635,780
1928	8	37,769	25,716,657
1929	8	42,021	27,827,463
1930	8	44,480	31,541,252

SOUTH CAROLINA

Year	Number of Associations	Membership	Assets
1918	134	13,500	4,816,301
1919	129	14,950	5,445,944
1920	129	15,920	5,777,452
1921	139	18,315	6,975,583
1922	152	20,404	7,626,890
1923	161	20,400	6,524,242
1924	161	24,000	15,000,000
1925	150	25,000	20,000,000
1926	152	26,800	22,782,000
1927	150	28,000	23,000,000
1928	145	30,000	24,000,000
1929	151	33,000	26,500,000
1930*	150	34,000	27,000,000

SOUTH DAKOTA

Year	Number of Associations	Membership	Assets
1918	14	5,857	$ 3,603,836
1919	16	6,345	3,906,372
1920	16	6,515	4,006,312
1921			
1922	18	7,350	4,500,000
1923	18	7,000	4,400,000
1924	24	8,160	5,078,532
1925	27	7,950	4,951,443

*Estimated

SOUTH DAKOTA (Continued)

Year	Number of Associations	Membership	Assets
1926	26	7,015	$ 5,000,427
1927	24	7,705	5,497,015
1928	23	12,679	6,240,941
1929	23	10,880	5,439,587
1930	23	10,271	6,350,585

TENNESSEE

Year	Number of Associations	Membership	Assets
1893	61	12,437	$ 6,684,478
1895	53	8,200	5,158,137
1896	41	7,198	4,405,749
1897	34	6,166	3,771,354
1898	31	4,980	3,320,161
1899	26	4,795	2,874,097
1900	23	4,339	2,665,631
1901	20	4,157	2,428,450
1902	18	3,121	2,339,657
1903	21	3,417	2,321,663
1904	17	3,222	2,219,740
1905	15	3,105	2,032,434
1906	17	2,920	1,929,498
1907	15	4,658	2,590,204
1908	15	5,215	2,728,303
1909	15	5,360	2,800,917
1910	15	5,362	2,766,399
1911	14	4,602	2,831,038
1912	13	3,987	2,783,470
1913	13	4,917	2,956,733
1914	14	4,412	3,108,081
1915	14	5,261	3,226,591
1916	14	5,348	3,320,619
1917	13	5,166	3,207,754
1918	12	5,497	3,070,181
1919	12	5,050	3,111,234
1920	12	5,800	3,053,130
1921	11	5,800	3,500,000
1922	11	5,750	3,472,527
1923	14	6,450	3,876,735
1924	17	7,550	4,477,899
1925	21	8,775	5,212,066
1926	24	11,275	6,716,217
1927	32	14,775	9,127,109
1928	39	19,950	12,363,630
1929	38	21,300	15,532,832
1930	41	25,100	18,399,386

TEXAS

Year	Number of Associations	Membership	Assets
1914	19	3,222	$ 974,852
1915	19	3,903	1,247,303
1916	27	5,875	1,942,438
1917	28	7,156	2,314,927
1918	25	7,531	2,484,957
1919	25	7,665	2,658,000
1920	31	9,360	3,251,891
1921	40	12,420	4,464,056
1922	88	23,545	7,162,995
1923	82	30,090	12,036,330
1924	102	66,994	33,980,086
1925	119	83,562	51,971,859
1926	138	124,951	70,804,572
1927	143	145,380	92,632,277
1928	162	165,780	113,034,389
1929	176	187,880	137,015,904
1930	151	181,760	134,743,150

UTAH

Year	Number of Associations	Membership	Assets
1921	16	24,570	$ 12,284,112
1922	22	31,220	15,609,399
1923	24	38,450	19,238,090
1924	25	45,075	22,550,620
1925	24	51,000	25,458,736
1926	24	96,284	30,864,124
1927	24	92,921	37,251,861
1928	24	127,026	45,652,812
1929	24	126,536	51,680,143
1930	24	95,263	55,642,704

VERMONT

Year	Number of Associations	Membership	Assets
1913	3	375	$ 180,190
1914	4	456	186,161
1915	4	471	201,437
1916	4	493	235,712
1917	6	749	287,791
1918	7	790	352,055
1919	8	927	411,003
1920	7	1,499	548,618
1921	8	1,601	658,360
1922	8	1,955	818,521

VERMONT (Continued)

Year	Number of Associations	Membership	Assets
1923	7	2,431	$ 1,017,192
1924	7	3,012	1,353,951
1925	9	3,533	1,798,039
1926	9	3,805	2,236,747
1927	10	4,458	2,817,009
1928	11	5,149	3,286,276
1929	14	5,940	4,066,425
1930	14	6,325	4,749,000

VIRGINIA

Year	Number of Associations	Membership	Assets
1925		47,000	$ 39,500,000
1926	79	51,500	44,557,196
1927	87	56,300	50,149,670
1928	87	60,800	55,000,000
1929	91	65,000	58,878,642
1930	92	66,730	60,439,644

WASHINGTON

Year	Number of Associations	Membership	Assets
1913	22	20,544	$ 6,264,765
1914	22	24,617	7,877,467
1915	24	30,114	10,022,132
1916	34	43,000	12,077,727
1917	42	46,318	14,444,177
1918	37	39,944	10,287,315
1919	40	47,365	13,334,753
1920	43	55,354	20,175,163
1921	48	59,459	23,950,160
1922	52	75,233	29,696,405
1923	52	118,449	40,940,876
1924	59	151,043	53,242,311
1925	71	217,440	76,145,600
1926	72	249,338	89,001,163
1927	72	268,404	101,252,277
1928	73	312,872	115,925,233
1929	73	293,816	105,316,958
1930	73	298,844	108,261,370

WEST VIRGINIA

Year	Number of Associations	Membership	Assets
1906	29	9,300	$ 3,400,450
1907	39	10,495	3,834,544

WEST VIRGINIA (Continued)

Year	Number of Associations	Membership	Assets
1908	38	11,230	$ 4,113,834
1909	38	11,460	4,283,728
1910	38	11,645	4,984,351
1911	43	12,200	5,457,997
1912	45	13,400	5,931,662
1913	41	15,500	6,473,351
1914	41	16,000	6,738,369
1915	43	18,500	7,073,421
1916	47	20,500	7,749,567
1917	48	21,500	8,119,131
1918	52	23,530	8,890,789
1919	50	25,990	9,874,565
1920	50	27,700	10,700,000
1921	44	30,000	11,644,805
1922	44	35,300	13,780,294
1923	47	42,500	17,982,752
1924	57	52,300	23,256,758
1925	59	54,500	25,000,000
1926	60	54,500	28,704,386
1927	60	60,200	36,128,266
1928	62	66,170	39,703,679
1929	63	67,300	41,827,485
1930	63	58,800	36,252,147

WISCONSIN

Year	Number of Associations	Membership	Assets
1893	39	9,864	$ 2,841,928
1898	53	13,356	3,568,440
1899	52	13,450	3,582,922
1900	48	13,000	3,580,125
1901	50	12,975	3,462,629
1902	55	13,150	2,595,933
1903	53	13,250	3,819,768
1904	55	10,861	4,021,485
1905	54	11,800	4,191,603
1906	54	11,195	4,171,477
1907	52	12,200	4,490,486
1908	50	12,515	4,730,694
1909	53	14,517	5,268,853
1910	60	20,888	6,180,606
1911	57	20,945	7,347,683
1912	61	23,292	8,692,830
1913	65	27,710	10,456,499

WISCONSIN (Continued)

Year	*Number of Associations*	*Membership*	*Assets*
1914	70	31,554	$ 12,290,882
1915	74	37,747	14,228,401
1916	77	45,891	16,873,842
1917	78	50,612	19,887,368
1918	79	54,393	23,365,389
1919	86	67,848	31,562,084
1920	97	87,000	43,641,142
1921	105	105,000	53,000,000
1922	115	114,179	71,821,023
1923	140	143,460	92,992,109
1924	155	168,113	118,182,354
1925	167	200,939	149,648,269
1926	171	229,165	182,382,373
1927	182	261,685	217,563,993
1928	186	296,973	251,619,119
1929	187	303,407	282,781,402
1930	188	304,861	290,625,985

WYOMING

Year	*Number of Associations*	*Membership*	*Assets*
1926	20	14,000	$ 8,000,000
1927	14	26,123	13,137,453
1928	13	21,077	11,271,058
1929	13	20,750	11,121,886
1930	12	18,400	9,829,096

« PART IV »

Bibliography of Building and Loan Literature

« »

BIBLIOGRAPHY OF BUILDING AND LOAN LITERATURE

Editorial Note: The presentation of this bibliography calls for certain comments and explanations. It is not an exhaustive list of building and loan literature nor does it include complete periodical references. The magnitude of such a task, which must cover 100 years of building and loan activity, is obvious and is itself sufficient comment on the compilation here presented.

The primary value of the lists lies in their inclusion of certain items of historical interest, particularly in the Periodical References. Among these items are the early articles by Judge Dexter, F. B. Sanborn, J. W. Jenks, etc. To supplement this list, particuarly for the more recent years, the reader is referred to the *Industrial Arts Index* and *Public Affairs Information Service.*

Finally, the reader's attention is called to seven other sources which are of such major importance as to demand special listing. These are:

1. *Proceedings of the United States Building and Loan League*, 1893—

2. *Proceedings* of the Building and Loan Leagues of the several states.

3. *Reports* of the various State Departments, which are charged with the supervision of building and loan associations. Similar publications in other countries are valuable; e, g., Great Britain, Registry of Friendly Societies; Canada, Department of Finance; New South Wales, Registrar of Friendly Societies; New Zealand, Census and Statistics Office; etc.

4. *Laws* and *Statutes* of the separate states relating to building and loan associations. (In some instances these have been brought together in pamphlet form and published separately for convenience.)

5. Publications of the American Savings, Building and Loan Institute.

6. *American Building Association News*, which absorbed the earlier *Cooperative News.*

7. Publications of the United States Bureau of Labor relating to building and loan associations.

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« PART V »

Directory of Building and Loan Associations

« »

DIRECTORY OF BUILDING AND LOAN ASSOCIATIONS

ALABAMA

ANNISTON

Anniston Home Building and Loan Association
16 West 11th Street
President, C. A. Hamilton
Secretary, I. V. A. Davis

BIRMINGHAM

Alabama Home Building and Loan Association
2026 First Avenue
Chairman, Augustus Benners
President, W. V. M. Robertson

Avondale Building and Loan Association
2028 Third Avenue, North
President, S. G. Frey
Secretary and Treasurer, E. P. Griswold

Bankers Mortgage Building and Loan Association
222 North 21st Street
President, I. L. Fabian
Secretary and Treasurer, B. D. Speer

Industrial Building and Loan Association
2910 North 27th Street
President, W. W. Walker
Secretary-Treasurur, W. F. McClure

Jefferson County Building and Loan Association
213 N. 21st Street, Jackson Bldg.
Vice President and Manager, W. A. Pattilo
Secretary and Treasurer, F. B. Yielding

DECATUR

North Alabama Building and Loan Association
Tennessee Valley Bank Building
President, Clyde Hendrix
Secretary, A. T. Hanson

FLORENCE

Florence Building and Loan Association
119 East Tennessee Street
President, W. H. Mitchell
Secretary and Treasurer, W. L. Foy

MOBILE

Mutual Building and Loan Association of Mobile
104 St. Joseph Street
President, Wm. J. Norville
Secretary and Treasurer, W. G. Scott

TUSCALOOSA

Tuscaloosa Building and Loan Association
2312 Broad Street
President, J. A. Duckworth
Secretary, Charles Morris

ARIZONA

PHOENIX

Home Building and Loan Association
44 W. Second Street

State Building and Loan Association
116 North First Avenue
Vice President, J. G. Rice
Secretary, W. M. Beach

ARIZONA

TUCSON

Citizens Building and Loan Association
14 South Stone Avenue, Box 2226
President, A. M. Franklin
Assistant Manager, D. B. Schafer

ARKANSAS

EL DORADO

El Dorado Building and Loan Association
208 North Washington Avenue
President, A. D. Murphy
Secretary, W. F. Matthews

Progressive Building and Loan Association
215 North Washington Avenue
President, H. R. F. Goode
Secretary, Pauline Pittman

FORT SMITH

Home Building and Savings Association
24 South 6th
President, W. T. Maxwell
Secretary and General Manager, L. E. Prall

Home Mutual Building and Loan Association
15 North 6th Street
Secretary, H. P. Lyman
Assistant Secretary, Bertha M. Stanley

Peoples Building and Loan Association
200 First National Bank Building
Secretary, A. N. Sicard
Assistant Secretary, Mary C. Kelly

HELENA

Citizens Building and Loan Association
330 Cherry Street
President, S. W. Adams
Assistant Secretary, Miss Cecelia Hopkins

Helena Building and Loan Association
520 Cherry Street
President, Joseph Truemper
Secretary, E. R. Crum

Home Mutual Building and Loan Association
312 Cherry Street
Secretary, J. W. Clopton
Assistant Secretary, R. R. Busch

HOT SPRINGS

Arkansas Savings and Loan Association
909 Central Avenue
President, Chas. H. Davis
Secretary, Ray S. Smith

LITTLE ROCK

Capital and Travelers Building and Loan Association
311 West 2nd Street
Secretary-Manager, John S. McCallum
President, Loid Rainwater

Commonwealth Building and Loan Association
212 Louisiana Street
President, J. G. Leigh
Secretary, T. E. Wilson

Equitable Building and Loan Association
312-314 Boyle Building
President, R. W. Rightsell
Secretary, E. T. Reaves

Fidelity Savings and Loan Association
312-4 Southern Building
President, Galloway C. Harrison
Secretary, Miss Era Hardy

Franklin Savings and Loan Association
201 Hall Building

Guaranty Building and Loan Association
125 Main Street
President, Guy E. Thompson
Secretary, Miss Verlie C. Duncan

Ladies Building and Loan Association
707 Main Street
Secretary, Roy L. Bilheimer

ARKANSAS

LITTLE ROCK

National Savings and Loan Association
New Donaghey Building, Seventh and Main Streets
President, J. E. Berry
Vice President, Secretary, J. M. Sadler

Peoples Building and Loan Association
Secretary, J. H. Hollis

Prudential Building and Loan Association
111 East Seventh Street
Vice President and Secretary, J. N. Moxley
Assistant Secretary, Robert L. Powell

State Building and Loan Association
203 West Fifth Street
President, E. O. Bagley
Secretary, D. C. Bossinger

Tri-State Savings and Loan Association
714 Rector Building
Secretary, Austelle Lloyd

Union Savings Building and Loan Association
200 West Fifth Street
President, Fred L. Purcell
Secretary, Greely Watson

NORTH LITTLE ROCK

Argenta Building and Loan Association
318 Main Street
Secretary, Solon Humphreys

PINE BLUFF

Jefferson Building and Loan Association
114 West 2nd
President, Garland Brewster
Secretary, E. W. Kimber

CALIFORNIA

ALAMEDA

Central Building and Loan Association
Park and Central Avenue
President, J. L. Delanoy
Secretary, L. Pickersgill

ALHAMBRA

Alhambra Building and Loan Association
200 West Main Street
President, Frank T. Olson
Secretary, J. Homer Hough

BERKELEY

Berkeley Guarantee Building and Loan Association
2101 Shattuck Avenue
President, Perry T. Tompkins
Secretary, G. Vanderende

Community Building and Loan Association
2122 Shattuck Avenue
Vice President-Manager, Frederick R. Peake
Secretary, Robert R. Porter

Fidelity Guaranty Building and Loan Association
2323 Shattuck Avenue
President, Chas. L. McFarland
Secretary, Donald P. Wingate

BURBANK

Burbank Building-Loan Association
226 North Olive Avenue
President, A. Sence
Secretary, J. J. King

CHINO

Chino Building and Loan Association
652 "D" Street
President, Ralph C. Homan
Secretary-Treasurer, William T. Clarke

CULVER CITY

Pacific Building and Loan Association
9501 Washington Boulevard
President, W. J. Moore
Secretary, H. E. Moore

CALIFORNIA

EL CENTRO

Imperial Valley Building and Loan Association
146 South 6th Street
President, J. L. Travers
Manager, H. T. Osborne

FRESNO

Fresno Guarantee Building-Loan Association
1041 Fulton Street
President, Edwin M. Einstein
Secretary, Harry L. Andrews

FULLERTON

Fullerton Building-Loan Association
107 West Commonwealth Avenue
President, H. H. Crooke
Secretary-Manager, W. J. Cadman

Mutual Building and Loan Association of Fullerton
301 North Spadra Road
Secretary, H. L. Parry
Assistant Secretary, Fred Fuller

HEMET

Hemet Home Builders Association
410 East Florida Avenue
President, H. H. Spaulding
Secretary and Treasurer, Burdette Raynor

HUNTINGTON BEACH

National Building and Loan Association
120 Main Street
Vice President and Secretary, Harvey S. Young
Assistant Secretary, Frances M. Hill

HUNTINGTON PARK

Huntington Park Building-Loan Association
6321 Pacific Boulevard
Vice President, C. R. Lough
Secretary, H. M. Lough

INGLEWOOD

People's Building and Loan Association
Manchester at Market Street
President, Sanford M. Anderson
Secretary, George F. Lepper

LONG BEACH

Long Beach Building and Loan Association
138 East First Street
President, E. J. Wightman
Assistant Secretary, Charles O. Sensibaugh

Mutual Building and Loan Association
149 West First Street
President, Charles H. Tucker
Secretary, H. R. Gillingham

LOS ANGELES

Armor Building and Loan Association
20 Spring Arcade Building
President, Louis A. Copeland
Secretary-Treasurer, Kyle Howard

German-American Building-Loan Association of Los Angeles
837 South Spring Street
President, Emil Fernholtz
Secretary, F. W. Kafitz

Golden State Building-Loan Association
515 South Spring Street
President, Lee Prettyman
Secretary, Thomas A. Dille

Insurance Plan Building and Loan Association
531 West Sixth Street
President, George M. Eason
Secretary, A. E. McCullough

Investment Building and Loan Association
1037 South Broadway
Vice President, R. F. Ingold
Secretary, Charles W. Cooper

Lincoln Building and Loan Association
645 South Olive Street
President, Alfred J. Bayer
Secretary, T. M. Stensgaard

CALIFORNIA

LOS ANGELES

Los Angeles Mutual Building and Loan Association
740 South Spring Street
President, E. E. Gard
Secretary-Manager, R. Holtby Myers

Pacific Coast Building-Loan Association
621 South Hope Street
President, C. E. Paris
Secretary, A. A. Anderson

Security Building and Loan Association
8875 Santa Monica Boulevard
Vice President, M. M. Hurford
Assistant Secretary, Bryce Morgan

Southern California Building and Loan Association
431 West 5th Street
President, C. E. Donnatin
Secretary, Elbridge R. Thrapp

State Mutual Building and Loan Association
722 South Spring Street
President, C. H. Wade
Secretary, W. R. Gibbon

United States Building and Loan Association of Los Angeles
5220 Wilshire Boulevard
President, Orville L. Routt
Secretary, Frank M. Wise

MODESTO

Modesto Building and Loan Association
821-10th Street
President, J. W. Husband
Secretary, E. J. Bryan

MONROVIA

Mutual Building and Loan Association of Monrovia
515 South Myrtle
President, H. E. Kirschner
Secretary, M. Langlie

NORTH HOLLYWOOD

Lankershim Building and Loan Association
5213 Lankershim Boulevard
Secretary, John H. Fritz
Vice President, Dan Bakman

OAKLAND

Cosmopolitan Guarantee Building and Loan Association
347-12th Street
President, F. L. Fletcher
Comptroller, W. S. Gould

PALO ALTO

Palo Alto Mutual Building and Loan Association
257 University Avenue
President, W. C. Thoits
Secretary, Dicy A. Baugh

PASADENA

California Security Loan Corporation
315 East Colorado Street
President, Arthur W. Byrne
Secretary, Archibald J. Morris

POMONA

Home-Builders' Loan Association
2nd and Thomas Streets
Vice President and Manager, Paul Endicott
Secretary, Page Hubble

PORTERVILLE

Porterville Mutual Building and Loan Association
420 Main Street
President, George C. Murphy
Secretary, C. O. Premo

REDLANDS

Redlands Building-Loan Association
Corner Citrus and Fifth
President, Lyman M. King
Secretary, J. W. Miller

CALIFORNIA

REDONDO BEACH

American Mutual Building and Loan Association of Redondo Beach
210 South Pacific Street
President, E. S. Welch
Secretary-Manager, Sidney H. Welch

RIALTO

Rialto Building and Loan Association
102 North Riverside Avenue
President, E. M. Lash
Secretary, J. E. McManis

SACRAMENTO

Capital Building and Loan Association
805 J Street
President, Alden Anderson
Secretary, Harry S. Wanzer

SAN DIEGO

Bay City Building and Loan Association
1202 Fourth Street
President, John B. Starkey
Executive Vice President, Harold B. Starkey

San Diego Building and Loan Association
336 Broadway
Executive Vice President, R. E. Hegg
Secretary, G. E. Whiteman

Seaboard Building and Loan Association
945 Seventh Street
President, R. L. Mueller
Secretary-Treasurer, Frank Von Tesmar

Silver Gate Building and Loan Association
343 Spreckels Theatre Building
Secretary, George D. Easton
Vice President, V. Wankowski

SAN FRANCISCO

California Home Building-Loan Company
206-7-8 Hearst Building
President, P. B. Roberts
Secretary, R. L. Handy

Citizens' Building and Loan Association of San Francisco
165 Sutter Street
President, Thomas M. Gardiner
Secretary, Fremont Wood

Globe Mutual Building and Loan Association
1203 Merchants Exchange Building
President, Frank Otis
Maurice Asher

Home Mutual Deposit-Loan Company
228 Montgomery Street
President, George M. Mitchell
Secretary, Charles G. Hinds

Pacific States Savings and Loan Company
745 Market Street
President, Robert S. Odell
Secretary, A. F. Falch

Provident Mutual Loan Association
416 Kearny Street
President, Irving F. Moulton
Secretary, Alexander Nobel

SAN JOSE

San Jose Pacific Building and Loan Association
81 W. Santa Clara Street
Chairman of the Board, H. S. Scott
President, A. J. Koch

California Mutual Building and Loan Association
248 South First Street
President, Geo. S. Walker
Secretary, W. B. Rice

Guaranty Building and Loan Association
69 South First Street
President, Walter M. Sontheimer
Secretary, W. R. Frost

Independent Building-Loan Association
16 East San Antonio Street
President, Wilbur J. Edwards
Vice President and Secretary, George B. Campbell

CALIFORNIA

SAN MATEO

Pensula Building and Loan Association
235-2nd Avenue
President, P. A. Oliver
Secretary, E. S. Irving

SAN PEDRO

Marine Building and Loan Association
544 South Pacific Avenue
President, J. D. Willhoit
Secretary-Treasurer, Rex G. Gibson

SANTA BARBARA

City Building and Loan Association
927 State Street
President, Scott L. Boyd
Secretary, S. B. Schauer

Loan and Building Association of Santa Barbara
814 State Street
President, James Birrs
Secretary, J. M. Abbott

SANTA MONICA

Century Building and Loan Association
226 Santa Monica Boulevard
President, John W. Fisher
Secretary, I. F. Noxon

SANTA ROSA

Santa Rosa Building and Loan Association
629 Fourth Street
President, Dr. D. P. Anderson
Secretary, C. D. Barnett

STOCKTON

State Building and Loan Association
18 North San Joaquin Street
President, Frank L. Williams
Secretary, Howard Hammond

TIBURON

Northwestern Building and Loan Association
President, W. R. Bent
Secretary, A. W. Dayton

TULARE

Guarantee Building-Loan Corporation of Tulare
Box 66
President, F. J. Heid, Jr.
Secretary, W. E. Anderson

UPLAND

Magnolia Building and Loan Association
237-2nd Avenue
President, F. W. Palmer
Secretary, D. E. Palmer

WHITTIER

Mutual Building and Loan Association
117 South Greenleaf Avenue
Secretary, Frank E. Horner

Whittier Building and Loan Association
206 East Philadelphia Street
President, Wallace Gregg
Secretary, M. R. Allen

WILMINGTON

Harbor Building and Loan Association
Avalon at "G"
President, I. J. Rossman
Secretary, Marion Welch

Wilmington Mutual Building and Loan Association
728 Avalon Boulevard
President, Louis Denni
Secretary, O. W. Hodgkinson

COLORADO

ALAMOSA

San Louis Valley Building and Loan Association
Box 248
Secretary, C. L. Foote

COLORADO

BOULDER

Home Building and Loan Association
1909-12th Street
President, L. R. Beam
Secretary-Treasurer, D. A. Strader

COLORADO SPRINGS

City Savings, Building and Loan Association
2 East Kiowa Street
President, Walter C. Davis
Vice President, V. Eugene Blake

Dollar Building and Loan Association
116 North Tejon Street
President, E. C. Sharer

DENVER

American Building and Loan Association
408 Colorado Building
President, E. R. Goodman
Secretary, I. I. Boak

Bankers Building and Loan Association
1510 Glenarm Street
President, Milton M. Schayer
Secretary, Dye G. Liggitt

Capitol Building and Loan Association
1665 Broadway
President, A. W. Hiner
Secretary, Arthur W. Hiner, Jr.

Colorado Building and Loan Association
1608 Welton Street
President, George Meyers
Secretary-Treasurer, Chas. F. Quaintance

Co-Operative Savings and Loan Association
505 Ernest and Cranmer Building
President, Jesse D. Hale
Secretary, Robert Collier

Denver Building and Loan Association
338 Fifteenth Street
President, Lee Foster
Secretary, W. R. Patterson

Industrial Building and Loan Association
740-17th Street
President, A. J. Bromfield
Vice President and Secretary, A. J. Bromfield, Jr.

Midland Savings and Loan Company
The Midland Savings Building, Corner 17th and Glenarm
President, F. E. Carringer
Secretary and Treasurer, Frederick W. Carringer

Silver State Building and Loan Association
1644 Welton Street
President, O. A. King
Secretary-Treasurer, V. J. Dunton

DURANGO

Durango Savings and Building Association
735 Main Avenue
President, W. S. Pickerill
Secretary-Treasurer, Joseph A. Clark

FORT COLLINS

Fort Collins Building and Loan Association
146 North College Avenue
President, V. E. Blake
Secretary, E. R. Hunter

GOLDEN

Golden Building and Loan Association
President, John F. Vivian
Secretary, S. B. Fleming

GRAND JUNCTION

Modern Building and Loan Association
555 Main Street
President, Fred Mantey
Secretary-Treasurer, A. W. Kemper

Mutual Savings and Building Association
115 North 5th Street
President, H. B. Jones
Secretary-Treasurer, H. H. McMullin

COLORADO

GREELEY

Old Colony Building and Loan Association
920 9th Avenue
President, Dora L. Keyes
Treasurer, Russell Royer

LA JUNTA

Otero Loan and Building Association
7 West 2nd Street
President, John N. Lamb
Secretary, R. Phillips

LAMAR

Lamar Building and Loan Association
107 West Olive, P. O. Box 183
President, C. C. Huddelston
Secretary-Treasurer, I. H. Myers

MONTE VISTA

Monte Vista Building Association
Secretary, G. B. Boutwell

PUEBLO

Railway Savings and Building Association
121 West 5th Street
President, T. L. Lewis
Secretary-Treasurer, E. L. Westcott

CONNECTICUT

BRIDGEPORT

Bridgeport Savings and Loan Association
1332 Noble Avenue
President, Col. L. J. Herrmann
Secretary, William H. Skinner

HARTFORD

Hartford Home Building and Loan Association
198 Pearl Street
President, Herbert Walker
Secretary, A. Chapin Miller

NEW BRITAIN

New Britain Cooperative Savings and Loan Association
Hatch Building
President, W. J. Rawlings
Secretary, A. R. Nuss

NEW LONDON

New London Building and Loan Association, Inc.
302 State Street
President, Hugo E. Grieshaber
Secretary, Frank J. O'Connor

PORTLAND

Portland Building and Loan Association
263 Main Street
President, John C. Barry
Secretary, D. A. Carlson

THOMPSONVILLE

Thompsonville Building and Loan Association
86 Main Street
President, Walter P. Schwabe
Secretary, J. Hamilton Potter

DELAWARE

MARSHALLTON

Marshallton Building and Loan Association
Marshallton, Delaware
President, Powell M. Ford
Secretary, Howard J. Hollingsworth

DISTRICT OF COLUMBIA

WASHINGTON

American Building Association
300 Pennsylvania Avenue, S. E.
Secretary, Charles H. Kindle
Treasurer, Guy M. Neely

DISTRICT OF COLUMBIA

WASHINGTON

Brookland Building Association
1001 G Street, N. W.
President, Firman R. Horner
Vice President, John A. Massie

Columbia Building Association
716-11th Street, N. W.
President, J. B. Harrell
Vice President, H. B. Denham

Columbia Permanent Building Association
733-12th Street, Northwest
President, Melvin C. Hazen
Secretary, Fred A. Smith

District Building and Loan Association
1 Thomas Circle
President, William S. Quinter
Secretary-Treasurer, F. Willson Camp

Eastern Building and Loan Association
336 Pennsylvania Avenue, S. E.
President, Maurice Otterback
Secretary, Wm. N. Payne, Jr.

Enterprise Serial Building Association
7th and Indiana Avenue, N. W.
President, James E. Connelly
Secretary, James F. Shea

Equitable Co-Operative Building Association
915 F Street, Northwest
President, John Joy Edson
Secretary, Walter S. Pratt, Jr.

Home Building Association
2006 Pennsylvania Avenue, N. W.
President, Fred L. Vogt
Secretary, James Morris Woodward

Home Mutual Building and Loan Association
631 Pennsylvania Avenue, N. W.
President, Clarence F. Norment
Secretary-Treasurer, Odell S. Smith

Metropolis Building Association
201 Pennsylvania Avenue, S. E.
President, Harry G. Wilson
Secretary, Edward A. Tripp

Mutual Building Association
306-7th Street, S. W.
Secretary, Thomas E. Petty
Treasurer, J. Walter Stephenson

National Permanent Building Association
949 Ninth Street, N. W.
President, Robert E. Buckley
Treasurer, Millard T. Dixon

Northeast Building Association, Inc.
2010 Rhode Island Avenue, N. E.
President, J. L. Sherwood
Secretary, S. S. Symons

Northern Liberty Building Association
511 Seventh Street, N. W.
Treasurer, G. M. Emmerich
Secretary, F. J. Ehlers

Oriental Building Association No. 6
600 F Street, N. W.
President, Charles H. Bauman
Secretary, Henry E. Deckman

Perpetual Building Association
N. W. 11th and E Streets
President, James Berry
Secretary, Edward C. Baltz

Washington Permanent Building Association
629-F Street, N. W.
President, E. J. Sacks
Treasurer, Carl J. Bergmann

FLORIDA

DAYTONA BEACH

Equitable Building and Loan Company
P. O. Box 1244
President, C. M. Bingham
Cashier, Edward G. Harris

FLORIDA

FORT PIERCE

Fort Pierce Building and Loan Association
111 Orange Avenue
Secretary-Treasurer, L. W. Halbe
Vice President, D. R. Patterson

JACKSONVILLE

Home Building and Loan Company
16-18 Laura Street
Chairman Board, W. H. Slappey
Secretary-Treasurer, Mrs. E. M. Miller

LEESBURG

Leesburg Building and Loan Association
109 North Seventh Street
President, G. G. Ware
Secretary, Justin E. Langille

MIAMI

Commonwealth Building and Loan Association
43 Columbus Hotel Arcade
President, L. W. Crow
Treasurer, L. A. Jones

ORLANDO

Orange County Building and Loan Association
38 East Pine Street
Secretary-Treasurer, James H. Barlow
Assistant Secretary, Margaret B. Duncan

PALATKA

Palatka Building and Loan Association
115 North Second Street
President, F. E. Waymer
Secretary-Treasurer, C. W. Loveland

PENSACOLA

Mutual Building and Savings Association
8 South Palafox Street
President, J. C. Watson
Secretary, A. C. Blount

TAMPA

Tampa Mutual Building and Loan Association
403 Cass Street
President, C. H. Knowles
Secretary, W. W. Trefethen

GEORGIA

ATLANTA

Atlanta Building and Loan Association
74 Plaza Way
Vice President and Treasurer, R. W. Davis
Secretary, Edgar Watkins, Jr.

Columbia Building and Loan Association
85 Poplar Street, N. W.
Manager, John H. Tait
President, Sidney L. Wellhouse

First Mutual Building and Loan Association
23 Auburn Avenue, N. E.
President, Geo. W. West
Secretary, Horace Russell

DECATUR

Decatur Building and Loan Association
144 East Ponce de Leon Avenue
President, C. A. Matthews
Secretary, T. H. Watkins

ROME

Citizens Building and Loan Association
Broad Street
Secretary-Treasurer, L. N. Shahan, Jr.
Assistant Secretary-Treasurer, C. W. Shahan

Home Building and Loan Association
c/o First National Bank, 201 Broad Street
Secretary-Treasurer, T. A. Lamar
Assistant Secretary-Treasurer, S. F. Gentry

HAWAII

HONOLULU

Mutual Building and Loan Society of Hawaii, Ltd.
916-920 Fort Street
President, James A. Lyle
Secretary, Richard H. Trent

Pioneer Building and Loan Association of Hawaii
924 Bethel Street
President, H. P. O'Sullivan
Secretary, W. Dease

Territorial Building and Loan Association, Ltd.
925 Bethel Street
Secretary, B. Howell Bond
Assistant Secretary, Allen R. Moore

IDAHO

BOISE

Capitol Savings and Loan Association
109 North 9th Street
President, J. B. Dollard
Secretary, L. M. Higgins

The Idaho Building and Loan Association of Boise City, Idaho
208 Boise City National Bank Building
President, S. H. Hays
Secretary and Treasurer, A. O. Rennison

Provident Savings and Loan Association
1005 Main Street
Vice President, W. L. Barrett
Manager, R. F. Hewitt

COEUR D'ALENE

Northern Idaho Savings and Loan Company
President, Sig Hofslund
Secretary-Manager, Sam Dehnert

IDAHO FALLS

Mountain States Building and Loan Association
Corner of Park Avenue and B. Street
President, Otto E. McCutcheon
Secretary, C. H. Shattuck

LEWISTON

Lewiston Savings and Loan Company
Room No. 222 New Idaho Trust Bldg.
Secretary-Treasurer, Fred D. Wooster
Assistant Secretary-Treasurer, Mamie P. White

NAMPA

Home Building and Loan Association
121-12th Avenue, S.
General Manager, J. H. Cowell
Secretary, R. N. Gilbert

Nampa Savings and Loan Association
1420-1st Street, S.
President, Eugene Emerson
Vice President, Thos. E. Mangum

POCATELLO

Guaranty Savings and Loan Company
115 North Arthur Avenue
President, J. S. Bussell
Secretary-Treasurer, D. H. Gove

TWIN FALLS

The Mutual Building and Loan Association
231 Shoshone Street, N.
President and Manager, H. R. Grant
Secretary and Manager, Reese M. Williams

WALLACE

State Building and Loan Association, Inc.
608 Cedar Street
President, G. A. Mortimer
Secretary, A. A. Amonson

ILLINOIS

ALTON

Piasa Building and Loan Association
Corner of Third and State Streets
President, Dr. Mather Pfeiffenberger
Secretary, Otto E. Cichlar

ILLINOIS

ANNA

Anna Loan and Improvement Company
Anna, Illinois
President, J. H. Ligon
Secretary, R. E. Brown

ASSUMPTION

Assumption Building and Loan Association
President, Thomas P. Myers
Secretary, Frank M. Gandy

AURORA

Improvement Building and Loan Association
Traction Terminal Building
President, H. R. Holden
Secretary, N. W. Tomblin

BATAVIA

Batavia Savings and Building Association
5 West Wilson Street
Secretary, Nicholas L. Johnson
Treasurer, H. W. Shaw

BELLEVILLE

Greater Belleville Building and Loan Association
18 East Washington Street
President, Walter H. Kohl
Secretary, John H. Schmale

Home Building and Loan Association of Belleville
29 Public Square
President, C. A. Grossart
Secretary, E. W. Twenhoefel

BELVIDERE

Belvidere Building and Loan Association
215 South State Street
President, Frank H. Niemeyer
Secretary, Arthur J. Tripp

BROOKFIELD

Brookfield Building and Loan Association
8915 Ogden Avenue
President, Ladislav Hladik
Secretary, John A. Johnson

BUSHNELL

Bushnell Homestead and Loan Association
153 East Hurst Street
President, C. E. Oblander
Secretary, L. F. Oblander

CANTON

Canton Homestead and Loan Association
President, M. W. Rafferty
Secretary, C. Lee Martin

CARBONDALE

Carbondale Building, Loan and Homestead Association
203 West Main Street
President, M. Etherton
Secretary, Charles E. Hamilton

CARLINVILLE

Carlinville Loan and Building Association
118 Public Square
President, W. F. Burgdorff
Secretary, Mrs. Helen A. Schoenherr

CHAMPAIGN

Champaign Loan and Building Association
318 North Neil Street
President, John W. Stipes
Secretary, A. L. Stern

Loan and Investment Association of Champaign
205 North Walnut Street
President, Dan C. Morrisey
Secretary, Walter H. Savage

University District Building and Loan Association
617 East Green Street
President, O. K. Burton
Secretary, C. C. Burford

ILLINOIS

CHARLESTON

Charleston Homestead and Loan Association
700 Jackson Street
President, George H. Jeffries
Secretary, A. W. Shera

CHICAGO

Albert Wachowski Loan and Savings Association
3032 West 22nd Street
President, Leon A. Wachowski
Secretary, Stanley A. Wachowski

Amity Building and Loan Association
4213 South Halsted Street
President, Joseph Kahn
Frank J. McDonough

Apollo Building and Loan Association
1071 West Roosevelt Road
President, Anton Maier
Secretary, Emil J. Gnaedinger

Archer Avenue Building and Loan Association
3517 Archer Avenue
President, August Wollenhauer
Secretary, Walter J. Pfeiffer

Arnoldsville Building and Loan Association
6239 South Ashland Avenue
President, Chas. Gurtter
Secretary, Daniel Henrici

Bell Savings, Building and Loan Association
208 West Washington Street
President, J. S. Robson
Secretary, Arthur G. Erdmann

Bowen Building and Loan Association of South Chicago
9233 Commercial Avenue
President, Julius L. Grask
Secretary, Anna H. Burke

Building and Loan Association, "Rip".
3637 West 22nd Street
President, M. J. Calta
Secretary, Jacob Cajka

Citizens Building and Loan Association of South Chicago
9047 Commercial Avenue
President, Michael J. Keegan
Secretary, Wm. Raddatz

Columbus Building and Loan Association
2525 West 47th Street
President, Teofil Zywert
Secretary, Charles F. Kozlowski

Commonwealth Edison Building, Loan and Savings Association
72 West Adams Street
President, Homer E. Niesz
Secretary, Charles J. Miller

Crown Building and Loan Association
9221 Commercial Avenue
President, Andrew H. Hansen
Secretary, Essie Peterson Zern

Domov Building and Loan Association
1817-19 South Loomis Street
President, John Havlicek
Secretary, John L. Novak

East Side Savings Building and Loan Association
10060 Ewing Avenue
Secretary, William Raddatz
Director, Martin Shifrer

Fifteenth Ward Building and Loan Association
2004 Webster Avenue
President, Joseph Palczynski
Secretary, Henry Armknecht

First Croation Building and Loan Association
1819 South Fisk Street
President, George Mamek
Secretary, Mike Staresinic

Gateway Building and Loan Association
10103 Ewing Avenue
President, Charles W. Frey
Secretary, Albert C. Koepke

Garden City Mutual Savings, Loan and Building Association
134 North La Salle Street, Room 608
President, A. G. Hambrock
Secretary, O. C. Kraemer

ILLINOIS

CHICAGO

Gediminas Building and Loan Association
4425 South Fairfield Avenue
Secretary, J. J. Palekas
Treasurer, P. M. Smith

Good Shepherd Building and Loan Association
4228 West 26th Street
President, John J. Musielak
Secretary, John A. Sierocinski

Haller Building and Loan Association
3004 East 88th Street
President, Louis Liberacki
Secretary, Victor L. Schlaeger

Hoyne Building Loan and Homestead Association
2301 West 22nd Street
President, Ernst F. Wagner
Secretary, W. J. Pfeiffer

Jugoslav Building and Loan Association
2552 South Central Park Avenue
President, Frank Smith
Secretary, Joseph Steblay

Keistuto Loan and Building Association No. 1
840 West 33rd Street
President, Ben M. Batkus
Secretary, John P. Ewald

Kosciuszko Building and Loan Association No. 3 of Chicago
1624 West 18th Street
President, Ignatius Frasz
Secretary, Stanley P. Pochocki

Krakow Building and Loan Association
2702 South Kildare Avenue
President, Anton Plotkowski
Secretary, Louis A. Kaminski

Kronan Building and Loan Association
9912 Ewing Avenue
Secretary, Andrew Ringman

Lithuania Building Loan and Homestead Association
713 West 18th Street
President, Anton Tamkevicia
Secretary, John P. Ewald

North Avenue Building and Loan Association
755 West North Avenue
Secretary, Wm. J. Rose
Treasurer, Albert J. Kemper

Phoenix Building Society
2441 Lincoln Avenue
President, Theo. B. Robertson
Secretary, G. H. Pupke

Pioneer Building Loan and Savings Association
1660 West 47th Street
President, Walenty Byttner
Secretary, Anthony J. Wlodarski

Polish-American Building and Loan Association
3663 South Paulina Street
President, Grzegorz Kardas
Treasurer, Andrew Kudla

Polish Union Building and Loan Association
8307 South Shore Drive
President, Adam M. Lulinski
Secretary, Frank J. Kaliszewski

Pulaski Building Loan and Investment Association
1313 Noble Street
President, John Kondziorski
Secretary, J. Czekala

Pulaski Loan and Building Association
3156 South Morgan Street
President, Felix Lukaszewski
Secretary, Anton L. Glowski

Radnice Building and Loan Association
2609 South Crawford Avenue
President, Anton Polak
Secretary, Frank L. Basta

Reytan Building and Loan Association
1250 Milwaukee Avenue
Secretary, Leon N. Novak

Roseland Standard Building and Loan Association
11300 South Michigan Avenue
President, Theophilus Schmid
Secretary-Treasurer, Cornelius Teninga

ILLINOIS

CHICAGO

Rovnost Homestead Association
555 West 31st Street
President, George Barzen
Attorney, Chas. A. Churan

Royal Building and Loan Association of South Chicago
9226 Commercial Avenue
President, William Seip
Secretary, James W. Matthews

St. Francis Building and Loan Association
1309 North Ashland Avenue
Secretary, Leo Nowak

Simano Daukanto Building and Loan Association
2242 West 23rd Place
President, Anthony Vilkas
Secretary, Ben J. Kazanauskas

Slavia Building and Loan Association
2549 South Crawford Avenue
President, Frank Waniata
Secretary, George W. Cerny

Slovan Building and Loan Association
3337-3339 West 26th Street
President, Frank Topinka
Secretary, Frank G. Hajicek

South End Savings and Loan Association
11342 Michigan Avenue
President, Harry De Boer
Secretary, George R. Hillstrom

Swedish Home Building Association
111 West Washington Street
Secretary, John G. Carson
President, August Lindeberg

Uhland Building and Loan Association
1071 West Roosevelt Road
President, Frederick A. Hornburg
Secretary, Emil J. Gnaedinger

Union Building and Loan Association
1126 West 18th Street
President, Jose. J. Kohout
Secretary, Joseph P. Vesely

Vojta Naprstek Building and Loan Association
3225 West 22nd Street
President, Mathias Rada
Secretary, Joseph Hrusa

Vytauto Building and Loan Association
4559 South Paulina Street
President, John J. Zolp
Secretary, V. P. Pierzynski

West Pullman Building and Loan Association
600 West 119th Street
President, Kazimir Kolomyski
Secretary, Charles Derwinski

White Eagle Building and Loan Association
4800 South Wood Street
President, Peter P. Nowak
Secretary, Frank A. Kolesiak

Zelena Hora Building Loans and Homestead Association
1857 West 51st Street
President, Anton Polek
Secretary, Ferd V. Engelthaler

CHICAGO HEIGHTS

Citizens Building and Loan Association
1542 Halstead Street
President, T. J. Bonick
Secretary, A. J. Klyczek

CHRISTOPHER

Christopher Building and Loan Association
102 South Victor Street
President, Harry Stotlar
Secretary, E. D. Lear

CICERO

Suburban Building and Loan Association
5011 West 22nd Street
President, D. M. Julian
Secretary, Rudolph C. Laube

ILLINOIS

COLCHESTER

Colchester Building, Loan and Investment Association
President, F. H. Williams
Secretary, H. L. Burford

COLLINSVILLE

Collinsville Building and Loan Association
125 West Main
Secretary, William A. Ambrosius
Treasurer, George A. Lochmann

Union Building Association
113 East Main Street
Secretary, H. J. Schurman
Assistant Secretary, Robert E. Schurman

DANVILLE

Danville Building Asscciation
105 West Main Street
Secretary, S. F. Phillips
Vice President, H. F. Espenscheid

Danville Benefit and Building Association
6 East Main Street
President, W. P. Craig
Secretary, R. S. Fairchild

Equitable Building and Loan Association
25 West Main Street
Secretary, F. E. Partlow

Fidelity Investment and Building Association
137 North Vermilion Street
President, N. E. Holden
Secretary, A. W. Heskett

DECATUR

Peoples Savings and Loan Association
132 South Water Street
President, Max Atlass
Secretary-Treasurer, Jay M. Allen

DIXON

Dixon Loan and Building Association
119 East First Street
President, A. P. Armington
Secretary, F. D. Lupham

DUQUOIN

Duquoin Home Loan Association
201-A East Main
Vice President, A. J. Guerrettaz
Secretary, G. W. Allen

EAST PEORIA

Tazewell Building and Loan Association
113 East Washington Street
President, Fred C. Heiden
Secretary, Phillip J. Schmidt

EAST ST. LOUIS

State Savings and Loan Association
324 Missouri Avenue
President, G. W. Brichler
Secretary, E. R. Hissrich

EDWARDSVILLE

Clover Leaf Loan Association
President, Charles Hack
Secretary, S. W. McKittrick

ELGIN

The Elgin Loan and Homestead Association
14-16 North Spring Street
President, Thomas J. Juzek
Secretary, C. Alex. Stone

EVANSTON

Building and Loan Association of Evanston
513 Davis Street
President, Nels Hokanson
Secretary, John A. Kappelman

FLORA

Flora Mutual Building Loan and Homestead Association
112 North Main Street
President, T. J. Friend
Secretary, A. B. Malinsky

ILLINOIS

FREEPORT

American Building and Loan Association
212 Second National Bank Building
President, C. Fred Kuehner
Secretary, Matt B. Marvin

Freeport Building and Loan Association
227 West Stephenson Street
President, Jacob Weiss
Secretary, Graydon V. Powell

Union Loan and Savings Association
223-225 West Stephenson Street
President, H. W. Hamilton
Secretary, H. C. Boeke

GALESBURG

Fidelity Savings and Loan Society
101 East Main Street
President, F. S. Johnson
Secretary, L. D. Johnson

Mechanics Homestead and Loan Association
58 South Cherry Street
President, O. W. Walkup
Secretary, T. N. Swanson

Mutual Loan and Building Association
80 South Cherry Street
President, T. M. Cox
Secretary, George Inness

Provident Savings Association
232 East Simmons
Secretary, A. O. Lindstrum

GALVA

Galva Homestead and Loan Association
320 Main Street
President, P. P. Williams
Secretary, John L. Lovgren

GENEVA

Geneva Building and Loan Association
12 South 3rd Street
President, F. M. Marstiller
Secretary, D. M. Flynn

GRANITE CITY

Croatian-American Building and Loan Association, Balkan
1245 Niedringhaus
President, John Sicocan
Secretary, M. Opich

HANOVER

Hanover Building and Loan Association
President, J. J. Miller
Secretary, R. E. Sandman

HARRISBURG

Home Savings and Loan Company
4 East Locust Street
President, G. G. Mugge
Vice President, A. R. Clark

HARVEY

Harvey Building and Loan Association
15407 Center Avenue
President, John A. McColl
Secretary, John Bardwick, Jr.

JOLIET

Peoples Loan and Homestead Association
119 South Ottawa Street
President, Elon J. Van Fleet
Secretary, Frederick W. Pohl

KANKAKEE

Kankakee Building and Loan Association
Corner Schuyler and Merchant
Secretary, Frank O. Schneider
Assistant Secretary, W. A. Schneider

LA SALLE

Eureka Building Association
135 Marquette Street
President, C. Steinmayer
Secretary, Arnold J. Wilson

ILLINOIS

LINCOLN

Lincoln Savings and Building Association
600 Broadway
President, William E. Hodnett
Secretary, N. E. Hodnett

MACOMB

Macomb Building and Loan Association
215 East Jackson
President, C. W. Kettron
Secretary, R. B. Purdum

MADISON

Madison Building and Loan Association
420 Madison Avenue
President, Herman Schermer
Secretary, Warren Champion

MATTOON

Mattoon Building and Loan Association
1519 Broadway Avenue
President, N. V. Bratton
Secretary-Treasurer, H. W. Tolle

National Building and Loan Association
1608 Broadway
President, J. Stanley Weis
Secretary, S. M. Owings

Okaw Building and Loan
1701 Broadway
President, Dr. C. B. Voigt
Secretary-Treasurer, Howard S. Lytle

MONMOUTH

Monmouth Homestead and Loan Association
62 Public Square
President, R. E. White
Secretary, C. S. Peacock

Security Building and Loan Association
Room 1, Elks Building
President, James L. Costello
Secretary, Charles S. Wise

MONTICELLO

Piatt County Loan Association
108 West Washington
President, J. D. Leiper
Secretary, O. L. Cline

MORRISONVILLE

Morrisonville Building and Loan Association
Secretary, Otto F. Gauer

MOWEAQUA

Moweaqua Building and Loan Association
105 North Main Street
President, J. E. Thomas
Secretary, B. F. Hudson

OAK PARK

Community Building and Loan Association of Oak Park
c/o Oak Park Trust and Savings Bank
President, Robert E. Nicholas
Secretary, E. H. Wegener

OTTAWA

Ottawa Building, Homestead and Savings Association
First National Bank Building
President, E. J. Cassidy
Secretary, George S. Wiley

PANA

Pana Building Association
135 South Locust
President, R. T. Paddock
Secretary, Claude Butts

PARIS

Edgar County Building and Loan Association
204 West Court Street
President, Henry F. O'Bannon
Secretary, Warren D. Cole

ILLINOIS

PEORIA

Citizens Building and Loan Association
315-16 Jefferson Building
President, E. E. Barbour
Secretary, J. J. Goodrich

Commercial Travelers Loan and Homestead Association
311 South Jefferson Avenue
President, Milton G. Newman
Secretary, John A. Olson

Farmers' Savings Loan and Homestead Association
425 Liberty Street
President, William Ford, Jr.
Secretary, George E. McMurray

People's Loan and Homestead Association
209 Central National Bank Building
President, E. B. Hazen
Secretary, E. D. McCulloch

QUINCY

Gem City Building and Loan Association
300 North 6th Avenue
President, J. H. Crafton
Secretary and Manager, Walter D. Franklin

Quincy-Peoples Building and Loan Association
613 Maine Street
President, G. W. Menke
Secretary and Manager, M. E. Vasen

ROCKFORD

Rockford Savings and Loan Association
201 Mulberry Street
President, C. F. Henry
Secretary and Treasurer, George Dobler

SAVANNA

Home Building and Loan Association of Savanna
42 Madison Street
President, F. P. Hansen
Secretary, Ora McCall

Savanna Savings Building and Loan Association
301 Main Street
President, G. R. Williamson
Secretary, F. S. Greenleaf

SPARTA

Southern Illinois Improvement and Loan
123 West Broadway
President, A. A. Brown
Secretary, Rilen McConachie

Sparta Building and Loan Association
109 West Broadway
Secretary, T. B. Stephenson
Assistant Secretary, C. C. Stephenson

SPRINGFIELD

Frederick Douglass Savings and Loan Association
119 North 8th Street
President, Dr. Robert H. Beverly
Secretary, Chas. E. Phillips

Home Building and Loan Association
417 South 5th Street
President, Herman Pierik
Secretary and Treasurer, Margaret Elkin

Sangamon Building and Loan Association
312 South 4th Street
President, F. W. Mahoney
Secretary, C. J. Peterson

Security Improvement and Loan Association
317 South 5th Street
President, Ira L. McKinnie
Vice President, Ward B. Whitlock

Springfield Building and Loan Association
604 East Capitol Avenue
President, Dr. E. F. Hazell
Secretary, Clark W. Woodruff

Springfield City Savings and Loan Association
320 East Adams Street
President, W. W. Swett, Jr.
Secretary, W. J. Aurelius

ILLINOIS

SPRINGFIELD

Springfield Homestead Association
402 Ridgely-Farmers Building
President, S. J. Hanes
Secretary, Alvin S. Keys

Washington Park Building and Savings Association
Fifth and Capitol Avenue
President, A. L. Bowen
Secretary, R. W. Troxell

Workingmens Savings and Homestead Association
215 South 4th Street
President, Alvin W. Chapman
Secretary, Adolph F. Kunz

STAUNTON

Staunton Home Association
110 West Main Street
President, J. C. Panhorst
Secretary, Edna R. Panhorst

STERLING

Whiteside County Building and Loan
7 West Fourth Street
C. L. Stecker
H. C. Ward

STREATOR

Streator Home Building and Loan Association
209 East Main Street
President, Lloyd Painter
Secretary, F. J. Keating

SYCAMORE

Sycamore Building and Loan Association
108 North Main Street
President, Honorable William J. Fulton
Secretary, C. B. Conrad

TAYLORVILLE

Christian County Savings, Loan and Building Association
107 South Washington Street
President, Ernest Hoover
Secretary-Treasurer, John W. Taylor

Home Building and Loan Association of Taylorville, Illinois
101½ East Main Cross
President, John L. Spaulding
Secretary, Violet S. Berry

Taylorville Savings Loan and Building Association
110 North Main Street
President, John E. Hogan
Secretary, Emma Schwietzka

TUSCOLA

Corn Belt Building and Loan Association
130 West Sale Street
President, C. E. Hitch
Secretary, Clyde J. Colwell

URBANA

Commercial Building and Loan Association
117 South Race Street
President, George M. Bennett
Secretary, L. M. Rovelstad

Urbana Home Loan Association
102 North Broadway
President, Chas. O. Blue
Secretary, R. W. Webber

VILLA PARK

Villa Park Building and Loan Association
334 South Ardmore Avenue
President, Frank G. Dunbar
Chairman, Board of Directors, G. A. Vangsness

WAUKEGAN

Waukegan Building and Loan Association
12 South Genesee Street
President, Thos. E. Gray
Secretary, Arnold W. J. Rostron

ILLINOIS

WEST FRANKFORT

West Fankfort Building and Loan Association
113 East Main Street
President, E. E. Jacobs
Secretary, Paul Westerfield

WHEATON

Home Building and Loan Association
210 West Front Street
President, Samuel J. Howe
Secretary, Ira M. Cornelius

INDIANA

ANDERSON

American Standard Savings and Loan Association
1000 Meridian Street
President, Thomas J. Nichol
Assistant Secretary, Claude E. Bagley

BLOOMFIELD

Farmers and Mechanics Savings and Loan
235 South Franklin Street
President, John A. Cravens
Secretary, John W. Brandon

BLOOMINGTON

Bloomington National Savings and Loan Association
113 South College Avenue
President, J. D. Showers
Secretary, H. D. Orchard

Workingmen Building Loan-Fund and Savings Association
121 East Kirkwood Avenue
President, U. S. Hanna
Secretary, C. A. Barnhill

CONNERSVILLE

Fayette Savings and Loan Association
530 Central Avenue
President, Charles Moneyhon
Secretary, A. G. Trusler

CRAWFORDSVILLE

Montgomery Savings Association
202 East Main Street
Secretary, Jesse W. Canine

EAST CHICAGO

Peoples Building and Loan Association
4902 Forsythe Avenue
President, John Bochnowski
Secretary, Albert P. Lesniak

EVANSVILLE

Fidelity Savings and Loan Association
14 N. W. 4th Street
President, A. C. Richardt
Secretary, C. P. Beard

North Side Savings and Loan Association
207 North Main Street
President, Herman C. Menke
Secretary, Edward M. Schelosky

Permanent Loan and Savings Association
27 S. E. Third Street
Secretary-Treasurer, Fred L. Woelker
Assistant Secretary-Treasurer, Arthur H. Deitsch

Security Savings and Loan Association
18 S. E. Third Street
Secretary, E. D. Little
Attorney, James T. Cutler

Union Building and Loan Association
10 N. W. Sixth Street
President, W. B. Miller
Secretary, H. A. Strassweg

West Side Building, Loan and Savings Association
2121 West Franklin Street
President, J. R. Kuhlman
Secretary-Treasurer, C. F. Stinson

INDIANA

FORT WAYNE

Home Loan and Savings Association
132 East Berry Street
Vice President, Edmund A. Bittler
Secretary, J. Stephen Weber

GARY

Central Building and Loan Association
1112 Broadway
Vice President, William Feder
Secretary, R. F. Rhoades

Home Savings and Loan Association, Rural
846 Broadway
President, E. A. Ridgely
Secretary, Ralph G. Keller

Mid-City Building, Savings and Loan Association
1300 Broadway
President, Louis H. Glueck
Secretary-Treasurer, Anna Grabiel

HAMMOND

First Polish Building Loan and Savings Association
237 Homan Street
President, Paul B. Lipinski
Secretary, Boleslaw Salik

INDIANAPOLIS

Celtic Saving and Loan Association
23 West Ohio Street
President, John R. Welch
Secretary, Leo F. Welch

Home Building and Loan Association
24 West Washington Street
Secretary, Henry W. Fechtman
Treasurer, William F. Laut

Monument Savings and Loan Association
142 North Delaware Street
President, Frank J. Viehmann
Secretary, Joe R. Burrows

Railroadmen's Building and Savings Association
21-23 Virginia Avenue
President, F. S. Cannon
Secretary, J. E. Pierce

Union National Savings and Loan Association
20 West Ohio Street
President, Marion E. Ensley
Secretary, Earl P. Ensley

KENDALLVILLE

Noble County Loan and Savings Association
111 South Main Street
President, I. O. Reinoehl
Secretary, A. R. Otis

LADOGA

The Ladoga Building Loan Fund and Savings Association
President, John M. Stanley
Secretary, Eugene C. Ashby

LAFAYETTE

Citizens Building and Loan Association
Lafayette Life Building
Secretary, B. C. Wiebers

MARION

Marion Building and Loan Association
114 West 4th Street
President, I. W. Harvey
Secretary-Treasurer, John D. Ferree

MISHAWAKA

Mishawaka Building and Loan Association
115 South Church Street
Secretary-Treasurer, Fred J. Hums

MUNCIE

Muncie Savings and Loan Company
Main and Walnut Streets
President, W. E. Hitchcock
Secretary, Chas. E. Conger

INDIANA

MUNCIE

Mutual Home and Savings Association of Muncie, Indiana
Corner Charles and Mulberry Streets
President, George N. Higman
Secretary, James Clawson

Peoples Home and Savings Association
107 East Main Street
President, Chas. O. Grafton
Secretary, Thomas P. Mann

NEW ALBANY

Floyd County Building and Loan Association
1627 East Spring Street
President, Walter L. Foreman
Secretary, Edward J. Tighe

PERU

The Peru Building and Loan Association
18 North Broadway
President, Fred Brann, Jr.
Secretary-Treasurer, Lewis B. Chalkley

PRINCETON

Gibson County Perpetual Building and Loan Association
121 West Broadway
President, G. C. Kendle
Secretary, Geo. H. Padgett

RENSSELAER

Rensselaer Building, Loan and Savings Association
Odd Fellows Building
President, B. F. Fendig
Secretary, D. D. Dean

RICHMOND

The Peoples Home and Savings Association
29 North 8th Street
President, T. C. Harrington
Acting Secretary, Walter G. Cronin

Richmond Loan and Savings Association
21 North 9th Street
President, C. E. W. Wagner
Treasurer, Charles Y. Miller

SCOTTSBURG

Scottsburg Building and Loan Association
2 West McClain Avenue
President, J. G. Martin
Secretary, F. H. Park

SHELBYVILLE

Homestead Building and Loan Association
No. 1 Public Square
President, William H. Wagner
Secretary, J. L. Showers

Mutual Loan and Savings Company
12 North Harrison Street
Secretary, R. W. Buxton

SOUTH BEND

The Building and Loan Association of South Bend, Indiana
216-218 West Washington Avenue
Treasurer-Financial Secretary, F. M. Boone

Guaranty Rural Loan and Savings Association
207 South Main Street
President, William Happ
Secretary-Treasurer, John A. Swanson

Indiana Savings and Loan Association
122-124 North Main Street
President, J. C. Stover
Secretary-Treasurer, B. H. Stover

Jan III Sobieski Building and Loan Association
1343 West Dunham Street
President, Joseph Duszynski
Secretary-Treasurer, Valentine J. Gadacz

Workingmen's Building and Loan Association
Association Building, 129 South Main Street
President, Fred W. Keller
Secretary, Leslie C. Whitcomb

INDIANA

TERRE HAUTE

Central Building and Loan Association
32 South 7th Street
President, Paul N. Bogart
Secretary, Clay Ladd

Citizens Saving and Loan Association
19 South 7th Street
President, Harry E. Bindley
Secretary, Chas. M. Trout

Fort Harrison Savings Association
724 Wabash Avenue
President, E. E. Reiman
Secretary, Geo. A. Schaal

Indiana Savings Loan and Building Association
31 South Seventh Street
President, R. N. Filbeck
Secretary, Omer O. Rhodes

Mechanics' Savings and Loan Association
26 South 7th Street
President, Clarence A. Royse
Secretary, Herbert E. Royse

Merchants Loan and Savings Association
No. 23 South Sixth Street
President, Geo. W. Krietenstein
Secretary, Ira D. Andrews

Phoenix Building Loan and Savings Association
17 South 6th Street
President, Harry T. Schloss
Secretary, Chas. Fox

Twelve Points Savings and Loan Association
Twelve Points
President, Stewart S. Hice
Secretary-Treasurer, John H. Swander

Vigo County Loan and Savings Association
28 South 8th Street
President, Joseph H. Weinstein
Secretary, P. E. Allen

Wabash Savings, Loan and Building Association
N. W. Corner Sixth and Wabash Avenue
President, Paul N. Bogart
Secretary, R. C. Harriott

TIPTON

Tipton Building and Loan Association
113 Court Street
President, O. W. Collins
Secretary, J. A. Lewis

VALPARAISO

Valparaiso Building Loan-Fund and Savings Association
11 East Lincolnway
President, Byron H. Kinne
Secretary, Mark L. Dickover

VINCENNES

Vincennes Savings and Loan Association
Rooms 401-3, American National Bank Building
Secretary, E. W. Determan

WHITING

Liberty Savings and Loan Association
1916 Indianapolis Boulevard
President, John Ciesar
Secretary, Joseph J. Chilla

IOWA

AMES

Ames Building and Loan Association
300 Main Street
President, A. H. Munn
Secretary-Treasurer, Chas. B. Ash

CEDAR RAPIDS

Cedar Rapids Building and Loan Association
94 First Avenue, N. W.
President, Arthur Hurtt
Secretary, L. J. Maresh

Perpetual Savings and Loan Association
319 Third Street, S. E.
President, W. R. Boyd
Secretary, F. D. Denlinger

IOWA

COUNCIL BLUFFS

Council Bluffs Mutual Building and Loan Association
13 Pearl Street
President, H. W. Hazelton
Secretary, Ed. Gustafson

Home Savings and Loan Association
121 Pearl Street
Vice President, W. P. Hughes
Secretary, William J. Leverett

DES MOINES

Des Moines Building, Loan and Savings Association
210-5th Avenue
President, H. L. Carrell
Secretary, Elmer E. Miller

Iowa Building-Loan and Savings
3624 Sixth Avenue
President, J. H. Cochrane
Secretary, S. M. Bolen

Polk County Building-Loan and Savings Association
608 Grand Avenue
Vice President, E. E. Peck
Secretary and Treasurer, L. D. Ross

State Building and Loan Association
519 Sixth Avenue
President, Rudolph Weitz
Secretary, N. M. Breau

DUBUQUE

Dubuque Building and Loan Association
219 West Ninth Street
President, W. M. Clewell
Secretary, H. R. Hanger

FORT DODGE

Home Building and Loan Association
928-1st Avenue, South
President, Daniel Rhodes
Secretary, E. M. Klapka

MC GREGOR

Home Savings and Loan Association
President, F. G. Bell
Secretary, J. Kramer

MARSHALLTOWN

Marshalltown Savings and Loan Association
132 West Main Street
President, R. R. Hansen
Secretary, A. H. McFarland

OSKALOOSA

Oskaloosa Home Loan and Savings Association
105 South Market Street
President, H. H. Phinney
Assistant Secretary, Hattie Robertson

OTTUMWA

People's Building and Savings Association
116 East Third Street
President, J. E. Hull
Secretary, D. A. Emery

RED OAK

Red Oak Building and Savings Association
607 Fourth Street
President, S. C. Nordquist
Secretary, John R. Loomis

SIOUX CITY

Home Building Loan and Savings Association
603 Badgerow Building
President, R. P. Brown
Secretary, F. M. Walcott

Sioux City Building-Loan and Savings Association
Commerce Building
President, H. P. Guiney
Secretary, O. R. Kreutz

WATERLOO

Peoples Mutual Building and Loan Association
315 West Fourth Street
President, J. J. Miller
Secretary, R. G. Holmes

IOWA

WATERLOO

Perpetual Building and Loan Association
525 Lafayette Street
Secretary, C. W. Stilson
Assistant Secretary, T. H. Glasener

Waterloo Building and Loan Association
East 5th and Lafayette Streets
President, W. H. Brunn
Secretary, R. S. Eickelberg

KANSAS

ABILENE

Dickinson County Building and Loan Association
315 Broadway Street
President, P. H. Halleck
Secretary, Chas. W. Gans

ARKANSAS CITY

Arkansas City Savings, Building and Loan
108 East Fifth Avenue
President, W. H. Nelson
Secretary, W. D. MacAllister

Home Building and Loan Association
113 West Fifth Avenue
President, L. E. Brenz
Secretary, Chas. W. Early

ATCHISON

Commerce Building and Loan
423 Commercial Street
President, Sheffield Ingalls
Secretary, F. P. Wertz

BAXTER SPRINGS

Baxter Building, Savings and Loan Association
Secretary, O. M. Spratt

BONNER SPRINGS

Bonner Springs Building and Loan Association
132 Oak Street
President, Oscar Hyoort
Secretary-Treasurer, Anna M. Everett

BURLINGTON

Coffey County Savings and Rural Credit Association
Burlington
President, S. P. Crahan
Secretary-Treasurer, W. M. McGuire

COFFEYVILLE

Coffeyville Savings and Loan Association
805 Walnut Street
President, J. H. Kamm
Secretary, Charles T. Carpenter

COLBY

Home Savings Building and Loan Association
President, H. F. Davis
Secretary, Ray H. Crumly

COUNCIL GROVE

Morris County Savings and Loan Association
114 West Main
President, Harry E. Snyder
Secretary, Marion E. Griesmer

DODGE CITY

Dodge City Savings and Loan Association
207 Walnut Street
President, R. W. Hellworth
Secretary, H. A. Hart

EL DORADO

Mid-Continent Building and Loan Association
President, R. H. Bradford
Secretary, Blanche E. Mize

KANSAS

ELLIS

Golden Belt Savings and Loan Association
110 Edwards
President, J. W. Nicholson
Secretary-Treasurer, M. V. Rhoades

EUREKA

Eureka Building and Loan Association
201 Main Street
Vice President, E. S. Tucker
Secretary, F. J. McCue

FORT SCOTT

Liberty Savings and Loan Association
President, Walter Glunz
Assistant Secretary, R. B. Porter

FREDONIA

Home Building and Loan Association
Fredonia, Kansas
President, C. H. Pierce
Secretary, W. G. Fink

GARDEN CITY

Garden City Building and Loan Association
412 North Main Street
President, W. O. Carter
Secretary, J. S. McCombs

GOODLAND

Goodland Building and Loan Association
President, Doris E. Soden
Secretary-Treasurer, Nelle R. Soden

GREAT BEND

Prudential Building and Loan Association
2005 Forest Avenue
Secretary, W. L. Bowersox
Assistant Secretary, M. V. Fryberger

HAYS

Hays Building and Loan Association
1012 Main Street
Secretary, C. A. Beeby

HERINGTON

Savings, Building and Loan Association
Corner of Walnut and Broadway
Secretary, C. A. Hass
Assistant Secretary, Blanche Tapp

HUTCHINSON

Salt City Building Loan and Savings Association
No. 17 East 2nd
President, H. J. Carey
Secretary, C. C. Buchanan

INDEPENDENCE

Independence Savings and Loan Association
112 East Myrtle Street
President, J. A. Otto
Secretary-Treasurer, C. J. Bryant

IOLA

Security Building and Loan Association
114 East Madison Street
President, A. R. Sleeper
Secretary, Horace L. Miller

JUNCTION CITY

Citizens Building and Loan Association
P. O. Box 178
President, R. O. Thomen
Secretary-Treasurer, Roy Luke

KANSAS CITY

American Building and Loan Association
647 Minnesota Avenue
President, E. C. Linquist
Secretary, P. G. Peterson

Anchor Building, Savings and Loan Association
731 Minnesota Avenue
President-Manager, Clarence T. Rice
Secretary, Harry T. West

KANSAS

KANSAS CITY

Argentine Building and Loan Association
2303 Metropolitan Avenue
President, C. W. Green
Secretary, F. S. Powell

Citizens Savings and Loan Association
819 North 7th Street
President, E. D. Williams
Secretary, George G. Moffett

Fidelity Building and Loan Association
President, T. S. Ellis
Secretary, W. J. Sloan

Gibralter Building, Loan and Savings Association
901 North 7th Street
President, E. L. Fischer
Secretary-Treasurer, E. L. Dennis

Inter-State Building and Loan Association
717 Minnesota Avenue
President, George Stumpf
Secretary, W. B. Stokes

Kansas Building and Loan Association
1000 Southwest Boulevard
Secretary, Robert B. Rose
Vice President, A. L. Strasser

Progressive Building and Loan Association
604 Kansas Avenue
President, O. G. Maurer
Secretary, R. D. Kissick

Provident Building, Loan and Savings Association
743 Minnesota Avenue
President, W. Lee Vaughan
Secretary-Treasurer, Clarence A. Huff

Wyandotte Savings and Loan Association
904 North Seventh Street
Vice President, R. K. Stiles
Secretary-Treasurer, Evan H. Browne, Jr.

KINSLEY

Kinsley Building and Loan Association
President, Harry L. Schnatterly
Secretary, H. J. Draut

LARNED

Larned Building, Loan and Savings Association
114 West 6th
President, A. A. Doerr
Secretary-Treasurer, C. E. Clutter

LAWRENCE

Douglas County Building and Loan Association
737 Massachusetts Street
Secretary, Chas. E. Louk
President, Wilder S. Metcalf

Lawrence Building and Loan Association
800 Massachusetts Street
President, George O. Foster
Secretary, I. C. Stevenson

LEAVENWORTH

Citizens Mutual Building and Loan Association
312 South 5th Street
President, W. F. Cobb
Secretary, Otto Bauer

LYONS

Lyons Building and Loan Association
Lyons
President, F. C. Needham
Secretary, A. G. Hartraufh

McPHERSON

Pioneer Savings and Loan Association
114 North Main
President, C. K. Hawley
Secretary, A. W. Bremyer

MANHATTAN

Home Building and Loan Association
Secretary, C. E. Floersch

KANSAS

MEDICINE LODGE

Barber County Building and Loan Association
Box 88
President, A. D. Shaw
Secretary-Treasurer, E. E. Lake

NORTON

Norton County Building and Loan Association

OLATHE

Johnson County Savings and Loan Association
111 East Park Street
President, H. D. Lanter
Secretary, F. L. House

OSBORNE

Osborne County Building and Loan Association
President, J. E. Henshall
Secretary, R. M. Bays

OTTAWA

Home Savings and Loan Association
North American Hotel Building
Secretary, Homer J. Rush
Assistant Secretary, S. W. Humphreys

PAOLA

Home Savings and Loan Association
39 West Wea Street
President, E. L. Warner
Secretary, Charles H. Rush

PARSONS

Parsons Building and Loan Association
1909 Main Street
President, M. F. Kohler
Secretary-Manager, T. W. Atkins

PITTSBURG

Lincoln Building, Savings and Loan Association
Secretary, E. E. Coulter

PRATT

Wheat Belt Building and Loan Association
119 East 3rd
President, Emett Barker
Secretary, M. S. Young

RUSSELL

Russell County Building and Loan Association
President, Louis Banker
Secretary, Ruth Fliesbach

ST. FRANCIS

Cheyenne County Building and Loan Association
President, Robert Cram
Secretary, G. E. Williams

SALINA

Homestead Building and Loan Association
104 East Iron Avenue
Vice President, C. B. Dodge
Secretary, A. W. Dodge

Safety Savings and Loan Association
123 South Santa Fe Avenue
President, C. R. Cravens
Secretary, Arthur Lothman

TOPEKA

Aetna-Building and Loan Association
112-114 West 7th Street
President, Chas. W. Thompson
Secretary, F. J. Funk

Capitol Building and Loan Association
534 Kansas Avenue
President, C. S. Elliott
Secretary, C. A. Sterling

KANSAS

TOPEKA

Shawnee Building and Loan Association
119 East 8th Street
Vice President, R. A. Collins
Executive Secretary, B. A. Snyerd

State Savings and Loan Association
931 Kansas Avenue
President, Herbert G. West
Secretary, L. Thatcher West

Topeka Building and Loan Association
119 West Sixth Street
Secretary, Geo. W. Greenwood
Assistant Secretary, C. L. Thomas

WICHITA

American Building and Loan Association
107 South Topeka Avenue
President, W. S. Grant
Secretary, Vera Knoblauch

Central State Building and Loan Association
109 South Main
President, A. V. Roberts
Secretary, C. J. Campbell

Citizens Building and Loan Association
930 West Douglas
Secretary, H. D. Baker

National Savings and Loan Association
502 East Douglas
President, Horace, J. Dunn
Vice President and Secretary, L. E. Roush

Southwest Building and Loan Association
109 North Topeka
Secretary, L. W. Bauerle
Assistant Secretary, Chas. M. Allen

United Building and Loan Association
217 East William Street
President, Max A. Noble
Assistant Secretary, R. J. Noble

Wichita Perpetual Building and Loan Association
120 South Main Street
President, Edward Vail
Secretary, Lewis Dannar

WINFIELD

Walnut Valley Building and Loan Association
318 East 9th Avenue
Secretary, H. A. Caton
President, John C. Daves

Winfield Building and Loan Association
106 East Ninth
President, A. S. Kininmonth
Secretary-Manager, R. E. Greiner

KENTUCKY

COVINGTON

Columbia Building Association
7th and Main
President, V. J. Moeller
Secretary, John Stautberg

Community Building Association
426 Madison Avenue
President, Charles Eugene Clark
Secretary, J. N. Cuni

ELIZABETHTOWN

Elizabethtown Building and Loan Association
101 East Dixie Avenue
President, J. F. Nall
Secretary-Manager, J. A. Gardner

FORT THOMAS

Fort Thomas Building and Loan Association
16 North Fort Thomas Avenue
President, Philip A. Von zuben
Secretary, Martin F. Enneking

FULTON

Fulton Building and Loan Association
Main Street
President, T. M. Franklin
Secretary, J. E. Fall

KENTUCKY

LEXINGTON

Lexington Building and Loan Association
Secretary, J. T. Simmons

LOUISVILLE

Avery Building Association
515-517 West Market Street
President, A. G. Renau
Secretary, Lee Curry

Greater Louisville Savings and Building Association, Inc.
417 West Market Street
President, L. A. Hickman
Secretary and General Manager, Gustav Flexner

Jefferson Savings and Building Association
124 South Fifth Street
President, Leon P. Lewis
General Manager, Brooks C. Reibert

Lincoln Building and Loan Association
124 South Fourth Street
President, John P. Haswell
Secretary-Treasurer, H. C. Hawkins

Louisville Home Building Association
116 South Fifth Street
President, C. D. Harris
Secretary, Leo P. Kaufman

MAYFIELD

Young Men's Building and Loan Association
111 West Broadway
President, T. P. Smith
Secretary, J. H. Benjamin

MIDDLESBORO

Peoples Building and Loan Association
President, E. P. Nicholson
Secretary-Treasurer, John H. Chesney

NEWPORT

Clifton-Southgate Loan and Building Association
10th and Monmouth Streets
President, George Kruse
Secretary, C. N. Hughes

Kentucky Loan and Building Association No. 1 (Incorporated)
8th and Monmouth Streets
President, Phil J. Veith
Attorney, Fred B. Bassmann

OWENSBORO

Owensboro Building and Loan Association
Main and Frederica Streets
President, Estill Cravens
Secretary, Hicks Fallin

PADUCAH

National Savings and Building Association
Fifth and Broadway
President, R. R. Kirkland
Secretary, A. I. Baker

SHELBY

Shelby County Building and Loan Association
Secretary-Treasurer, Burnett Wallace

LOUISIANA

ALEXANDRIA

Rapides Building and Loan Association
Commercial Bank Building
President, John H. Overton
Secretary-Treasurer, D. S. Flower

BASTROP

Bastrop Building and Loan Association
Louisiana Hotel Building
President, H. F. Madison, Jr.
Secretary, E. H. McMeans

LOUISIANA

BATON ROUGE

Baton Rouge Building and Loan Association
330 Florida Street
President, Wm. A. Gotschall
Secretary-Treasurer, C. J. Brown

Capital Building and Loan Association
Corner Church and Florida Streets (P. O. Box 575)
President, J. H. Percy
Secretary-Treasurer, O. M. Thompson

Union Homestead Association
Eagles Building, North Boulevard
President, I. M. Causey
Secretary, Ben R. Mayer

LAFAYETTE

Home Building and Loan Association
501 Jefferson Street
President, George Doucet
Secretary, J. F. Jeanmard

Lafayette Building Association
West Vermillion Street
President, W. A. Montgomery
Secretary, L. Gankendorff

LAKE CHARLES

Calcasieu Building and Loan Association
702 Ryan Street
President, R. Krause
Secretary-Treasurer, W. E. Patterson

MONROE

Monroe Building and Loan Association
106 St. John
President, S. Haas
Secretary, J. W. McWilliams

Peoples Homestead and Savings Association
400 De Siard Street
Secretary, P. W. Burdeaux
Assistant Secretary, A. O. Davis

NEW IBERIA

Iberia Building Association
127 West Main Street
President, Max Levy
Secretary, W. G. Weeks

NEW ORLEANS

Acme Homestead Association
810 Poydras Street
President, Joseph S. Flandry
Secretary-Treasurer, R. E. L. C. Ries

Columbia Building and Loan Association
330 Carondelet Street
Secretary-General Manager, Edward Makofsky
Assistant Secretary, Charles F. Schroeder

Conservative Homestead Association
707 Maison Blanche Building
President, Allen H. Generes
Secretary-Treasurer, J. J. Puissegur

Continental Building and Loan Association
707 United Fruit Building, 321 St. Charles Street
President, Dr. Louis Levy
Secretary and Manager, James J. Malochee

Crescent City Building and Homestead Association
714 Union Street
President, Jos. F. Ebert
Secretary-Treasurer, George E. Morris

Dixie Homestead Association
200 Carondelet Street, American Bank Building
President, F. W. Gras
Secretary-Treasurer, William J. Sonnemann

Dryades, Building and Loan Association
1701 Dryades Street
President and Manager, Edward H. Fitzgerald
Secretary and Treasurer, N. D. O'Neal

LOUISIANA

NEW ORLEANS

Equitable Homestead Association
201 Baronne Building, 305 Baronne Street
President, Wm. C. Ermon
Secretary-Treasurer, Charles B. Bernius

Greater New Orleans Homestead Association
740 Poydras Street
President, Benjamin Crump, Jr.
Secretary-Treasurer, Jos. Dresner

Hibernia Homestead Association
636 Commercial Place
President, Frank B. Sullivan
Secretary-Treasurer, A. S. Cain

Homeseekers Building and Loan Association
540 Frenchmen Street
President, John L. Oster
Secretary, Edward J. Nolan

Industrial Homestead Association
625 Common Street
President, Charles F. Goll
Secretary-Treasurer, Emile A. Wagner

Italian Homestead Association
1005 Union Indemnity Building
President, Felix P. Vaccaro
Secretary, Edward J. Sporl

Jackson Homestead Association
722 Common Street
President, Jacob Nienaber
Secretary-Treasurer, M. George de Lucas

Liberty Homestead Association
612 Gravier Street
Secretary, Curtis F. Scott

Mutual Building and Homestead Association
511 Carondelet Street
President, George P. Thompson
Secretary-Treasurer, Phil G. Ricks

People's Homestead Association
327 St. Charles Street
President, Harry McEnerny
Secretary, P. H. Brennan

Phoenix Building and Homestead Association
1018 Maison Blanche Building
President, Edmund Hughes
Secretary, F. A. Weilbaecher

Pyramid Homestead Association
629 Common Street
President, Henry F. Strack
Secretary-Treasurer, Robert J. Palfrey

Reliance Homestead Association
207 Camp Street
President, Walter Cook Keenan
Secretary, A. K. Ammen

Security Building and Loan Association
801 Maison Blanche Building
President, George Stahler
Secretary-Treasurer, Joseph J. Miranne

Service Building and Homestead Association
837 Perdido Street
President, Charles J. Cuneo
Secretary, Joseph M. Montagnet

Standard Homestead Association
342 Carondelet Street
President, Louis Hausmann
Secretary-Treasurer, T. G. Stehle

Suburban Building and Loan Association
1012-1014 Maison Blanche Building
President, John N. Frowen
Secretary-Treasurer, O. M. Lind

Thrift Homestead Association
Baronne Building
President, E. E. Schwartz
Secretary, E. A. Cabiro

Union Homestead Association
353 Carondelet Street
President, William Pfaff
Secretary-Treasurer, E. L. Hebert

LOUISIANA

PONCHATOULA

Ponchatoula Homestead Association
President, W. E. Mount
Secretary-Treasurer, G. L. Wilcombe

SHREVEPORT

Home Building and Loan Association
314 Milam Street
President, George M. Hearne
Secretary-Treasurer, A. L. Wedgeworth

Shreveport Mutual Building Association
529 Crockett Street
President, Philip Lieber
Secretary-Treasurer, James R. Ewing

SLIDELL

Slidell Savings and Homestead Association
Slidell, Louisiana
President, J. C. Langston
Secretary, Gladys B. Morris

MAINE

AUBURN

Auburn Loan and Building Association
78 Main Street
President, Albert H. Conant
Secretary-Treasurer, Reuel W. Smith

BANGOR

Bangor Loan and Building Association
27 State Street
President, Harry D. Benson
Secretary-Treasurer, Carroll A. Weeks

PORTLAND

Casco Loan and Building Association
104 Exchange Street
President, Edward W. Cram
Secretary, Henry J. Sinnett

Cumberland Loan and Building Association
84 Exchange Street
President, Philip F. Turner
Secretary-Treasurer, Sumner W. Johnson

Deering Loan and Building Association
648 Forest Avenue
President, John J. Frye
Secretary-Treasurer, Albion L. Chapman

Falmouth Loan and Building Association
Chapman Building
President, Sherman I. Gould
Secretary, Stephen W. Hughes

Federal Loan and Building Association
411 Congress Street
President, Henry F. Merrill
Secretary, Thomas A. Sanders

Homestead Loan and Building Association
57 Exchange Street
President, Harry G. Eastman
Secretary, Edward S. Anthoine

Maine Loan and Building Association
88 Exchange Street
Secretary, Ernest L. Small

Pine State Loan and Building Association
119 Exchange Street
President, Josiah D. Winship
Secretary, Albert E. Anderson

ROCKLAND

Rockland Loan and Building Association
18 School Street
President, J. Albert Jameson
Secretary-Treasurer, Harry O. Gurdy

SANFORD

Sanford Loan and Building Association
176 Main Street
President, Seth Sugden
Vice President, George R. Bowley

MAINE

WATERVILLE

Waterville Loan and Building Association
185 Main Street
President, W. H. Bowden
Secretary, L. E. Thayer

MARYLAND

BALTIMORE

Loyola Perpetual Building Association of Baltimore City
Charles and Preston Streets
Secretary, Francis G. Rosensteel

Uncle Sam Loan and Savings Company
2013-2015 Frederick Avenue
President, John Stolzenbach
Secretary, William J. Boeckel

MASSACHUSETTS

BROCKTON

Security Co-operative Bank
40 Legion Parkway
President, Bernard B. Winslow
Treasurer, Milton E. Smith

BOSTON

Back Bay Co-Operative Bank
146 Summer Street
Treasurer, Hugh P. Duffill
Attorney, James E. Tonry

Guardian Co-operative Bank
36 Bromfield Street
President, Charles C. Swett
Treasurer, William D. Eldredge

Homestead Co-operative Bank
36 Bromfield Street
President, Walter H. Roberts
Treasurer, William D. Eldredge

Merchants Co-operative Bank
24 School Street
Treasurer, Albert E. Duffill
Assistant Treasurer, Girard N. Jones

Pioneer Co-operative Bank
36 Bromfield Street
President, Walter H. Roberts
Treasurer, William D. Eldredge

Suffolk Co-operative Bank
44 Bromfield Street
President, John A. Havey
Treasurer, Ernest A. Hale

Volunteer Co-operative Bank
260 Tremont Street
President, William T. A. Fitzgerald
Treasurer, James B. Dooley

West Roxbury Co-operative Bank
31 St. James Avenue
Treasurer, Frank S. Mason
Assistant Treasurer, Roger W. Nutt

Workingmen's Co-operative Bank
73 Cornhill Street
Treasurer, Frank E. Burbank
Assistant Treasurer, Warren A. McCorreson

CHELSEA

Provident Co-operative Bank
278 Broadway
President, Walter L. Martin
Treasurer, Charles W. Gould

DANVERS

Danvers Co-operative Bank
11 Maple Street
President, Harry E. Jackson
Treasurer, Arthur E. Perkins

FITCHBURG

Fidelity Co-operative Bank
675 Main Street
President, David H. Merriam
Treasurer, Milton A. Barrett

MASSACHUSETTS

FOXBORO

Foxborough Co-operative Bank
48 Central Street
President, Forrest Bassett
Treasurer, Harry P. Boyce

MATTAPAN

Mattapan Co-operative Bank
1575 Blue Hill Avenue
Treasurer, W. R. Landers
Assistant Treasurer, F. M. Anderson

MEDFIELD

Medfield Co-operative Bank
6 Pleasant Street
President, Evan F. Richardson
Treasurer, Laprelette W. Wheeler

Medford Co-operative Bank
60 High Street
President, Lewis H. Lovering
Treasurer, Forrest E. Thompson

MELROSE

Melrose Co-operative Bank
543 Main Street
President, Charles H. Adams
Treasurer, James Arthur Fulton

MIDDLEBOROUGH

Middleborough Co-operative Bank
30 South Main Street
President, James H. Kennedy
Treasurer, Walter L. Beals

NORTH ABINGTON

North Abington Co-operative Bank
175 North Avenue
President, William C. Brett
Clerk and Treasurer, George D. Witherell

READING

Reading Co-operative Bank
195 Main Street
President, Frank E. Crafts
Treasurer, H. Raymond Johnson

SPRINGFIELD

Hampden Co-operative Bank
7-9 Willow Street
President, Henry W. Lloyd
Treasurer, Harry R. King

WATERTOWN

Watertown Co-operative Bank
56 Main Street
President, P. L. Fish
Treasurer, U. S. Young

WEST SPRINGFIELD

West Springfield Co-operative Bank
85 Elm Street
President, Willis J. Eldred
Treasurer, Wilson B. Chandler

WINCHESTER

Winchester Co-operative Bank
11 Church Street
President, John Challis
Treasurer, Ernest R. Eustis

WOLLASTON

Wollaston Co-operative Bank
80 Beale Street
President, Frederick H. Bishop
Treasurer, Milton B. Wiggins

WORCESTER

Worcester Co-operative Bank
22 Elm Street
Treasurer, Raymond P. Harold
Chairman Security Committee, J. J. Higgins

MICHIGAN

ADRIAN

Adrian Building and Loan Association
121 West Maumee Street
President, Frank L. Hough
Secretary-Treasurer, Fred M. Phelps

ANN ARBOR

Ann Arbor Building and Loan Association
c/o Farmers and Mechanics Bank
President, W. S. Mills
Secretary-Treasurer, G. J. Geisel

Huron Valley Building and Savings Association
116 North Fourth Avenue
Vice President, Florence G. Stevens
Secretary, William C. Walz

BATTLE CREEK

Calhoun Savings and Loan Association
President, Fred Wells
Secretary-Treasurer, B. H. White

Industrial Savings and Loan Association
20 Capital Avenue, N. E.
President, Verner W. Main
Secretary-Treasurer, Wendell C. Gates

BAY CITY

Mutual Building and Loan Association of Bay County
808 North Jefferson Avenue
Secretary, Thomas E. Webster
Assistant Secretary, Thomas Sands

BELDING

Belding Building and Loan Association
103 East Main Street
Secretary-Treasurer, Geo. E. Wagner
President, G. E. Wortley

BENTON HARBOR

Peoples Savings Association
173 Michigan Street
President, H. B. Ross
Secretary, Grant H. Longenecker

DETROIT

National Loan and Investment Company
1250 Griswold Street
President, Joseph G. Standart
Secretary, Fred P. Todd

Society for Savings
621 First National Bank Building
President, E. B. Tyrrell
Secretary, Chas. E. Clark

Standard Savings and Loan Association
405 Griswold Street
President, Thomas E. Shaffer
Secretary, Walter J. L. Ray

DOWAGIAC

Co-operative Building and Loan Association
114 Commercial Street
President, S. P. Mosher
Secretary, J. N. Bilderback

GRAND RAPIDS

Grand Rapids Mutual Building and Loan Association
201 Monroe Avenue, N. W.
President, Charles N. Remington
Secretary, Thomas C. Mason

Mutual Home and Savings Association
88 Market Avenue, N. W.
President, C. E. Peck
Secretary, J. W. Leslie

State Savings Association
45 Pearl Street, N. W.
President, John G. Emery
Secretary-Treasurer, E. De Vries

Valley City Building and Loan Association
227 North Ottawa Avenue
President, Glenn C. Mason
Secretary, J. Langdon McKee

MICHIGAN

GRAND RAPIDS

West Side Building and Loan Association
410 Bridge Street, N. W.
President, S. J. Hufford
Secretary, J. G. Lehman

HANCOCK

Detroit and Northern Michigan Building and Loan Association
Manager Home Office, Donald W. Seaton

HASTINGS

Hastings Building and Loan Association
President, Charley Potts
Secretary-Treasurer, A. K. Frandsen

IONIA

Ionia Building and Loan Association
410 West Main Street
President H. E. Bergy
Secretary, H. S. V. Cooper

IRON RIVER

Iron Savings and Loan Association
President, Ben L. Quirt
Manager and Attorney, Fred F. Murphy

JACKSON

American Building and Loan Association
131 South Mechanic Street
President, W. J. O'Dwyer
Secretary-Treasurer, H. E. Trumbull

Jackson Savings and Loan Association
206 Dwight Bldg., 112-114 Michigan Avenue, West
President, W. J. Lepard
Financial Secretary-Treasurer, Laverne Patch

New Michigan Building and Loan Association
Michigan Avenue at Mechanic
President, Irving B. Rich
Secretary-Treasurer, Mabel J. Rich

Peninsular Building and Loan Association
Secretary, C. E. Markham

KALAMAZOO

Peoples Savings Association
346 West Michigan Avenue
Vice President, William W. Brown
Secretary, Robert C. Dexter

LANSING

Capital Savings and Loan Company
112 East Allegan Street
President, J. I. VanKeuren
Secretary, M. A. Chapin

Lansing Savings and Loan Association
117 West Allegan Street
President, Arthur McKercher
Secretary-Treasurer, Oscar C. Bleed

Union Building and Loan Association, Ltd.
121 West Allegan Street
President, Christian Herrmann
Secretary-Treasurer, H. T. Donaldson

MONROE

Peoples Savings and Loan Association
13 South Washington Street
President, J. R. Denniston
Secretary, J. Golden Zabel

MUSKEGON

Muskegon Building and Loan
876 First Street
Secretary-Treasurer, Bert Ketchum
Assistant Secretary, R. C. Baughman

NILES

Reliable Home Building and Loan Association
302 East Main Street
President, G. B. Winter
Secretary-Treasurer, W. R. Wills

MICHIGAN

PLYMOUTH

Plymouth Home Building Association
President,
Secretary, Roy R. Parrott

PORT HURON

Port Huron Loan and Building Association
505 Water Street
President, Alex Moore
Secretary, Charles E. Kean

SAGINAW

Peoples Building and Loan Association
Jefferson Avenue at Federal
Secretary-Treasurer, F. H. Jerome
Assistant Secretary-Treasurer, J. H. Jerome

Saginaw Building and Loan Association
407 Court Street
President, John L. Jackson
Secretary, H. A. Turnbull

THREE RIVERS

Three Rivers Building and Loan Association
Commercial Building
President, Carl Klocke
Secretary-Treasurer, G. D. Reiff

MINNESOTA

DULUTH

Duluth Home Building and Loan Association
206 Alworth Building
President J. W. Lyder
Secretary, A. G. Grant

MANKATO

Mankato Savings and Building Association
320 South Front Street
President, B. F. Pay
Secretary, C. E. Wise

MINNEAPOLIS

Hennepin Savings and Loan Association
408 Second Avenue, South
Secretary, John L. Smith

Minneapolis Savings and Loan Association
2nd Floor Metropolitan Life Building
President, F. R. Chase
Secretary-Treasurer, F. L. Endsley

Twin City Building and Loan Association
64 South 4th Street
President, A. M. Blaisdell
Vice President, Roy W. Larsen

MORRIS

Morris Building and Loan Association
President, L. G. Morley
Secretary-Treasurer, A. L. Stenger

ST. CLOUD

Security Building and Loan Association
822 St. Germain Street
President, Edward A. Murphy
Secretary, Mrs. D. E. Crary

ST. PAUL

Ben Franklin Building and Loan Association
534 Merchants National Bank Building
President, C. J. Moos
Secretary, K. G. Grant

Metropolitan Building and Loan Association
205 Pioneer Building
President, Paul S. Kerfoot
Secretary, A. L. Arnold

Minnesota Building and Loan Association
6th at Minnesota
President, John F. Scott
Secretary, Eugene T. Eldredge

MINNESOTA

ST. PAUL

Northern Building and Loan Association
2 East 4th Street
Secretary, Robert L. Carley
Treasurer, Frank M. Davis

STILLWATER

Washington County Building and Loan Association
109 South Main Street
President, John W. F. Pieper
Secretary, J. Hamscher

SPRINGFIELD

Springfield Building and Loan Association
Springfield, Minnesota
President, John R. Schmid
Secretary, M. J. Foy

MISSISSIPPI

JACKSON

Building and Loan Association of Jackson, Mississippi
212 East Capitol Street
President, W. O. Rea
Assistant President, Mary Smith

Magnolia State Building and Loan Association
244 East Capitol Street
President, Isidore Dreyfus
Vice President, T. M. Hoderman

VICKSBURG

Mississippi Building and Loan Association of Vicksburg
P. O. Box 215
President, R. F. Evans
Secretary, L. Katzenmeyer

MISSOURI

AURORA

Aurora Home Building and Loan Association
11 West Olive Street
President, J. H. Hewlett
Secretary-Treasurer, C. Linn Drace

CAPE GIRARDEAU

Surety Savings and Loan Association
320 Broadway Street
President, Lindsay W. Simmons
Secretary-Treasurer, Ralph E. Reynolds

CARTHAGE

Home Savings and Loan Association
North Side Square
Secretary, S. C. Bogges

FLAT RIVER

Phoenix Mutual Building and Loan Association
Phoenix Building
President, Roy V. Coffman
Secretary-Treasurer, S. E. Smith

HANNIBAL

American Loan and Savings Association
1301 Market Street
President, Joseph Bassen
Secretary, J. C. Raible, Jr.

Bluff City Mutual Savings and Loan Association
208 Broadway
Secretary, W. J. Schneider

George D. Clayton Building and Loan Association
227 Broadway
Secretary, Robert M. Clayton
Assistant Secretary, George D. Clayton

Hannibal Mutual Loan and Building Association
212 Broadway
Secretary, John F. Holme

Mark Twain Savings and Loan Association
500 Broadway
President, Frederick Kansteiner
Secretary-Treasurer, J. F. Henry Hoffman

MISSOURI

INDEPENDENCE

Independence Savings and Loan Association
210 West Maple
President, Jesse L. Martin
Secretary-Treasurer, N. D. Jackson

JEFFERSON CITY

Capital City Building and Loan Association
226 Monroe Street
President, E. W. Decker
Secretary, L. J. Noonan

City National Building and Loan Association
306 Monroe Street
President, William H. Gundelfinger
Secretary, A. Linxwiler

Home Building and Loan Association
403-404 Central Trust Building
President, John A. Linhardt
Secretary, A. J. Bauer

KANSAS CITY

American Savings and Loan Association No. 1
238 Lathrop Building
President, C. P. Schmidt
Secretary, W. R. Hausmann

Anchor Savings and Loan Association
921 Walnut Street
President, A. P. Nichols
Secretary, Walter F. Page

Bankers Savings and Loan Association
101 Keith and Perry Building
President, J. E. Woodmansee
Secretary, Paul J. Arnold

Benefit Building and Loan Association
926 Baltimore Avenue
President, Wright Smith
Secretary, Louis F. Nelson

Blue Valley Building and Loan Association
6717 Winner Road
President, Fred S. Brooks
Secretary, C. R. Benton

Central Savings and Loan Association
115 East 9th Street
President, W. P. Sayre
Secretary, Louis Klautz

Equitable Savings and Loan Association
500 Board of Trade Building
President, R. S. Tiernan
Manager, Don S. Hawthorne

First Mortgage Savings and Loan Association
1004 Baltimore Avenue
President, Vincent M. Hagerty
Secretary, C. V. Turgeon

Franklin Savings and Loan Association
924 McGee Street
President, Don B. Henderson
Vice President, George S. Montgomery

Gateway Savings and Loan Association
1820 Main Street
President, Sidney C. Walker
Secretary-Treasurer, Charles G. Haake

Guardian Savings and Loan Association
209 East 10th Street
President, F. M. Cummings
Secretary-Treasurer, W. D. Evans

Jackson County Savings and Loan Association
916 Walnut Street
Secretary and Manager, C. L. Flaugh
Assistant Secretary, H. R. Schroeder

Kansas City Building and Loan Association
1400 Walnut Street
President, Charles Eschbach
Secretary, A. F. Ellfeldt

Merchants Savings and Loan Association
927 Walnut Street
President, Jacob Barzen
Secretary, Arthur Fels

Metropolitan Savings and Loan Association
107 West Tenth Street
Secretary-Treasurer, W. Kurt Miller
President, Solon T. Gilmore

MISSOURI

KANSAS CITY

Missouri Valley Savings and Loan Association
1010 Baltimore Avenue
President, W. E. Lyons
Secretary, Willard Q. Church

National Savings, Building and Loan Association
3048 Main Street
President, Dale C. Lucas
Secretary, M. T. McLean

North American Savings and Loan Association of Missouri
901 Grand Avenue
President, James M. Pendergast
Secretary-Treasurer, Earl K. Townsdin

Public Service Company's Savings and Loan Association
1500 Grand Avenue
President, Neal S. Doran
Secretary, I. B. Nordyke

Safety Savings and Loan Association
900 Grand Avenue
President, Fletcher Cowherd
Vice President and Secretary, Franklin P. Stevens

Santa Fe Savings and Loan Association
916 Baltimore Avenue
President, Thomas G. MacLaughlin
Vice President and Secretary, W. Henry MacLaughlin

Sentinel Savings and Loan Association
218 East 10th Street
President, E. G. Trimble
Secretary-Treasurer, R. M. Staker

South Side Savings and Loan Association
505 West 75th Street
President, S. D. Slaughter
Secretary-Treasurer, M. L. Guthrie

Standard Savings and Loan Association
923 Walnut Street
President, Conrad Mann
Secretary, William E. West

State Investment Savings and Loan Association
17 East 10th Street
President, Robert W. Johnson
Secretary, J. P. Tiernan

Success Savings and Loan Association
923 Baltimore Avenue
President, Byron G. Bliss
Secretary, Geo. M. Bliss

Swedish-American Savings and Loan Association
919 Walnut Street
President, A. Holtman
Secretary, Axel Hawkinson

Union Savings and Loan Association
111 East Tenth Street
President, D. L. Kelley
Secretary-Treasurer, E. F. Trubey

Western Savings and Loan Association
913 Grand Avenue
Secretary-Treasurer, L. B. Ely
President, W. S. Mann

KIRKSVILLE

Kirksville Building and Loan Association
105 East Harrison Street
President, B. L. Bonfoey
Secretary, C. H. Sanders

KIRKWOOD

Kirkwood Building and Loan Association
229 North Kirkwood Road
President, George Graham
Secretary, Jas. L. McQuie

LEBANON

Lebanon Building and Loan Association
107 South Jefferson
Secretary, F. S. Tinslar

LEXINGTON

Lexington Building and Loan Association
1007 Franklin Avenue
Secretary, Karl F. Winkler
President, W. J. Bandon

MISSOURI

MACON

Macon Building and Loan Association
Corner Rollins and Vine Streets
President, Chas. L. Farrar
Secretary, Alonzo English

MOBERLY

Moberly Savings and Loan Association
210 North Williams Street
President, Willard P. Cave
Secretary-Treasurer, L. W. Coleman

MOUNTAIN GROVE

Home Building and Loan Association
President, T. W. Noland
Secretary Treasurer, C. D. Shannon

NEVADA

Farm and Home Savings and Loan Association of Missouri
President, E. E. Amick
Secretary, E. E. Levens

STE. GENEVIEVE

Ste. Genevieve County Building and Loan Association
173 North Main Street
President, F. A. Petrequin
Secretary-Treasurer, A. C. Okenfuss

ST. JOSEPH

Northwest Missouri Savings and Loan Association
704 Francis Street
President, Dr. Chas. F. Byrd
Secretary-Treasurer, David P. Symon

Peoples Home and Savings Association
509 Francis Street
President, William C. Gow
Secretary-Treasurer, Don M. Mumford

Provident Building and Loan Association
513 Francis Street
President, Dr. John M. Bell
Secretary, H. S. Smith

ST. LOUIS

Aetna Savings and Loan Association
912 Syndicate Trust Building
President, A. K. O'Brien
Secretary, E. A. Blanpied

American Home Building and Loan Association
3542 Gravois Avenue
President, Louis F. Yeckel
Secretary, Oscar W. Earickson

Conservative Building and Loan Association
119 North 7th Street
President, Carl H. Witte
Secretary-Treasurer, Otto Kallmeyer

Continental Savings Building and Loan Association
3540 Olive Street
President, Martin A. Beffa
Secretary, Joseph W. Maurer

Croatian-American Building and Loan Association "Balkan"
1443-45 Choutean Avenue
President, Vincent Budrovich
Secretary, J. Sicocan

Economy Building and Loan Association
213 International Office Building
President, O. A. Fabick
Secretary, A. F. Leonhardt

Equality Saving and Building Association
12 North 8th Street
President, James Prendergast
Secretary, Flora J. Mechin

General Hancock Building and Loan Association
12 North 8th Street
President, John H. Rohde
Secretary, Flora J. Mechin

Hamiltonian Building, Loan and Savings Association
2708 South Grand Boulevard
President, Maurice Wright
Secretary-Treasurer, Al. G. Kuehner

MISSOURI

ST. LOUIS

Lafayette Mutual Building Association
615 Chestnut Street
President, Geo. Oliver Carpenter, Jr.
Secretary, Sylvester A. Koster

Midwest Savings and Loan Association
715 St. Charles Street
Vice President and Secretary, Paul Blackwelder
Assistant Secretary, L. M. Ryan

Missouri Building and Loan Association
3315 Meramec Street
President, H. B. Reichenbach
Secretary, Harry J. Reker

Mount Olive Building and Loan Association
12 North 8th Street
President, Fred Heger
Secretary, Flora J. Mechin

Parnell Savings and Loan Association
1002 Chestnut Street
Secretary, J. D. Dockery

Public Service Savings and Loan Association
3901 Park Avenue
President, W. E. Bryan
Secretary, Robert J. Richardson

Real Estate Building and Loan Association
311 North Eleventh Street
President, Jos. T. Ayres
Secretary, Hugh H. Stewart

Reserve Building and Loan Association of St. Louis
Suite 1710 Railway Exchange Building
President, E. Lantz
Secretary-Treasurer, W. M. McCauley

Roosevelt Savings and Loan Association
3607 North Broadway
President, George W. Strodtman
Secretary, George S. Metcalfe

St. Louis Building and Loan Association
209 North Eight Street
President, John C. Hall
Secretary, John B. Needham

Security Savings and Loan Association
1932 North Broadway
President, F. P. Lawrence
Secretary, J. E. Parsons

State Savings and Loan Association
7163 Manchester Avenue
Secretary, E. M. Folsom

Washington Savings and Building Association
715½ Chestnut Street
President, James S. Dowling
Secretary, E. A. Kamp

SPRINGFIELD

Great Southern Savings and Loan Association
307 South Avenue
President, Ralph M. Mack
Secretary, J. Wyman Hogg

Greene County Building and Loan Association
418-20 East Commercial Street
President, R. A. Ollis
Secretary, J. L. Wyatt

Guaranty Savings and Loan Association
427 St. Louis Street
President, W. L. Garrett
Secretary, S. T. Gresham

Missouri Home Savings and Loan Association
Walnut and South Avenue
President, John C. McKee
Secretary-Manager, Dwight E. Shultz

Systematic Savings and Loan Association
213 Holland Building
President, E. V. Williams
Secretary-Manager, W. W. Pinson

WEBSTER GROVES

Webster Groves Loan and Building Association
30 North Gore Avenue
President, Carl H. Holekamp
Secretary, E. F. Cushing

MONTANA

BILLINGS

Federal Building and Loan Association
2710 First Avenue North
President, W. H. Berryman
Secretary, J. T. McMahon

Security Building and Loan Association
2701 Second Avenue North
President, A. R. McDermott
Secretary-Treasurer, V. D. Clark

BUTTE

United States Building and Loan Association
79-81 West Park Street
President, J. K. Heslet
Secretary-Manager, T. T. Taylor, Jr.

GREAT FALLS

Great Falls Building and Loan Association
201 Central Avenue
Vice President, A. C. Boucher
Secretary, Alma Nygren

Mountain States Building and Loan Association
17 Third Street, North
President, J. W. Freeman
Secretary, P. C. Bulen

LIVINGSTON

Empire Building and Loan Association
123 South Main Street
President, C. H. Hefferlin
Secretary, J. E. Swindlehurst

MISSOULA

Western Montana Building and Loan Association
105 East Broadway
President, T. A. Price
Secretary-Treasurer, C. A. Rupp

NEBRASKA

BEATRICE

Home Savings and Loan Association
110 North Fifth Street
President, J. E. Lang
Secretary, M. F. Eickmann

State Savings and Loan Association
Sixth Street at Ella
President, A. H. Kidd
Secretary-Treasurer, E. L. Hevelone

COLUMBUS

Columbus Land and Loan Building Association
2522 Thirteenth Street
Secretary, Henry Hockenberger
Treasurer, G. G. Becker

Globe Savings and Loan Association
2411 Eleventh Street
President, Theodore Moersen
Secretary-Treasurer, P. F. Luchsinger

DAVID CITY

David City Building and Loan Association
Box J
Executive Vice President, J. E. Evans
Secretary, W. J. Stead

FREMONT

Equitable Building and Loan Association
124 East Fifth Street
President, Frank Hammond
Secretary, James A. Donahue

Nebraska State Building and Loan Association
Sixth and Park Streets
President-Manager, David Rowe
Secretary, G. A. Olmsted

GRAND ISLAND

Equitable Building and Loan Association
112 North Locust Street
President, Guy L. Harrison
Secretary, John A. Ferguson

NEBRASKA

HARTINGTON

Hartington Building and Loan Association
President, Dr. M. E. Eby
Secretary, F. O. Robinson

HASTINGS

Hastings Building and Loan Asscciation
105 North Hastings Avenue
President, H. C. Haverly
Secretary-Treasurer, Manager, F. A. Tripp

LINCOLN

Home Savings and Loan Association
214 South Thirteenth Street
President, Frank Mills
Secretary, R. E. Harrington

Peoples' Savings and Loan Association
1120 N Street
President, Dr. W. C. Becker
Secretary-Treasurer, Harry R. Ball

Surety Building and Loan Association
132 North 12th Street
President, Roscoe J. Slater
Secretary, Pauline Wood

NEBRASKA CITY

Nebraska City Building and Loan Association
115 South Eighth Street
President, W. W. Metz
Secretary, William H. Pitzer

NORFOLK

Norfolk Building and Loan Association
219 Norfolk Avenue
President, J. C. Stitt
Secretary-Treasurer, C. A. Durland

NORTH PLATTE

Mutual Building and Loan Association
President, Frank N. Buchanan
Secretary, H. D. Wiese

OMAHA

Commercial Savings and Loan Association
4824 South 24th Street
President, W. P. Adkins
Secretary, James J. Fitzgerald

Conservative Savings and Loan Association
1614 Harney Street
President, Edgar A. Baird
Secretary, James A. Lyons

Nebraska Savings and Loan Association
211 South Eighteenth Street
President, Leslie E. Martin
Acting Secretary, Anton J. Stejskal

SUPERIOR

Citizens Building, Loan and Savings Association
119 West Fourth Street
President, J. M. Silver
Secretary, H. S. Nelson

WYMORE

Wymore Building and Loan Association
109 East Edison Street
President, J. A. Reuling
Secretary, J. W. Smith

NEVADA

LAS VEGAS

Mutual Building and Loan Association of Las Vegas
115½ South Second Street
President, W. E. Ferron
Secretary, A. H. Harrington

RENO

National Building and Loan Association of America
343 South Main Street, Salt Lake City, Utah
Secretary, Fred B. Williams

NEVADA

RENO

Union Building and Loan Association
133 Sierra Street
President, A. G. Fletcher
Secretary, C. R. Carter

NEW HAMPSHIRE

ROCHESTER

Peoples' Building and Loan Association
10-11 Dodge Building, Central Square
President, J. Levi Meader
Secretary-Treasurer, Frederic E. Small

NEW JERSEY

ALBION

Diligent Building and Loan Association

ALLENDALE

Allendale Building and Loan Association
Allendale, New Jersey
President, Louis Jones
Vice President, Ambrose K. Merrill

ALLENTOWN

Allentown Building and Loan Association
Secretary, Gordon D. Frazee

ARLINGTON

Arlington Building and Loan Association
579 Kearny Avenue
President, C. H. Presbrey
Secretary, T. Hewett

ASBURY PARK

Bradley Building and Loan Association
710 Bangs Avenue
President, Isaac Berger
Secretary, Chas. M. Baker

Home Building and Loan Association
108 Emory Street
Treasurer, S. H. Calvert
Assistant Secretary, Miss Ada Morris

Reserve Building and Loan Association
601 Mattison Avenue
President, Lee W. Berry
Secretary, James Forsyth

Shore Building and Loan Association
601 Mattison Avenue
President, Thomas H. Pratt
Secretary, H. Barker Fliege

ATCO

Waterford Township Building and Loan Association
Atco Avenue
President, Joseph Gondolfo
Secretary, Thos. A. Fanelli

ATLANTIC CITY

Atlantic City Loan and Building Association
Box 655
President, John C. State
Secretary, Mrs. Clara B. Koehler

American Building and Loan Association
1421 Atlantic Avenue
President, Albert Beyer
Secretary, Louis N. Tripician

Atlantic Building and Loan Association
Texas and Atlantic Avenues
President, Benjamin Bacharach
Secretary, Harry Jones

Atlantic Coast Building and Loan Association of New Jersey
1509 Atlantic Avenue
President, Louis Kuehnle
Secretary, Herbert H. Dietz

NEW JERSEY

ATLANTIC CITY

Atlantic County Building and Loan Association
Atlantic County Trust Company Building
President, Elias Rosenbaum
Secretary, Wm. V. Voss

Boardwalk Building and Loan Association
25 South Virginia Avenue
Solicitor, Harry Gottlieb
Secretary, Wm. E. Saslaff

Chelsea Building and Loan Association
1217 Atlantic Avenue
President, William M. Haslett
Secretary, John M. Campbell

Cosmopolitan Building and Loan Association
1210 Atlantic Avenue
President, George H. Berke
Secretary, Wilbur F. Shinn

Eastern Shore Building and Loan Association
Pacific Avenue National Bank
President, Dr. Samuel E. Weiner
Secretary, Saul Singer

Equitable Building and Loan Association
Arkansas and Atlantic Avenue
Secretary, Selden W. Ostrom

Great Bay Building and Loan
1903 Arctic Avenue
President, Albert A. Allenye
Secretary, Joshua W. Dowling

Home Building and Loan Association
Guaranty Trust Bldg.
President, Alan M. Sheppard
Secretary, Mervin L. Craig

Islanders Building and Loan Association
New York and Atlantic Avenues
President, Joseph Thompson
Secretary, James W. Cullen

La Clede Building and Loan Association
4209 Ventnor Avenue
Treasurer, Harry Schoenthal
Secretary, Marcus Bacharach

Miramar Building and Loan Association
Neptune Trust Company Building
President, Edward E. Grosscup
Secretary, Ernest A. Lord

Peoples Building and Loan Association
1421 Atlantic Avenue
Secretary, David Ford

Protective Building and Loan Association
20 South Tennessee Avenue
Secretary, Leo. S. Lewis
Treasurer, Eloise I. Reiley

Resort Building and Loan Association
Pacific Avenue National Bank
President, Louis A. Steinbricker
Secretary, Saul Singer

Seaboard Building and Loan Association
South Carolina and Atlantic Avenues
President, Wilbur Zimmerman
Secretary, Archie H. Smith

Security Building and Loan Association
1421 Atlantic Avenue, Room 35
President, Andrew Jacoby
Secretary, Andrew K. Littlefield

Trident Building and Loan Association
Marine Trust Company
President, Ernest A. Lord
Secretary, John F. O'Neill

Ventnor Building and Loan Association
107 Guarantee Trust Building
President, G. A. Bolte
Secretary, Percy E. Howard

ATLANTIC HIGHLANDS

Atlantic Highlands Building and Loan Association
33 First Avenue
President, Lewis S. Scutthorp
Secretary, Henry C. Van Note

NEW JERSEY

BARNEGAT

Bay Shore Building and Loan Association
Bay Street
President, Frederick N. Bunnell
Secretary, LeRoy B. Frazee

BAYONNE

City Building and Loan Association
719 Broadway Street
Secretary, F. E. George

Home Building and Loan Association
870 Broadway
President, Joseph Brady
Treasurer, William C. Ryan

Pamrapo Building and Loan Association
908 Broadway
Treasurer, Wm. Lanbeinheimer
Secretary, Charles O. Kroncke

White Eagle Building and Loan Association
157 Avenue C
President, Leon Pejkowski
Secretary, Leo K. Ciechanowski

BEACH HAVEN

Long Beach Building and Loan Association
Corner Coral Street and Bay Avenue
President, William L. Butler
Secretary, J. Willits Berry

BELLEVILLE

Clover Building and Loan Association
237 Washington Avenue
President, S. S. Kenworthy
Secretary, C. Samuel Abeles

BELMAR

Belmar Building and Loan Association
606 F Street
President, Willard J. Stiner
Secretary, Neil H. Miller

BERGENFIELD

Bergenfield Building and Loan Association
Corner Main and Front Streets
President, Robert N. Sneden
Secretary, George B. Downer

BERLIN

Long A. Coming Building and Loan Association
Secretary, Clarence E. Walker
Treasurer, J. Montague Evans

BEVERLY

Beverly Building and Loan Association
Cooper and Warren Streets
Secretary, Charles F. Stevenson
Treasurer, S. Buda Norcross

BLOOMFIELD

Church Building and Loan Association
685 Bloomfield Avenue
President, William A. Giblin
Secretary, Joseph A. Bill

Interurban Building and Loan Association
61 Washington Street
Counsel, Theodore Krohn
Secretary, Samuel J. Wortzel

Merchants and Mechanics Building and Loan Association
5 Broad Street
President, W. W. Keyler
Secretary, Frank L. Fisher

North Center Building and Loan Association
424 Broad Street
President, Anderson K. Hann
Secretary, Robert K. Campbell

BOGOTA

Bogota Building and Loan Association
8 East Fort Lee Road
Vice President, William R. Leers
Secretary, Frank O. Hordich

NEW JERSEY

BOGOTA

Investing Building and Loan Association
53 West Fort Lee Road
President, Lynwood E. Clarke
Secretary, Harry Malkmus

BOONTON

Boonton Building and Loan Association
409 Main Street
President, Edwin A. Fisher
Secretary, George W. Blanchard

Ogden Building and Loan Association
714 Main Street
President, Herbert S. Hitchcock
Treasurer, August Moller

BORDENTOWN

Bordentown Building and Loan Association
302 Farnsworth Avenue
Secretary, John F. Miller
Treasurer, Robt. F. Bennett

Peoples Building and Loan Association
President, Charles E. Burr
Secretary, Carlton W. Haines

BOUND BROOK

Bound Brook Building and Loan Association
Second Street
Treasurer, R. H. Brokaw
Secretary, George W. Koehler

Middlebrook Building and Loan Association
2 West Main Street
President, Geo. O. Smalley
Secretary, Martin S. Kissel

BRADLEY BEACH

Jersey Coast Building and Loan Association
Main Street and Brinley Avenue
President, I. H. Gant
Secretary, R. F. Johnson

BRIDGETON

Cohanzick Building and Loan Association
Cumberland National Bank Building
Secretary, Thelma E. Bacon
Treasurer, Percy W. Owen

Planners Building and Loan Association
60 North Laurel Street
President, Victor Morvay
Secretary, John W. Morris

BURLINGTON

Farmers' and Mechanics Building and Loan Association
230 High Street
President, Albertus L. Severns
Secretary, Carolina H. Haines

CALDWELL

Grover Cleveland Building and Loan Association
307 Bloomfield Avenue
Secretary, F. H. Hoffman
Treasurer, J. H. Schumacher

CAMDEN

American Building and Loan Association
Broadway and Spruce Streets
President, Henry J. Mockett
Secretary, J. Hartley Bowen

Arch Building and Loan Association
2612 Federal Street
President, John C. Schissler
Secretary, William J. Flemming

Argonne Building and Loan Association
Rooms 506-508, First Camden National Bank and Trust Company Building
President, Jerome L. Hurley
Secretary, Russell B. Keen

Bishop Bayley Building and Loan Association Number Two
832 Federal Street
Treasurer, John A. Ryan
Secretary, John J. McCaffery

NEW JERSEY

CAMDEN

Bridgeview Building and Loan Association
141 South 27th Street
Secretary, William S. Abbott

Broadway Building and Loan Association
513 Cooper Street
President, J. Newlin Wilkins
Secretary, T. Yorke Smith

Camden Optional Building and Loan Association
423 Market Street
President, Adam Clarke
Secretary, Joseph A. O'Brien

Eastside Building and Loan Association
3038 Federal Street
Secretary, J. E. Cullingford

Economy Building and Loan Association
513 Cooper Street
President, David Baird, Jr.
Secretary, T. Yorke Smith

Endowment Building and Loan Association of Camden
South West Corner Third and Market Streets
President, B. S. Meloney
Treasurer, L. B. Humphreys, Jr.

Excelsior Building and Loan Association
513 Cooper Street
President, Henry Reeves
Secretary, T. Yorke Smith

Fairview Building and Loan Association
2610 River Avenue
President, George S. Cadwallader
Secretary, Frederick C. Bauer, Jr.

Forward Building and Loan Association
First Camden National Bank Building
President, Frank H. Clark
Secretary, R. C. Edwards

German Centennial Building and Loan Association
1253 Princess Avenue
President, M. A. Hartman
Secretary, Louise M. Oberst

Guarantee Building and Loan Association
610 West Jersey Trust Building
President, Harry F. Wolf
Secretary, Vinal A. Johnson

Highland Building and Loan Association
3038 Federal Street
Secretary, John E. Cullingford

Kearsarge Building and Loan Association
2957 Yorkship Square
President, A. Raymond Dobbs
Secretary, Tillie Nelson

La Salle Building and Loan Association
428 Market Street
President, John F. Mall
Secretary, Edward J. Brady

North Camden Building and Loan Association
513 Cooper Street
President, David Baird, Jr.
Secretary, T. Yorke Smith

Pavonia Building and Loan Association
3038 Federal Street
Secretary, John E. Cullingford

Penn Building and Loan Association
Haddon Avenue at Federal Street
President, Sidney P. McCord
Secretary, J. Rodney Forrest

Plymouth Building and Loan Association
West Jersey Trust Building
President, Howard B. Hemphill
Secretary, Vinal A. Johnson

Provident Building and Loan Association of Camden, New Jersey
West Jersey Trust Building
President, A. D. Ambruster
Secretary, Wm. M. Lewis

Rayden Building and Loan Association
2612 Federal Street
President, Howard S. Fearn
Secretary, William J. Flemming

NEW JERSEY

CAMDEN

Republic Building and Loan Association
610 West Jersey Trust Building
Secretary, Vinal A. Johnson

Spartan Building and Loan Association
610 Wilson Building
Secretary, Vinal A. Johnson

Terminal
430 Federal Street
President, I. Milford Smith
Secretary, Halford Runge

Victoria Building and Loan Association
2612 Federal Street
President, Raymond S. Porter
Secretary, William J. Flemming

Westfield Building and Loan Association
141 South 27th Street
President, George Bachmann
Secretary, William S. Abbott

Yorkship Square Building and Loan Association
President, Loring S. Strang
Secretary, Frank H. Harding

CAPE MAY CITY

Hydrangea Building and Loan Association
223 Decatur Street
President, Luther C. Ogden
Secretary, Wm. R. Sheppard

CARLSTADT

Carlstadt Mutual Building and Loan Association
President, Wm. Fleishmmann
Secretary, H. Wulling

Tri-Boro Building and Loan Association
423 Hackensack Street
President, Harry O. Van Dalinda
Secretary, William H. Nussbaum

CARTERET

Carteret Building and Loan Association
543 Roosevelt Avenue
President, Edward J. Heil
Secretary, Thomas Devereux

CHATHAM

Chatham Building and Loan Association
10 Red Road
Secretary, Charles E. Hay

CLEMENTON

Signal Hill Building and Loan Association
Pine Hill
President, Albert E. Kingett
Treasurer, Dr. L. Blake Davis

CLIFTON

Clifton Building and Loan Association
709 Main Avenue
President, Frank Wilkinson
Secretary, John Franz

East Clifton Building and Loan Association
215 Dayton Avenue
Treasurer, Alfred C. Sinn
Secretary, Walter C. Kraft

Florence Avenue Building and Loan Association
Corner Florence and Clifton Avenues
President, Patrick J. Connolly
Secretary, Carl Hilbert

CLINTON

Clinton Town Building and Loan Association
President, Philip R. Gebhardt
Secretary, Earle A. Compton

COLLINGSWOOD

Collingswood Building and Loan Association
117 Homestead Avenue
President, Thomas W. Maclary
Secretary, A. C. Havens

NEW JERSEY

CRANBURY

Cranbury Building and Loan Association
Main Street
Secretary, Arthur L. Burroughs
Treasurer, David C. Lewis

CRANFORD

Venice Building and Loan Association of Union County
104 Walnut Avenue
President, Eugene A. Liotta
Secretary, James C. Tomasulo

CRESSKILL

Cresskill Building and Loan Association
Cresskill, New Jersey
President, E. P. Engelmann
Secretary, B. E. Westervelt

DUMONT

Dumont Building and Loan Association
Secretary, Fred Mezzer

DUNELLEN

Dunellen Building and Loan Association
President, William E. Terry
Secretary, George W. Day

EAST ORANGE

Amherst Building and Loan Association
617 Central Avenue
President, Ernest Huelsenbeck
Secretary, Arthur E. Shane

Apex Building and Loan Association
84-86 Eaton Place
President, William F. Brown
Secretary, P. G. Wall

Brick Church Building and Loan Association
28 Washington Place
President, Frank E. Quinby
Secretary, Edward L. Kent
Treasurer, Stephen H. Gordon

Civic Centre Building and Loan Association
88 Renshaw Avenue
President, Charles H. Martens
Secretary, J. Easton Williams

East Orange Building and Loan Association
364 Main Street
Secretary, A. H. Maguire

Lackawanna Building and Loan Association of East Orange
69 Lafayette Street
President, E. Tracy Lanterman
Secretary, Ira L. Calvert

Library Building and Loan Association
President, Henry A. Schaef
Secretary, Arthur J. Jones

Marvel Building and Loan Association
375 Central Avenue
Secretary, Harry Kalb
Counsel, Samuel Dreskin

Park and Dodd Building and Loan Association
156 North Park Street
President, Edward R. Reagan
Secretary, William A. Giblin

Prospect-Watsessing Building and Loan Association
74 Dodd Street
President, John W. Noble
Secretary, Franklin J. Berry

Stronghold Building and Loan Association
51 Main Street
President, I. Newton Davies
Secretary, Israel Denholtz

Triumph Building and Loan Association
71-4th Avenue
Secretary, H. B. Whitman

Weona Building and Loan Association
25 Washington Place
President, Edward E. Bruen
Secretary, U. Samuel Abeles

NEW JERSEY

EAST PATERSON

East Paterson Building and Loan Association
Grove Street
President, J. J. Ritter
Secretary, Louis F. Fournier

EAST RUTHERFORD

East Rutherford Building and Loan Association
President, William Gramlich

EGG HARBOR CITY

Collective Building and Loan Association
200 Philadelphia Avenue
President, Jos. Butterhof, Jr.
Secretary, Thos. E. Hamilton

Egg Harbor Building and Loan Association
246 Cincinnati Avenue
Secretary, Fred W. Bergmann

Germania Building and Loan Association
143 London Avenue
President, William Scheufele
Secretary, Otto Boysen

ELIZABETH

Better Plan Building and Loan Association
No. 1 Broad Street
President, Frederick Rieke
Secretary, Louis H. Schaefer

Betsytown Building and Loan Association
Elisabeth Trust Company Building
President, Martin Reitman
Secretary, Peter L. Mack

Building and Loan Association of Elizabeth
Elizabeth Trust Company Building
President, Harry J. Sievers
Secretary, Fred F. Rau

Crystal Building and Loan Association
817 Elizabeth Avenue
Secretary, Adam Liebler

Desirable Building and Loan Association
95 Broad Street
President, Dr. R. M. Nittoli
Secretary, James C. Tomasulo

Elizabethport Mutual Building and Loan
286 North Broad Street
President, James J. Higgens
Secretary, Frank T. Mountford

Headway Building and Loan Association
Hersh Tower Building
President, Robert W. Hersh
Vice President, Elias Cohen

Home
32-34 West Scott Place
President, Karl Schaffer
Secretary, J. Henry George

Independent Building and Loan Association
49 Broad Street
President, Morris Kowalsky
Secretary, W. C. Forman

Lithuanian Building and Loan Association
269-273 Second Street
President, Michael Saliklis
Secretary, Peter L. Mack

Members Building and Loan Association
800 Fourth Avenue
President, Frank D'Meo
Secretary, Anthony Crincoli

Merchants Building and Loan Association
100 First Street
President, E. S. Hersh
Secretary, A. W. Pfaff

Moreland Building and Loan Association
800 Fourth Avenue
President, Dr. George Knauer
Secretary, Salvatore N. Bongiovanni

N. A. S. E. Building and Loan Association
Elizabeth Trust Company Building
President, C. L. Johnson
Secretary, Welles V. Pullen

NEW JERSEY

ELIZABETH

Peoples Building and Loan Association
1197 East Grand Avenue
President, John Kleeds
Secretary, W. H. Ryan

Rail and Harbor City Building and Loan Association
Hersh Towers, Broad and East Grand Streets
President, Elias F. Applegate
Secretary, James W. Cozzens

Rainbow Building and Loan Association
1139 East Jersey Street
President, Callen J. McCarthy
Secretary, Samuel Balter

Satisfactory Building and Loan Association
576 Adams Avenue
President, Peter B. Shelton
Secretary, Wm. J. Haggerty

Trinity Building and Loan Association
207 Broad Street
President, David R. Brown
Secretary, A. W. Spilner

Upright Building and Loan Association
80 Broad Street
President, Max Tieger
Treasurer, Albert A. Weisman

Upright Building and Loan Association
80 Broad Street
President, Max Tieger
Secretary, Samuel Freedman

Victory Building and Loan Association
1143 East Jersey Street
President, Adrian O. Murray
Secretary, Samuel Freedman

Young Men's Building and Loan Association
272 North Broad Street
President, Albert C. Stein
Secretary, Carl J. Sauer

ENGLEWOOD

Englewood Mutual Loan and Building Association
17 Park Place
President, J. Archie Thomson
Secretary, H. G. Comstock

Tenakill Building and Loan Association
32 North Van Brunt Street
President, Henri Casenove
Secretary, Chas. E. Tepper

FAIRLAWN

Fairlawn Building and Loan Association
Fairlawn
President, Nicholas A. Kuiken
Secretary, Richard Lowe

FAR HILLS

Somerset Hills Building and Loan Association
President, Louis V. Ludlow
Secretary, W. I. Frost

FARMINGDALE

Farmingdale Building and Loan Association
64 Main Street
President, Edward Imlay
Secretary, Edgar O. Murphy

FORT LEE

Fort Lee Building and Loan Association
157 Main Street
Secretary, George H. Glosser

FREEHOLD

Freehold Mutual Loan Association
18 Court Street
President, Peter F. Runyon
Secretary, Edgar I. VanDerveer

GARFIELD

American Building and Loan Association
69-71 Wessington Avenue
Secretary, Andrew N. Kolarcik
Treasurer, Ernst Walther

NEW JERSEY

GARFIELD

Saddle River Township Building and Loan Association
104 Passaic Street
President, Joseph G. Frazza
Secretary, Paul T. Frazza

Slavonian Building and Loan Association
80 Summit Avenue
President, George W. Sabo
Secretary, Joseph S. Ritoch

Tri-City Building and Loan Association
24 Outwater Lane
President, Hans J. Hintermaier
Vice President, Ernest Dyson

GLEN ROCK

Home Ownership Building and Loan Association
191 Rock Road
President, Henry C. Smith
Vice President, T. J. Clarken

GRANTWOOD

Grantwood Building and Loan Association
730 Anderson Avenue
President, August H. Lueders
Secretary, William D. Hartmann

GUTTENBERG

Guttenberg Building and Loan Association
43 Bergenline
Secretary, Fred Trostel

HACKENSACK

Citizens Building and Loan Association
80 Main Street
President, August Matthews
Secretary, Henry Schnakenberg

Excel Building and Loan Association
103 Hudson Street
President, Chas. Rosenberg
Secretary, Frank V. Jerlinski

Hackensack Mutual Building and Loan Association
242 State Street
President, George M. Van de Water
Secretary, Edward J. Fyfe

New Barbadoes Mutual Building and Loan Association
725 Main Street
President, M. T. Noblett
Secretary, Louis W. Shaffer

North Jersey Building and Loan Association
1 East Mercer Street
President, C. V. R. Bogert
Secretary, George E. Traver, Jr.

HACKETTSTOWN

Malvern Hill Building and Loan Association
176 Main Street
President, Lindley G. Cook
Vice President, Robert K. Teel

HADDON HEIGHTS

Haddon Heights Building and Loan Association
Box 379
Secretary, W. M. Nash

Victory Building and Loan Association of Haddon Heights
President, W. B. Mattack
Secretary, C. F. Cottringer

HALEDON

Haledon Building and Loan Association
218 Belmont Avenue
President, William Turner
Secretary, Arthur A. V. Gionti

HAMMONTON

Hammonton Building and Loan Association
President, H. Kirk Spear
Secretary, William Doerfel

Workingmens Loan and Building Association
President, William L. Black
Secretary, William Doerfel

NEW JERSEY

HARRISON

Hudson and Essex Building and Loan Association
205 Harrison Avenue
Secretary, A. P. Gehling

Merchants Building and Loan of West Hudson
205 Harrison Avenue
President, George H. Newman
Secretary, Harry Wertheim

People's Building and Loan Association
315 Harrison Avenue
Secretary, Joseph A. Riordan
Solicitor, John J. Lenehan

HASBROUCK HEIGHTS

Polifly Building and Loan Association
Secretary, E. H. Schoonmaker

HIGHLAND PARK

Raritan Valley Building and Loan Association
244 Benner Street
President, H. Richard Segoine
Secretary, Edwin W. Eden

HILLSDALE

Progressive Building and Loan Association
Broadway
President, John G. Hansen
Secretary, Benj. Spier

Lyons Farms Building and Loan Association
1444 North Broad Street
President, David H. Doremus
Secretary, George Compton

HILLSIDE

Inter County Building and Loan Association
1577 Maple Avenue
President, Charles F. Ackerman
Secretary, Frank L. Morton, Jr.

HOBOKEN

Esenbe Building and Loan Association
37 Newark Street
President, C. H. Jagels
Secretary, H. E. Benjamin

Guardian Building and Loan Association
1321 Washington Street
President, Martin Cooke
Secretary, Victor B. Marcussen

Hoboken Building and Loan Association
84 Washington Street
Secretary, William H. Bradley

Jefferson Building and Loan Association
103-05 Willow Avenue
President, Herman W. Schmidt
Secretary, G. F. Fugazz

HO-HO-KUS

Hohokus Building and Loan Association
President, John DeVore
Secretary, Myron Voorhies

HOPEWELL

Hopewell Building and Loan Association
Broad Street
President, Joseph B. Hill
Secretary, Russell W. Holcombe

IRVINGTON

Camptown Building and Loan Association
34 Union Avenue
President, L. G. Breitenbach
Secretary, L. P. Hoffman

General Building and Loan Association
1180 Springfield Avenue
President, Charles Perlman
Secretary, Francis B. Ott

Greater Newark Building and Loan Association
1180 Springfield Avenue
President, F. S. Screen
Secretary, Jos. S. Waterfield

NEW JERSEY

IRVINGTON

Marathon Building and Loan Association
925 Springfield Avenue
President, August M. Kleeman
Secretary, John A. Steets

Normandy Park Building and Loan Association
1180 Springfield Avenue
President, Adolph A. Franz
Secretary, Richard F. L. Muth

JAMESBURG

Jamesburg Mutual Building and Loan Association
Secretary, C. M. Thorne

JERSEY CITY

American Building and Loan Association
15 Woodlawn Avenue
President, Dr. S. H. Culver
Secretary, John B. Mahan

A. O. H. Building and Loan Association
50 Wegman Parkway
President, J. F. O'Reilly
Secretary, Robert F. Downing

Bee-Hive Building and Loan Association
114 Monticello Avenue
President, Samuel Ruskin
Assistant Treasurer, Louis Goldberg

Business Men's Building and Loan Association
279 Grove Street
President, Joseph J. Scott
Secretary, Albert J. Higson

By-Fi Building and Loan Association
502 Jackson Street
President, Charles F. Gallagher
Secretary, George P. Knoeller

Carteret Mutual Building and Loan Association No. 2
761 Montgomery Street
President, Francis R. Jewkes
Secretary, John A. Robertson

Central Building and Loan Association
110 Hutton Street
Secretary, Wm. G. Weller

Citizens Building and Loan Association of Jersey City
376 Ogden Avenue
President, Emil W. A. Schumann
Secretary, Oscar Weis

Clinton Building and Loan Association
494 Jackson Avenue
President, Thomas P. Duff

Colonial Building—Loan Association
757 Bergen Avenue
President, James Billington
Secretary, Robert Orr

Commercial Investment Building and Loan Association
721 Bergen Avenue
President, William S. Rowland
Secretary, Lawrence B. Landrine

Concourse Building and Loan Association
576 Newark Avenue
Secretary, Archie Schwartz
Attorney, David H. Stemer

Duncan Building and Loan Association
767 West Side Avenue
President, William M. Obergfell
Secretary, Samuel Drayton

Embe Building and Loan Association
356 Central Avenue
Treasurer, Walter E. Keller
Secretary, Chester A. Smith

Erie Building and Loan Association
2860 Boulevard
President, Abraham J. Goldstein
Secretary, Emanuel Weitz

Euclid Building and Loan Association
125 Jackson Avenue
Vice President, Charles Reisner
Counsel, Morris W. Lieberman

Eureka Building and Loan Association
437 Jersey Avenue
Secretary, W. Walter Dippel
Treasurer, John F. Kelleher

NEW JERSEY

JERSEY CITY

Excelsior Mutual Building and Loan Association
239-241 Washington Street
President, Harvey B. Nelson
Secretary, Clarence Dullegar

Five Corners Building and Loan Association
660 Newark Avenue
President, J. George Landwehr
Secretary, Edward Henn

Garfield Building and Loan Association
548 Jersey Avenue
President, Edmund P. Ingram
Secretary, Rufus M. Holcomb

Hudson County Caledonia Building and Loan Association
98 Bowers Street
President, Frederick Kirsten
Secretary, Albert H. Hangartner

Jackson Building and Loan Association
391 Jackson Avenue
President, Dr. Robert J. Shaw
Secretary, Charles B. Hardaere

Junction Building and Loan Association
499 Communipaw Avenue
President, Alfred N. Crane
Secretary, W. W. Streeter

K C Building and Loan Association
No. 441 Jersey Avenue
President, Peter F. Guterl
Secretary, Edward F. Dillon

Kopernik Building and Loan Association
921 Bergen Avenue
President, Vincent Telkowski
Secretary, Leon R. Ciecinch

Labors Building and Loan Association
26 Journal Square
Prestdent, C. J. Jennings
Secretary, L. J. Knoepfel

Lafayette Mutual Building and Loan Association
305 Pacific Avenue
President, James R. Stevens
Secretary, Henry C. Mades

Leaders Building and Loan Association
140 Montgomery Street
President, Abraham Davis
Secretary, Lippiman Miller

Lincoln Building and Loan Association
759 Montgomery Street
President, William J. Dippel
Secretary, William C. Behrens

Live Wire Building and Loan Association
576 Newark Avenue
Secretary, Archie Schwartz
Counsel, Morris E. Barison

Major Building and Loan Association
Concourse Building
President, John P. Browne
Secretary, Edward A. Ransom, Jr.

Monticello Mutual Building and Loan Association
169 Monticello Avenue
President, Charles E. Maxson
Secretary, Henry J. Russell

Own Your Home Building and Loan Association
392 Central Avenue
President, Harry Max
Treasurer, Morris M. Kanlan

Rainy Day Building and Loan Association
389 Jackson Avenue
President, George J. Wolf
Secretary, Armand R. Toussaint

Save More Building and Loan Association
29 Journal Square
President, Murray R. Siegel
Secretary, H. J. Glick

Stuyvesant Building and Loan Association
873 Bergen Avenue
Secretary, Frank Pratt

Union Building and Loan Association
746 Grand Street
President, Andrew B. Scott
Secretary. Charles E. Asten

NEW JERSEY

JERSEY CITY

Veterans' Building and Loan Association
700 Bergen Avenue
President, D. E. C. Somers
Secretary, Joseph Chappell

Washington Building and Loan Association
279 Grove Street
Secretary, William H. Clossey

West Bergen Building and Loan Association
491 West Side Avenue
President, Richard Entwistle
Secretary, Walter A. H. Edgar

Western Slope Building and Loan Association
3489 Boulevard Avenue
President, Fred Klein
Secretary, C. H. Mitchell

Westside Building and Loan Association
534 Westside Avenue
Secretary, Francis Gormley

Woodlawn Building and Loan Association
67 Stegman Street
President, William Dingwall
Secretary, Adolph Moller

KENILWORTH

Kenilworth Building and Loan Association
Boulevard
President, John Hiller, Jr.
Secretary, Hugo Nitsohke

LANDING

Lake Hopatcong Building and Loan Association
Landing New Jersey
Secretary, J. C. Healion
Treasurer, Oscar Benson

LAWRENCEVILLE

Garden Building and Loan Association
Phillips Avenue
President, James E. Hullfish
Vice President, Martin E. Carroll, Sr.

LEONIA

Leonia Building and Loan Association
310 Broad Avenue
President, Edward Stagg
Secretary, George W. Findley

LINDEN

Fidelity Building and Loan Association of Linden, New Jersey
19-21 East Elizabeth Avenue
President, H. B. Hardenburg
Secretary, Frank R. Anderson

Stonewall Building and Loan Association
7 North Avenue
President, Leon A. Watson
Secretary, G. H. Julian

LITTLE FALLS

Little Falls Building and Loan Association
Little Falls National Bank Building
President, Joseph P. Cuffe
Secretary, A. M. Sietsema

LITTLE FERRY

Little Ferry Building and Loan Association
100 Washington Avenue
Secretary, Charles Schulz
President, Elmore N. Mehrhof

Volunteer Building and Loan Association
187 Main Street
President, W. M. Dare
Secretary, Edward C. Kinchley

LYNDHURST

Lyndhurst Building and Loan Association
216 Stuyvesant Avenue
President, Charles E. Garland
Secretary, John F. Woods

Dauntless Building and Loan Association
300 Stuyvesant Avenue
President, Frank A. Schneider, Sr.
Secretary, Emil Sorensen

NEW JERSEY

LODI
Mutual Building and Loan Association of Lodi, New Jersey
9 Washington Street
President, D. A. Himadi
Secretary, William E. Reardon

LONG BEACH
Ohio Avenue Building and Loan Association
211 Broadway
President, Samuel Rothstein
Secretary, George Jacobson

MADISON
James Building and Loan Association
28 Waverly Place
President, C. B. Morris
Secretary, R. H. Parker

MAHWAH
Mahwah Building and Loan Association
Box 285
Secretary, David Hopper

MAPLEWOOD
Crestview Building and Loan Association
1634 Springfield Avenue
President, Arthur L. Stephans
Secretary, Harry W. Brands

MARGATE CITY
Harbor Building and Loan Association
Granville and Atlantic Avenue
President, Louis G. McCorkle
Secretary, Stanley W. Ball

MATAWAN
Matawan Building and Loan Association
Broad Street and Park Avenue
President, William L. Van Brunt
Secretary, William G. Bedle

MAYS LANDING
Mays Landing Building and Loan Association
18 East Main Street
President, Ira T. B. Smith
Secretary, Melvin M. Ripley

MERCHANTVILLE
Pensauken Building and Loan Association of Camden, New Jersey
3368 Hollywood Circle
President, E. A. Wakefield
Secretary, Wm. H. Magee, Jr.
Greater Municipality Building and Loan Association
1 Lexington Avenue
President, Frederick L. Holman
Secretary, Charles S. Ball

MIDDLESEX BOROUGH
Middlesex Borough Building and Loan Association
President, William G. Betsch
Secretary, L. V. Poulson

MIDLAND PARK
Franklin Building and Loan Association
227 Godwin Avenue
President, Henry Sluyter
Secretary, Henry Gunther

MILLTOWN
Milltown Building and Loan Association
1 East Church Street
Secretary, William R. Evans

MINOTOLA
Minotola-Landisville Building and Loan Association
President, Ira P. Sharp
Secretary, Ralph B. Norton

MONTCLAIR
Clairidge Building and Loan Association
16 Midland Avenue
President, David Kornfield
Secretary, Joseph E. Mintz

NEW JERSEY

MONTVALE
Montvale Building and Loan Association
Magnolia Avenue
President, Leroy Lewis
Secretary, Walter Wellman

MOORESTOWN
Boosters Building and Loan Association
Moorestown Trust Company Building
President, George C. Baker
Secretary, Jonathan W. Powell
Workingmen's Co-operative Loan Association
Burlington County Trust Company Building
Secretary, H. Fred Robinson
Treasurer, Earl C. Kuhns

MORRISTOWN
Morristown Building and Loan Association
24 South Street
President, Eugene S. Burk
Secretary, Lewis D. Kay

MOUNTAIN LAKE
Mountain Lakes Building and Loan Association
President, Cornelius Ironmonger
Secretary, Harry Hartwell

NEWARK
Ace Building and Loan Association
30 Branford Place
President, Harry M. Friend
Secretary, Charles G. Deno
Acme Building and Loan Association
470-18th Street
President, Dohn Dittes
Secretary, Henry Wagner
Action Building and Loan Association
514 Clinton Avenue
President, M. M. Feder
Secretary, Samuel E. Sofman
Active Building and Loan Association
130 Market Street
President, Michael Hollander
Secretary, Samuel S. Dillenberg
Admiral Sampson Building and Loan Association
10 Charlton Street
President, Geoffrey Simon
Counsel, Grosman and Grosman
Aladdin Building and Loan Association
3 Belmont Avenue
President, Jacob S. Berkowitz
Secretary, U. Samuel Abeles
American Building and Loan Association
535 High Street
President, Samuel Litwin
Secretary, M. George Greenberg
Anchor Building and Loan Association of Newark, N. J.
33 Littleton Avenue
Treasurer, Frederic H. Rauh
Secretary, Pearce T. Prisk
Annexed District Building and Loan Association of the City of Newark
29 Elizabeth Avenue
President, Edwin A. Kirch
Secretary, John A. Linnett
Astor Building and Loan Association
268 Mulberry Street
President, M. A. Jackson
Counsel, H. Edward Wolf
Atlantic Building and Loan Association
15 Market Street
President, John W. McAuliffe
Secretary, John H. Kearney
Avon Building and Loan Association
128 Market Street
President, Philip Lindeman
Secretary, Samuel Dillenberg
Barringer Building and Loan Association
167 Bloomfield Avenue
President, Jerome T. Congleton
Secretary, S. C. Shaller

NEW JERSEY

NEWARK

Beaver Building and Loan Association
31 Clinton Street, Room 503
Secretary, John F. O'Brien
Attorney, Carl F. Hinrichsen

Betsy Ross Building and Loan Association
783 Broad Street
President, Eloise F. Gehin
Secretary, Louise W. Woerner

Big Brother Building and Loan Association
255 Springfield Avenue
President, Adolph Klein
Secretary, Harry Berlin

Branford Building and Loan Association
9 Beaver Street
President, Morris Metsky
Treasurer, Neil J. McManus

Broad and Market Building and Loan Association
371 South Orange Avenue
President, James F. Connorton
Secretary, William Mattes, Jr.

Brookdale Building and Loan Association
990 South Orange Avenue
President, Charles G. Hahn
Secretary, H. S. Hefele

Buildahome Building and Loan Association
17 Academy Street
President, John F. Sherman
Secretary, Henry Dolch

Buildmore Building and Loan Association
18 Bathgate Place
President, Wm. P. Macksey
Secretary, Ernest M. Tapner

Casino Building and Loan Association
180 Williams Street
Secretary, V. A. Harter

Champion Building and Loan Association
7-16 Sixteenth Avenue
President, Alfred Peter
Vice President, Herman Schwartz

Channel Building and Loan Association
39 Branford Place
President, J. A. Casiella
Secretary, J. C. Abramson

Charter Oak Building and Loan Association
514 Clinton Avenue
President, Leo A. Abrahams
Secretary, Samuel E. Sofman

City Building and Loan Association
65 Cedar Avenue
President, Herman Schlininger
Secretary, John Zipfel

City Hall Building and Loan Association
535 High Street
President, Frederick J. Fischer
Secretary, Nathan Perselay

Clinton Place Building and Loan Association
Hawthorne Avenue, Corner Clinton Place
President, Frank W. A. Hain
Secretary, G. H. Yonkers

Commerce Building and Loan Association
535 High Street
President, John J. Baader
Secretary, Nathan Perselay

Commercial Building and Loan Association
1101 Broad Street
President, Alfred Popik
Secretary, Henry Kranzle

Commonwealth Building and Loan Association
14 Ferry Street
President, John Wiesemann
Secretary, William B. Heller

Compact Building and Loan Association
75 Roseville Avenue
President, Alexander Stone
Secretary, Joseph Lieb

Concordia Building and Loan Association
17 Academy Street
President, Arthur C. Hensler
Treasurer, William A. Faatz

NEW JERSEY

NEWARK

Congress Building and Loan Association
29 Elizabeth Avenue
President, A. Wilberforce Egner
Secretary, William C. Treiber

Conservative Building and Loan Association
550 Central Avenue
President, Philip F. Donnelly
Secretary, Chas. H. Burgesser

Copartners Building and Loan Association
29 Elizabeth Avenue
President, Max Loewenstein
Secretary, Robert Caruba

Delta Building and Loan Association
30 Branford Place
President, Adolf Kleinwaks
Secretary, Harry Wertheim

Dependable Building and Loan Association
10 Charlton Street
Counsel, David Bernheim
Secretary, Gottlieb Jacobs

Divident Hill Building and Loan Association
1080 Bergen Street
President, George D. White
Secretary, Arthur Dorsch

Druggists Building and Loan Association
188 Williams Street
Secretary, A. Levin

East End Building and Loan Association
14 Perry Street
President, Jacob Gerber
Secretary, William B. Heller

Economy Building and Loan Association
514 Clinton Avenue
President, E. I. Sakowitz
Secretary, Samuel E. Sofman

Efficient Building and Loan Association
3 Belmont Avenue
Counsel, William L. Greenbaum
Secretary, Samuel I. Bendet

Eight Ward Building and Loan Association
24 Commerce Street
President, Charles M. Henry
Secretary, Seymour Tucker

Eleventh Ward Building and Loan Association
487 Orange Street
President, Benjamin F. Hurd
Secretary, Arthur F. Smethurst

Empire Building and Loan Association
128 Market Street
President, David Hirshberg
Secretary, Samuel S. Dillenberg

Employees Building and Loan Association
20 Belmont Avenue
President, Walter E. Hunt
Secretary, William J. Axt

Enterprise Building and Loan Association
14 Ferry Street
President, Edwin Starnkopf
Secretary, William B. Heller

Equity Building and Loan Association
9 Beaver Street
Secretary, Harry Engel

Eveready Building and Loan Association
39 Branford Place
President, Arthur Bachrach
Secretary, Herbert Z. Steiner

Excellent Building and Loan Association
20 Belmont Avenue
President, Nathan Pallant
Secretary, Albert A. Adler

Excelsior Building and Loan Association of the City of Newark
160 Richelieu Terrace
President, Louis Rose
Secretary, George C. Meister

Famous Building and Loan Association
43 Jones Street
President, Louis Susskind
Secretary, Raymond Spreen

NEW JERSEY

NEWARK

Fairmount Building and Loan Association
371 South Orange Avenue
Secretary, William C. Trerber
Treasurer, Fred J. Ullrich

Federal Building and Loan Association
371 South Orange Avenue
President, John J. Baader
Secretary, Marcus A. Fox

Fifteenth Ward Building and Loan Association
392 Broad Street
President, J. Edward Leslie
Secretary, Robert B. Mapletoft

Finance Building and Loan Association
22 Belmont Avenue
President, Max Lewitt
Secretary, Nathaniel Sofman

Founders Building and Loan Association
27 Elizabeth Avenue
President, M. A. Stavitsky
Secretary, Rudolph A. Glickman

Freeholders Building and Loan Association
43 Jones Street
President, Heyman Moskow
Secretary, Arthur H. Schlosser

Fulton Building and Loan Association
307 Union Building
President, T. A. Hubert
Secretary, Charles E. Waters

Gem Building and Loan Association
502 High Street
Secretary, L. F. Gardiner, Jr.

Gibralter Building and Loan Association
18th Avenue and 10th Street
President, Wm. Wepner
Secretary, Frank P. Litter

Golden Rule Building and Loan Association
29 Elizabeth Avenue
Secretary, Moe Rubinfield
Treasurer, Chas. G. Linnenkohl

Grand Building and Loan Association
128 Market Street
President, Samuel Litwin
Secretary, Samuel S. Dillenberg

Granite Building and Loan Association
351 South 9th Street
Secretary, William Billington

Great American Building and Loan Association
1101 Broad Street
President, William Fiverson
Secretary, Max Schwartz

Guarantee Building and Loan Association
884 Broad Street
President, I. J. Rachlin
Secretary, C. R. McKim

Hahne Building and Loan Association
17 Academy Street
President, Wm. H. Haggerty
Secretary, Harold F. Schumacher

Half-Term Building and Loan Association
29 Elizabeth Avenue
President, Adolph Augenblick
Secretary, Arthur M. Pfeil

Hamilton Building and Loan Association
535 High Street
President, Emil Baer
Secretary, Nathan Perselay

Harvester Building and Loan Association
535 High Street
President, Julius F. Kaufherr
Secretary, Nathan Perselay

Hawkeye Building and Loan Association
39 Branford Place
President, I. B. Glucksman
Secretary, Leopold Isserman

Hearthstone Building and Loan Association
79 Halsey Street
Treasurer, H. J. Strahan
Secretary, W. H. Elliott

NEW JERSEY

NEWARK

Hercules Building and Loan Association
29 Elizabeth Avenue
Secretary, J. A. Van Horn
Treasurer, Wesley L. Jee

Home Seekers Building and Loan Association
485 -18th Avenue
Treasurer, Fred J. Ullrich
Secretary, Frank P. Litter

Hub Building and Loan Association
128 Market Street
President, Bernard Lewis
Secretary, Samuel S. Dillenberg

Humboldt Building and Loan Association
133 Bloomfield Avenue
President, Emil G. Meyer
Secretary, Louis D. Stratton

Imperial Building and Loan Association
128 Market Street
President, Joseph Schaedel
Secretary, Samuel Dillenberg

Improved-Aetna Building and Loan Association
231 South Orange Street
President, John J. Baader
Secretary, E. G. Bickenhauer

I. N. L. Building and Loan Association
14 Belmont Avenue
President, Louis Schutzman
Secretary, Sydney Seidle

Independence Building and Loan Association
255 Springfield Avenue
President, Dr. Max Fleischman
Secretary, U. Samuel Abeles

Intercity Building and Loan Association
43 Jones Street
President, Louis Susskind
Secretary, Barney W. Plager

Interstate Building and Loan Association
776 Broad Street
President, David Harper
Secretary, Raymond Spreen

Ivy Building and Loan Association
1101 Broad Street
President, Maurice M. Feder
Secretary, Max Schwartz

Jersey No. 38 O. B. A. Building and Loan Association
120 South Orange Avenue
President, Adolph Anker
Secretary, Samuel Weiss

Jersey Warshawer Building and Loan Association
514 Clinton Avenue
President, Alexander Arlowitz
Secretary, Samuel E. Sofman

J. and M. Building and Loan Association
42 Lincoln Street
President, Conrad Deuchler
Secretary, Albert C. Gibbins

John Marschall Building and Loan Association
22 Belmont Avenue
President, Samuel Fischbeir
Secretary, Frank P. Litten

Junior Order Building and Loan Association
18 Beaver Street
President, Charles W. Beardsley
Secretary, Joel Sundstrom

Knights of Pythias Building and Loan Association
130 Market Street
President, Edward Anderson
Secretary, Samuel S. Dillenberg

Labor Lyceum Building and Loan Association
704 South 14th Street
Treasurer, William Kiehm
Secretary, Henry E. Vygen

Lafayette Building and Loan Association
535 High Street
President, Nathan Myers
Secretary, Nathan Perselay

Lawyers and Home Makers Building and Loan Association
30 Branford Place
President, Louis Herman
Secretary, Herbert Z. Steiner

NEW JERSEY

NEWARK

Lenape Building and Loan Association
56 Court Street
President, Elmer A. Day
Secretary, Samuel E. Sofman

Leviathan Building and Loan Association
30 Branford Place
President, Samuel Schechner
Secretary, Homer J. Van Duyne

Liberty Square Building and Loan Association
469 Central Avenue
President, Ernest Wille
Secretary, Rudolph A. Flickman

Lion Building and Loan Association
16 Belmont Avenue
Secretary, Clarence W. Glover

Locarna Building and Loan Association
670 Bergen Street
Secretary, William Margulies
Counsel, David H. Yonteff

L. Y. M. A. Building and Loan Association
677 Bergen Street
President, Edward Feigengaum
Secretary, Samuel A. Horrowitz

Manhattan Building and Loan Association
30 Branford Place
President, George H. Weademan
Secretary, Herbert Z. Steiner

Manufacturer's Building and Loan Association
750 Broad Street
President, R. J. Goerke
Secretary, Harold O. Merz

Masonic Building and Loan Association
160 Clinton Avenue
President, Thomas B. Cryer
Secretary, Roland W. Hopper

Master Building and Loan Association
392 Broad Street
President, Joseph W. Chandler
Secretary, Gondolfo Rizzo

Mercantile Building and Loan Association
46 West Market Street
President, Arthur B. Tench
Secretary, Elmer E. Thornton

Mercer Building and Loan Association of Newark
7-16th Avenue
President, Fred Sezgus
Secretary, Fred Westphal

Model Building and Loan Association
14 Ferry Street
President, Dr. James H. Lowrey
Counsel, Henry L. Grosken

Modern
17 Academy Street
President, Edward Hoffman
Secretary, Louis R. Lange

Mohawk Building and Loan Association
535 High Street
Secretary, Nathan Perselay

Montefiore Building and Loan Association
128 Market Street
President, Charles Loebel
Secretary, Samuel Dillenberg

Mosque Building and Loan Association
1020 Broad Street
President, Joseph D. Lowden
Secretary, Ernest M. Tapner

Mountain Ridge Building and Loan Association
128 Market Street
President, Arthur Phillips
Secretary, Samuel S. Dillenberg

Mount Prospect Building and Loan Association
30 Branford Place
President, Edward Cohn
Secretary, Samuel S. Dillenberg

Municipal Building and Loan Association
392 Broad Street
President, Emil Vollweiler
Secretary, L. F. Gardiner, Jr.

NEW JERSEY

NEWARK

Mutual Land and Home Building and Loan Association
502 High Street
President, George Allendorf
Secretary, L. F. Gardiner, Jr.

Mutual Protective Building and Loan Association
4 North 9th Street
President, Fred W. Tidey
Secretary, Samuel F. Bentley

National Turners Building and Loan Association
211-219 Bruce Street
President, Otto Abrecht
Secretary, Frank G. Weber

Nelson Building and Loan Association
75 Roseville Avenue
President, John E. Joyce
Secretary, A. Leitheuser

Newark Building and Loan Association
19 Clinton Street
President, Carl J. Duveneck
Secretary, Raymon Spreen

Newark Mutual Benefit Building and Loan Association
29 Elizabeth Avenue
President, J. Frank Kitchell
Secretary, Charles E. Waters

Newark Twenty-One Building and Loan Association
Elks' Club—1048 Broad Street
President, George A. Guenther
Treasurer, Morland B. Soria

New Home Building and Loan Association
455 Orange Street
President, Henry Guenther
Secretary, Otto Wilhelm

New Order Building and Loan Association
9 Beaver Street
Secretary, A. Levin

Ninth Ward Building and Loan Association of Newark, New Jersey
29 Astor Street
President, David A. McIntyre
Secretary, August Roemmele

Norfolk Building and Loan Association
16-18 Belmont Avenue
President, Frederick J. Locker
Secretary, Benedict A. Harter

North Newark Building and Loan Association
46 West Market Street
President, Louis A. Reilly
Secretary, Elmer E. Thornton

Novel Building and Loan Association
470 Eighteenth Avenue
President, Frank S. Cobb
Secretary, G. S. Yonkers

Oliver Building and Loan Association
319 East Kinney Street
President, James F. Caffrey
Secretary, E. M. Bertolino

Onyx Building and Loan Association
52 Belmont Avenue
President, Jacob M. Holstein
Secretary, Louis V. Walsky

Orion Building and Loan Association
371 South Orange Avenue
President, Franklin Hannoch
Secretary, William Mattes, Jr.

Oxford Building and Loan Association
128 Market Street
President, Herman Steiner
Secretary, Samuel S. Dillenberg

Paramount Building and Loan Association
30 Branford Place
President, Max Marx
Secretary, G. H. Yonkers

Parker Building and Loan Association
30 Branford Place
President, Edward Kohn
Secretary, Albert A. Adler

Park Building and Loan Association
631 Springfield Avenue
Secretary, Henry P. Schanz

NEW JERSEY

NEWARK

Parkview Building and Loan Association
266 Lyons Avenue
President, Jeremiah Baldwin
Secretary, John C. Behnke

Passaic of Newark, New Jersey
18th Avenue and South 10th Street
President, Henry Loeffler
Secretary, L. G. Holzwarth

Patriotic Building and Loan Association
17 Academy Street
President, Monroe D. Hess
Secretary, Harry Wertheim

Peerless Building and Loan Association
43 Jones Street
President, Louis Susskind
Secretary, Raymon Spreen

Phoenix Building and Loan Association
19 Clinton Street
President, Charles Spengler
Secretary, Raymon Spreen

Pilgrim Building and Loan Association
371 South Orange Avenue
President, George A. Rochm
Secretary, Wm. Mattes, Jr.

Police Building and Loan Association
22 Franklin Street
President, John J. Baader
Secretary, Samuel B. Finkelstein

Polish-American Building and Loan Association
30 South Orange Avenue
President, Stanislaus Bulsiewicz
Secretary, Stanislaus Lewandowski

Pompei Building and Loan Association
18 Downing Street
President, Louis Leonardis
Secretary, Joseph Marano

Post Office Building and Loan Association
17 Academy Street
President, T. Enderlin
Secretary, Harold O. Merz

Power Building and Loan Association
54 Jones Street
President, Barnard Perl
Secretary, Rudolph A. Glickman

Precise Building and Loan Association
43 Jones Street
President, Samuel Friedlander
Secretary, Arthur Schlosser

Premier Building and Loan Association
514 Clinton Avenue
President, Samuel C. Weber
Secretary, Samuel E. Sofman

Pride of Newark Building and Loan Association
255 Springfield Avenue
President, J. Wm. Huegel
Secretary, Raymon Spreen

Producers Building and Loan Association
188 William Street
President, Samuel Rich
Secretary, Barney W. Plager

Progress Building and Loan Association
128 Market Street
President, Philip Lindeman
Secretary, Samuel Dillenberg

Progressive Merchants of Springfield Avenue
16 Belmont Avenue
Secretary, Arthur E. Blumenschine
Counselor, Emanuel D. Lasher

Prosperity Building and Loan Association of the City of Newark
550 Central Avenue
President, John K. Scott
Secretary, H. W. Coleman

Prudent
14 Belmont Avenue
President, Samuel C. Schwartz
Secretary, V. C. Robins

Prudential Building and Loan Association
505 Orange Street
Vice President, Charles B. Dutche
Treasurer, Frederick Bowden

NEW JERSEY

NEWARK

Public Building and Loan Association
183 Garside Street
President, John S. Sheldon
Secretary, M. Karkella

Record Building and Loan Association
670 Bergen Street
Secretary, M. George Greenberg
Counsel, David H. Yonteff

Reliance Building and Loan Association
128 Market Street
President, Arthur Lindeman
Secretary, Samuel Dillenberg

Renowned Building and Loan Association
17 Academy Street
President, David S. Levin
Secretary, G. H. Yonkers

Revenue Building and Loan Association
10 Charlton Street
Counsel, Harry A. Scher
Secretary, Gottlieb Jacobs

Rex Building and Loan Association
514 Clinton Street
President, Stanley A. Miller
Secretary, Henry A. Berzon

Roseville Building and Loan Association
75 Roseville Avenue
President, P. T. Wood
Secretary, A. Leslie Baldwin

Resource Building and Loan Association
49 Clinton Street
Counsel, Samuel H. Gooen
Secretary, J. J. Gaffney

Savings, Building and Loan Association
255 Springfield Avenue
President, William J. Brohm
Secretary, Henry P. Schaeffer

Second Ward Building and Loan Association
39 Branford Place
President, Theodore Vogeler
Secretary, Philip Gilbert

Security Building and Loan Association
14 Ferry Street
President, Jacob L. Goepferich
Secretary, William B. Heller

Select Building and Loan Association
No. 3 Belmont Avenue
President, Phineas L. Wigler
Secretary, Abraham Meisel

Seminole Building and Loan Association
502 High Street
President, Israel Lesser
Secretary, Fred Maybaum

Service Building and Loan Association
14 Belmont Avenue
President, Samuel H. Levy
Secretary, Frank P. Litter

Seymour Building and Loan Association
514 Clinton Avenue
President, Barney Mendelsohn
Secretary, Samuel E. Sofman

Simplex Building and Loan Association
17 Academy Street
President, I. Lester Selvage
Secretary, Henry N. Woodward

Sixth Ward Building and Loan Association of the City of Newark
348 South Orange Avenue
President, William Donnelly
Secretary, H. M. Coleman

Sixteenth Ward Building and Loan Association
518 Clinton Avenue
President, Julius Koch
Treasurer, Frank B. Helle

Solid Building and Loan Association
10 Charlton Street
President, Herman A. Harris
Secretary, Gottlieb Jacobs

South Broad Building and Loan Association
17 Williams Street
President, William Ball
Secretary, Henry P. Schanz

NEW JERSEY

NEWARK

South Park Building and Loan Association
29 Elizabeth Avenue
Secretary, Wm. Trieber

Square Deal Building and Loan Association
471 Clinton Avenue
President, Simon Heyman
Secretary, Isidor Grand

Stalwart Building and Loan Association
14 Belmont Avenue
President, Paul Handler
Vice President, Herman Steiner

Standard Building and Loan Association
471 Clinton Avenue
President, Abraham Metzger
Secretary, Isidor Grand

Star Building and Loan Association
22 Belmont Avenue
President, Barney Levy
Treasurer, Louis Nurkin

Susan B. Anthony Building and Loan Association
39 Branford Place
President, Emelia Rehberger
Secretary, Emma W. Johnson

Systematic Building and Loan Association
535 High Street
President, A. Beller
Secretary, Nathan Perselay

Teachers Building and Loan Association
253 Broadway
President, H. S. Ward
Secretary, J. Walden

Textile Building and Loan Association
130 Market Street
President, Morton Schiff
Secretary, Samuel S. Dillenberg

Thomas Jefferson Building and Loan Association
514 Clinton Avenue
President, William Schiffenhaus
Secretary, Samuel E. Sofman

Times Building and Loan Association
128 Market Street
President, Mayer Krasner
Secretary, Samuel S. Dillenberg

Traffic Building and Loan Association
Springfield Avenue and 10th Street
President, Anton Kaufman
Secretary, W. B. Griffin

Triangle Building and Loan Association
677 Bergen Street
President, Michael I. Sientz
Secretary, Samuel A. Horrowitz

Trojan Building and Loan Association
10 Charlton Street
President, Louis Flink
Secretary, Louis Hecht

True Friends Building and Loan Association
14 Belmont Avenue
President, Aaron Goldenberg
Secretary, Moe Rubinfield

Twelfth Ward Building and Loan Association
533 Ferry Street
President, Otto J. Karst
Secretary, William B. Heller

Unity Building and Loan Association
990 South Orange Avenue
President, Walter C. Jacobs
Secretary, Louis Boehm

United Building and Loan Association
471 Clinton Avenue
President, Arthur Muehlfelder
Secretary, G. H. Yonkers

Universal Building and Loan Association
27 Elizabeth Avenue
President, Alfred Fischman
Secretary, Gustave Kirsch

Upper End Building and Loan Association
459 Eighteenth Avenue
President, Fred W. J. Neese
Secretary, Richard F. L. Muth

NEW JERSEY

NEWARK

Uptown Building and Loan Association
19 Clinton Street
President, Charles Schaedel
Secretary, Raymon Spreen

Usbe Building and Loan Association
20 Belmont Avenue
President, Frank J. Holder
Secretary, John Zipfel, Jr.

Utility Building and Loan Association
14 Belmont Avenue
President, Jacob S. Lasky
Vice President, Irving Livingston

Vailsburgh Building and Loan Association
1003 South Orange Avenue
President, Stephen H. Billington
Secretary, Otto L. Puth

Valuable Building and Loan Association
15 Market Street
President, Arthur Muehlfelder
Secretary, G. H. Yonkers

Van Buren Building and Loan Association
29 Elizabeth Avenue
President, Elmer D. Wilson
Secretary, Samuel Weiss

Victory Building and Loan Association
130 Market Street
Secretary, Samuel S. Dillenberg

Vulcan Building and Loan Association
39 Branford Place
President, W. K. Wilson, Jr.
Secretary, Herbert Z. Steiner

Wallace Building and Loan Association
22 Belmont Avenue
President, Henry Heller
Secretary, Arthur M. Pfeil

Warranty Building and Loan Association
15 Market Street
President, P. Pellecchia
Secretary, A. B. Leslie

Warren Building and Loan Association
South 10th Street and Springfield Avenue
President, Mac Pinnas
Secretary, Louis P. Alter

West End Building and Loan Association
866 Broad Street
President, Henry Fisher
Secretary, Henry T. Meyer

White Way Building and Loan Association
17 Academy Street
President, Charles E. Coffin
Secretary, Charles L. Wood

Woodmen Building and Loan Association
392 Broad Street
President, Frank Champlin
Secretary, Raymon Spreen

Workingmen's Building and Loan Association
253 Springfield Avenue
Secretary, H. R. James

World Building and Loan Association
517 Springfield Avenue
President, Harry Lerman
Secretary, Alex. J. Frackenpohl

Workers Building and Loan Association
20 Belmont Avenue
President, Joseph J. Perlstein
Secretary, Julius E. Flink

NEETLET

Spring Garden Building and Loan Association
Chestnut Street and Vincent Place
President, Ernest I. Bickell
Secretary, Idrianna Van Riper

NEW BRUNSWICK

County Seat Building and Loan Association
120 Church Street
President, Dr. Julius Kahn
Secretary, Charles W. Miller

NEW JERSEY

NEW BRUNSWICK

Helpful Building and Loan Association
120 Church
Secretary, Frederick Yahnel
Treasurer, Charles W. Miller

Highland Park Building and Loan Association
Citizens Bank Building
President, Alex Merchant
Secretary, J. W. Zimmermann

Middlesex County Building and Loan Association
120 Church Street
President, John J. Morrison
Secretary, George W. Miller

Property Owner's Building and Loan Association
46 Paterson Street
President, Commissioner Frank A. Connolly
Secretary, Arnold B. Rosenthal

Welfare Building and Loan Association
41 Paterson Street
President, Abraham Jelin
Secretary, Harry S. Feller

West New Brunswick Building and Loan Association
5 Elm Row
Secretary, J. G. Baier
Treasursr, Roy Latham

Young Men's Building and Loan Association
Room 307, Citizens National Bank Building
President, John H. Cuber
Secretary, Louis A. Meseral

NEWFIELD

Newfield Building and Loan Association
President, W. C. Davis
Secretary, K. C. Lane

NEWTON

Newton Building and Loan Association
33 Liberty Street
President, Levi H. Morris
Secretary, Floyd W. Harding

NORTH ARLINGTON

Valley Building and Loan Association
46 Ridge Road
President, George A. Senior
Secretary, Charles F. Delcot

NORTH BERGEN

Woodcliff-On-Hudson Building and Loan Association
North Bergen, New Jersey
President, Harry J. H. Ruhle
Secretary, Albert W. Ferens

OAKLYN

Oaklyn Building and Loan Association
Newton Avenue and Greenwood
President, Emil C. Hessert
Secretary, Nathan S. Batten

OCEAN CITY

Ocean City Building and Loan Association
813 Central Avenue
President, George O. Adams
Secretary, H. W. Townsend

ORADELL

Bergen County Building and Loan Association
379 Kinderkamack Road
President, Horton A. Chapin
Secretary, William F. Wray

ORANGE

Brighton Building and Loan Association
327 Main Street
President, Frederick Maier
Secretary, R. J. Fitzgerald

Nonpareil Building and Loan Association
14 North Day Street
President, Mark Morris
Secretary, U. Samuel Abeles

NEW JERSEY

ORANGE

Orange Building and Loan Association
235 Main Street
Vice President, Walter F. Edwards
Secretary, O. L. Yeomans

Vigilant Building and Loan Association
301 Main Street
President, Louis Cohn
Secretary, U. Samuel Abeles

Watchung Building and Loan Association
319 Main Street
Secretary, A. A. Kurtz
Attorney, A. M. Herman

PALISADE

Interborough Building and Loan Association of Palisade, New Jersey
803 Abbott Boulevard
Treasurer, Elizabeth Boyes
Secretary, F. H. St. John

PALISADES PARK

Broad Avenue Building and Loan Association
Broad Avenue and Central Boulevard
President, Frank R. Wheeler
Secretary, Jules J. Cheron

Morsemere Building and Loan Association
Broad Avenue
President, Thos. J. Monoghan
Secretary, Fred Kern

PALMYRA

Twin Cities Building and Loan Association
715 Washington Avenue
President, Earl S. Williams
Secretary, Howard B. Conover

PARK RIDGE

Eureka Building and Loan Association
President, A. H. Barkenling
Secretary, Fred C. Dick

PASSAIC

Acquackanonk Building and Loan Association
38 Broadway
President, Louis Drukker
Secretary, Milton N. Woolley

Endurance Building and Loan Association
657 Main Avenue
President, Samuel Slaff
Secretary, Herman Moskowitz

Fourth Ward Building and Loan Association
683 Main Avenue
President, James J. Ryan
Secretary, Carl Hilbert

Greater Passaic Building and Loan Association
625 Main Avenue
President, Maurice Wasserlauf
Secretary, Philip Wilensky

Lexington Building and Loan Association
33 Broadway
President, Anthony Martin
Secretary, Frank G. Utter

Mutual Building and Loan Association
670 Main Avenue
Secretary, Paul Zimmerman
Treasurer, W. E. King

North Passaic Building and Loan Association
917 Main Avenue
President, Garret Greene
Secretary, Elsie D. Winsel

Passaic Building and Loan Association
% Lincoln National Bank
President, John Schmidt
Secretary, Henry F. Remig

Peoples Building and Loan Association
169 Prospect Street
President, Frederick J. Hardifer
Secretary, George A. Clough

Pride of Jersey Building and Loan Association
President, Dr. Samuel Hirsch
Secretary, Joseph Rosenberg

NEW JERSEY

PASSAIC

Russky Building and Loan Association
19 Monroe Street
President, John Miklus
Secretary, Michael Kudlo

Union Loan and Building Association
34 Broadway
President, George Saldous
Secretary, Samuel Vander Heide

PATERSON

American Building and Loan Association
155 Ellison Street
Secretary, George W. Renkel

Baltic Building and Loan Association
119 Martin Street
Secretary, Frank Strezeski
Treasurer, Joseph Appel

Benefactor Building and Loan Association
66 Hamilton Street
President, John J. Feeney
Secretary, Joseph F. Britt

Carlisle Building and Loan Association
150 Ellison Street
President, Louis C. Stengel
Secretary, Frank J. Hanson

Colt Building and Loan Association
Fabian Building
President, E. R. Bainbridge
Secretary, Louis E. Schotz

Columbiad Building and Loan Association
128 Broadway
President, John H. Wilkinson
Secretary, John J. Hall

Cumulative Building and Loan Association
262 Main Street, Room 404
Secretary, Charles Evans
Attorney, Jacob L. Bernstein

Defender Building and Loan Association
152 Market Street
President, Harry J. Harris
Secretary, David MacGregor

Falls City Building and Loan Association
5 Colt Street, Room 501
President, Isador Simon
Secretary, Charles E. Malic

Financial Building and Loan Association
40 Church Street
President, Arthur Vandenbree
Secretary, J. D. Birchenough

Fortune Building and Loan Association
136 Washington Street
President, John Braun, Sr.
Counsel, Joseph T. Lieblich

Friendly Building and Loan Association
5 Colt Street
Treasurer, Wm. Joseph
Secretary, Jack Zingler

Homelovers Building and Loan Association
5 Colt Street
President, Henry Stam
Secretary, John H. Leddy

Italian American Building and Loan Association
20 Park Avenue
Secretary, Frank Aimone

Lakeview Building and Loan Association
1143 Main Street
President, Alexander H. Laird
Treasurer, Israel Rovner

Material Men's Building and Loan Association
521-20th Avenue
President, Edward M. Rodrock
Secretary, Lester A. Johnston

Naborhood Building and Loan Association
80 Market Street
President, Henry Polombo
Secretary, Nicholas Ronca

Northside Building and Loan Association
North Main and Arch Streets
President, Isaac Noonburg
Secretary, Ira Struck

NEW JERSEY

PATERSON

Passaic Valley Building and Loan Association
654 McBride Avenue
President, A. F. Graham
Secretary, Bertha Kammelhor

Paterson Building and Loan Association
63 Van Houten Street
President, Victor Delling
Secretary, William A. Merz

Peoples Loan and Building Association
537 Main Street
President, George Kesse
Secretary, William W. Duddleston

Peoples Park Building and Loan Association
2 Beckwith Avenue
President, James Crawford
Secretary, Geo. W. Fulton, Jr.

Provident Building and Loan Association
5 Colt Street
President, Daniel Van Winkle
Secretary, Olive A. Bush

Regent Building and Loan Association
152 Market Street, Room 222
President, George L. Walsh
Secretary, Wright Smith

Riverside Building and Loan Association
152 Market Street
President, Walter Baer
Secretary, Fanny Cohen

Riverview Building and Loan Association
405 Union Avenue
President, Krine Patmos
Secretary, Wm. R. Ahrens

Romaine Building and Loan Association of Paterson, N. J.
136 Washington Street
President, James V. Hemingway
Treasurer, A. V. Alexander

Silk City Building and Loan Association
126 Market Street
Secretary, Charles S. Silberman
Counsel, Abram I. Bluestein

Textile Home Building and Loan Association
182 Ellison Street
Secretary, William Schmidt
Treasurer, H. R. Ruit

Wagaraw Building and Loan Association
658 River Street
President, Nicholas Wielenga
Secretary, Frank A. Iannucci

PENNINGTON

Pennington Building and Loan Association
14 North Main Street
Treasurer, Raymond M. Woolsey
Secretary, Alvin C. Stover

PERTH AMBOY

Citizens Building and Loan Association
102 Smith Street
President, Ira R. Cruse
Secretary, Ralph C. Conard

Homesite Building and Loan Association
Perth Amboy National Bank Building
Secretary, Howard Hardiman
Solicitor, Jacob M. Klein

Modern Building and Loan Association
339 State Street
President, F. P. Woglom
Secretary, H. B. Afflerbach

PHILLIPSBURG

Warren County Building and Loan Association
President, Shipman Pursel
Secretary, Vida C. King

PITMAN

Pitman Building and Loan Association
Pitman National Bank and Trust Company Building
Vice President, G. W. Doughty
Secretary, I. W. Newkirk

NEW JERSEY

PLAINFIELD

Central Building and Loan Association
240 West Front Street
President, L. D. Loizeau
Secretary, L. D. Wenzel

Liberty Building and Loan Association
308 Union Building
President, Isidor Tornberg
Secretary, Herman Kramer

Plainfield Building and Loan Association
400 Park Avenue
President, Herman Schmed
Secretary, Charles W. Nagel

Queen City and Home Building and Loan Association
107 Park Avenue
President, Arthur C. Waddy
Secretary, Allen Coddington

Representative Building and Loan Association
602 Madison Avenue
President, James P. Duff
Secretary, Samuel Pinn

Union Building and Loan Association
141 Park Avenue
President, A. D. Edgar
Secretary, C. J. Ornes

PRINCETON

Nassau Building and Loan Association
90 Nassau Street
President, Henry G. Duffield
Secretary, Edward A. Frohling

PROSPECT PARK

Prospect Park Building and Loan Association
124 Haledon Avenue
President, Frank P. Stagg
Secretary, T. Bruinsma

RAHWAY

Rahway Building and Loan Association
22 West Milton Avenue
President, Cyrus W. Squier
Secretary, Freeland J. Gibbons

Reliance Cooperative Building and Loan Association
17 Lincoln Avenue
President, Thomas T. Borsch
Secretary, John W. Weiser

RED BANK

Red Bank Building and Loan Association
12 Broad Street
President, Edwin R. Conover
Secretary, Louis S. Conover

RIDGEFIELD PARK

Overpeck Building and Loan Association
65 Orchard Street
President, M. C. Phillips
Secretary, Henry A. Antonius

Park Building and Loan Association
Main and Mt. Vernon Streets
President, C. W. Mergler
Secretary, J. O. Appler

Peoples Mutual Building and Loan Association
16-76th Street
President, Cyril de Wyrall
Secretayr, Edwin Hallberg

RIDGEWOOD

Glen Rock Building and Loan Association
1 East Ridgewood Avenue
President, William L. Platt
Secretary, Edward M. Schmultz

Home Ownership Building and Loan Association

Ridgewood Building and Loan Association
27 North Broad Street
Secretary, Helen T. Dunbar

RIVEREDGE

Riveredge Building and Loan Associaion, Inc.
Secretayr, W. I. Sweet

NEW JERSEY

RIVERSIDE

Progressive Building and Loan Association
336 Fairview Avenue
President, Arthur J. Johnson
Secretary, Carl E. Thornbecke

RIVERTON

Cimianimson Building and Loan Association
President, Joseph L. Thomas
Secretary, Ferd P. Hemphill

Ridgewood Building and Loan Association
27 North Broad Street
Secretary, Helen T. Dunbar
Treasurer and Manager, S. Lisle Hollister

ROCHELLE PARK

Rural Building and Loan Association
Railroad and Rochelle Avenues
President, Henry Schnakenberg
Secretary, Wm. Brandenberg

ROCKAWAY

Denrock Building and Loan Association
40 West Main Street
President, Joseph H. Jackson
Vice President, Edwin J. Matthews

Rockaway Building and Loan Association
31 Wall Street
President, Harry R. Watson
Secretary, George E. Fisher

ROEBLING

Roebling Building and Loan Association
Corner Main and Fifth Avenue
President, Pleasant J. Goddard
Secretary, Wm. L. Wilson

ROSELLE PARK

Aldene Building and Loan Association
290 Seaton Avenue
President, Albert S. Geehr
Secretary, Armando G. Finizio

Roselle Park Building and Loan Association
420 Chestnut Street
President, Charles V. Drake
Secretary, Harwood Fish

RUTHERFORD

Rutherford Building and Loan Association
Park Avenue and Glen Road
Secretary, Frank Beasley

SCOTCH PLAINS

Franwood and Scotch Plains Building and Loan Association
First State Bank Building
Secretary, Paul L. Archbold
Treasurer, Edward R. Hatfield

SEA ISLE CITY

Tradesmens Building and Loan Association
President, Charles H. Clouting
Secretary, Irving Fitch

SOUTH AMBOY

Investors' and Owners' Building and Loan Association
Broadway
President, J. Arthur Applegate
Secretary, George A. Kress

SOUTH RIVER

Pulawski Building and Loan Association
40 Main Street
President, Vincent F. Kaczorowski
Secretary, Martin S. Duschock

Providers Building and Loan Association
Stephen Street
President, Robert F. Fountain
Secretary, Wilbur A. Bryan

South River Building and Loan Association
President, Asher W. Bissett
Secretary, John R. Petrie

NEW JERSEY

SPRINGFIELD

Baltusrol Building and Loan Association
277 Morris Avenue
President, Thomas H. Lyons
Secretary, Edward A. Conley

Battle Hill Building and Loan Association
Springfield, New Jersey
Treasurer, R. S. Bunnell
Secretary, Charles H. Huff

STELTON

Piscatawaytown Building and Loan Association
Attorney, Edmund A. Hayes
Secretary, W. R. Drake

SUMMIT

Summit Building and Loan Association
367 Springfield Avenue
President, J. Franklin Haas
Secretary, J. Sherman Byland

SUSSEX

Sussex Building and Loan Association
Main Street
President, C. A. Potter
Secretary, Jay S. Wilson

TEANECK

Teaneck Building and Loan Association
Teaneck National Bank Building
President, Charles Van Riper
Secretary, Clarence H. Thompson

TRENTON

Chambersburg Building and Loan Association
1084 South Broad Street
Treasurer, John A. Miller
Secretary, R. Harvey Hulse

Economia Building and Loan Association
1544 Princeton Avenue
President, Joseph P. Bulakiwski
Secretary, Henry S. Renk

Greenwood Building and Loan Association
1137 Hamilton Avenue
President, Robert B. Pidcock
Secretary, Fred W. Bradshaw

Mutual Building and Loan Association
15 Whittier Avenue
President, A. K. Leuckel
Secretary, Wm. B. Maddock

Old Borough Building and Loan Association
674 South Broadway
President, Milton Stevenson
Secretary, John H. Rengo

Prospect Building and Loan Association
Prospect National Bank Building
President, John S. Quimby
Secretary, Gilbert S. Pedrick

Realtors Building and Loan Association
15 West State Street
Treasurer, F. Raymond Pidcock
Secretary, R. Harvey Hulse

Roma Building and Loan Association
274 Hamilton Avenue
President, D. Samuel Sica
Secretary, Jose J. Felcone

St. George Building and Loan Association
14 North Warren Street
President, A. F. Wildblood
Secretary, W. C. Mattack, Jr.

Trent Building and Loan Association
217 East Hanover Street
Treasurer, H. S. Kline
Secretary, R. Harvey Hulse

United Building and Loan Association
114 North Montgomery Street
Presieent, C. Rochard Waller
Secretary, Robert H. Gulliver

White Horse Building and Loan Association
Locust Avenue, White Horse
President, Wm. C. Ehret
Secretary, Harry C. Errion

NEW JERSEY

TRENTON

Wilbur Building and Loan Association
39 North Clinton Avenue
President, Owen J. Prior
Secretary, Edward B. Fletcher

TUCKERTON

Mutual Benefit Building and Loan Association
President, W. I. Smith
Secretary, Joseph H. Brown

UNION CITY

Bergenline Building and Loan Association
654 Bergenline Avenue
Secretary, Knud Holmsem

Dispatch Building and Loan Association
147 Summit Avenue
President, Robert M. Souvay
Secretary, George Steckhut

Eldorado Building and Loan Association
540-4th Avenue
President, Samuel Atkins
Secretary, Henry Bender

Hamilton Building and Loan Association of North Hudson
710 Bergenline Avenue
President, Dr. Albert Kerr
Secretary, Philip Flageman

Palisade Building and Loan Association
349 New York Avenue
President, Gustav Dopslaff
Secretary, John E. Davis

Sentinel Building and Loan Association
988 Bergenline Avenue
President, James F. Roe
Secretary, Robert S. Renner

Town of Union Building and Loan Association
786 Bergenline Avenue
President, Fred. G. Loeffler
Secretary, Jacob Schuster, Jr.

Union Hill Building and Loan Association
413-36th Street
Secretary, R. Robert Grammert

Weehawken Building and Loan Association
708 Bergenline Avenue
President, E. Kuhlman
Secretary, John Koelln

West Shore Building and Loan Association
957 Bergenline Avenue
President, Ben B. Zimmermann
Secretary, Jacob Levine

VINELAND

Landis Building and Loan Association
12 North Sixth Street
President, Charles W. Ackley
Secretary, W. Howard Sharp

Mechanics Building and Loan Association
640 Landis Avenue
President, Walter C. Foulk
Secretary, Geo. W. Hitchner

WALDWICK

Waldwick Building and Loan Association
President, Harrison D. Mills
Secretary, Frank R. Doty

WALLINGTON

Wawel Building and Loan Association
150 Locust Avenue
President, John Olejarz
Secretary, Andrew Palach

WEEHAWKEN

Fidelity Building and Loan Association
650-656 Park Avenue
President, Arthur H. Strickland, Sr.
Secretary, Charles F. Koster

NEW JERSEY

WEST BERLIN
Italian Building and Loan Association
President, Salven Simone
Treasurer, Frank Freda

WEST CALDWELL
West Caldwell Building and Loan Association
Bloomfield and Francine Avdnue
President, Pheneas L. Wigler
Secretary, Abraham Meisel

WESTFIELD
Home Building and Loan Association
101 West Broad Street
President, Leigh M. Pearsall
Secretary, Charles P. Worth

Mutual Building and Loan Association
109 Central Avenue
President, George W. Frutchey
Secretary, Richard C. Doerrer

WEST NEW YORK
Bluestone Building and Loan Association
441-16th Street
President, Chas. Daume
Secretary, Gustav Boniface

Kismet Building and Loan Association
623 Bergenline Avenue
Presideut, Charles Jackonwitz
Secretary, William V. Quillin

WEST ORANGE
Edison Employees Building and Loan Association
Main Street and Lakeside Avenue
Secretary, A. P. Gehling

WEST PATERSON
Passaic Valley Building and Loan Association
654 McBride Avenue
President, Dr. A. F. Graham
Secretary, Bertha Kammelhor

WESTVILLE
Westville and Newbold Building and Loan Association
Secretary, C. B. Heritage

WESTWOOD
Invincible Building and Loan Association
President, Henry Hinck
Secretary, A. L. Sunkenberg

WHARTON
Wharton Building and Loan Association
Corner Main Street and Fren Avenue
President, Floyd Castner
Secretary, Wilbur L. Cregar

WHITEHOUSE
Whitehouse Building and Loan Association
President, Jacob H. Dilts
Secretary, Alvah P. Ramsey

WOODBRIDGE
Colonia Building and Loan Association
66 Main Street
Treasurer, Joseph M. McAndrews
Secretary, Bancroft Livingston

WOODLYNNE
Woodlynne Building and Loan
200 Cedar Avenue
Treasurer, R. J. Shelhamer
Secretary, L. F. Medara

WYCKOFF
Wyckoff Building and Loan Association
Main Street
President, Herman Klomburg
Secretary, Richard E. Lawlin

NEW MEXICO

ROSWELL
Chaves County Building and Loan Association
Box 565
President, C. C. Cagle
Secretary, Robert Kallahin

Equitable Building and Loan Association
107 West Third Street
Secretary-Treasurer, E. G. Minton
Assistant Secretary, J. W. Minton

Roswell Building and Loan Association
117 West Third Street
Secretary, R. H. McCune
Assistant Secretary, H. D. O. Hammond

NEW YORK

ALBANY
Permanent Savings and Loan Association
91 State Street
President, Henry Schafer
Secretary, Marie C. Koonz

West End Savings and Loan Association
854 Madison Avenue
President, William E. Foskett
Secretary-Treasurer, Thomas H. Bell

ALFRED
Alfred Mutual Loan Association
44 North Main Street
President, A. B. Kenyon
Secretary-Treasurer, E. P. Saunders

AUBURN
Savings and Loan Association of Auburn
8 South Street
Secretary-Treasurer, Fred W. Herendeen
Attorney, Frederick B. Wills

BABYLON
Suffolk County Savings and Loan Association
136 West Main Street
President, Cadman H. Frederick
Secretary, Arthur J. Henrici

BROOKLYN
Brooklyn City Savings and Loan Association
91 Court Street
President, Joseph J. Mooney
Secretary, Bernard J. Feely

Hamilton Savings and Loan Association
498 Court Street
President, Robert E. J. Corcoran
Secretary, John Barnes

Madison Co-operative Building and Loan Association
897 Gates Avenue
President, Edward W. Bragdon
Secretary, Henry Nekerman

Nassau Co-operative Building and Loan Association
2815 Atlantic Avenue
President, Harry V. Kelly
Vice President, Arthur E. Knapp

BUFFALO
Erie Savings and Loan Association
39 Erie Street
President, Edward F. Meister
Secretary, George Repp

Parkside Savings and Loan Association
1534 Hertel Avenue
President, Charles Kreiss
Secretary, E. F. Neubecker

Riverside Co-operative Savings and Loan Association
1911 Niagra Street
President, B. J. Sander
Secretary, Frank M. Roessler

CANTON
Canton Savings and Loan Association
127 Main Street
President, G. William Lewis
Secretary-Treasurer, Roy H. Bassett

NEW YORK

CARTHAGE

Carthage Savings Loan and Building Association
106 South Mechanic Street
President, C. N. Schmid
Secretary, C. J. Robert

CENTRAL VALLEY

Central Valley Savings and Loan Association
President, George Cornell
Secretary, Warren M. Gildersleeve

CORNING

Corning Co-operative Savings and Loan Association
51 East Market Street
President, John C. Wheeler
Secretary, Harry A. Rood

CORTLAND

Dime Savings and Loan Association
1 North Main Street
President, M. E. Sarvoy
Secretary, J. Dempster Place

DONGAN HILLS

Dongan Hills-Grant City Savings and Loan Association
1479 Richmond Road
President, Theodore H. Poetz
Secretary, Ernest J. Hoffmann

ELMIRA

Chemung Valley Savings and Loan Association
220 East Water Street
President, Fred M. Howell
Secretary, George H. Davidson

Elmira Savings and Loan Association
212 East Water Street
Secretary, George H. Spring

GENEVA

Geneva Permanent Loan and Saving Association
89 Seneca Street
Vice President, John Eden Farwell
Secretary, John R. Houston

ILION

Ilion Permanent Savings, Building and Loan Association
10 East Main Street
President, Ralph D. LeRoy
Secretary, Leo H. Powers

ITHACA

Ithaca Savings and Loan Association
State and Aurora Streets
President, Sidney L. Howell
Secretary-Attorney, Harry C. Baldwin

LANCASTER

Lancaster Savings and Loan Association
25 Central Avenue
President, Edward M. Uebelhoer
Treasurer, Henry B. Weil

MECHANICVILLE

Mechanicville Co-operative Savings and Loan Association
46 North Main Street
President, George W. Clarke
Secretary, William D. Wait

MIDDLETOWN

Homestead Building and Loan Association
63 North Street
President, Fred S. Rogers
Secretary, H. J. Leonard

MONROE

Warwick, Monroe and Chester Building and Loan Association
Monroe, Orange County, New York
President, John H. Carpenter
Secretary, George C. Rogers

MOUNT VERNON

Home Building and Loan Association of Mount Vernon
14 South Third Avenue
President, Charles H. Phillips
Secretary, E. D. W. Heinsohn

NEW YORK

NEWBURGH

Building and Loan Association of Newburgh, New York
47 Grand Street
President, William W. Hawks
Executive Secretary, LeGrand W. Pellett

NEW ROCHELLE

New Rochelle Co-operative Building and Loan Association
52 Lawton Street
President, George Watson
Secretary, W. J. Van Winkle

NEW YORK CITY

Bank Clerks' Co-operative Building and Loan Association of New York City
25 Broad Street
President, William H. Judson
Vice President, C. Harry Minners

Co-operative Savings and Loan Association of New York
14 Bible House
Secretary, Mae R. Keefe
Treasurer, Charles Stuart Folsom

Franklin Society for Home-Building and Savings
217 Broadway
President, Charles O'Connor Hennessy
Vice President, George L. Bliss

Greater New York Savings and Loan Association
55 West 42nd Street
President, George Schaefer
Secretary, John Auen

Independence Savings and Loan Association
25 West 43rd Street
President, Robert A. Beatty
Secretary-Treasurer, Robert H. Howell

Manhattan Savings and Loan
2394—2nd Avenue
President, Anton Laub
Secretary, Frank Wagner

New York Edison Savings and Loan
4 Irving Place
President, E. M. Van Norden
Secretary, E. A. Skehan

North New York Savings and Loan Association
344 East 149th Street
President, Fred A. Post
Secretary, John C. Wakeling

Railroad Brotherhoods' Savings and Building Association
505 Fifth Avenue
Secretary, Michael J. O'Brien
Treasurer, John D. Breen

Railroad Co-operative Building and Loan Association
441 Lexington Avenue
President, George A. Martin
Secretary, Isabella F. Henderson

Serial Building Loan and Savings Institution
195 Broadway
President, James F. Nathan
Secretary-Counsel, George E. Palmer

West Side Mutual Building, Loan and Savings Association
243 West 34th Street
President, Joseph Oatman
Secretary, Eldridge N. Smith

NIAGARA FALLS

Niagara Permanent Savings and Loan Association
311 Falls Street
President-Manager, Ann E. Rae
Secretary-Treasurer, Fred H. Krull

NORWICH

Chenango Co-operative Savings and Loan Association
11 South Broad
President, Otis A. Thompson
Secretary, Charles C. McNitt

OSSINING

Westchester County Savings and Loan Association
2 Croton Avenue
President, O. G. Browne
Secretary, Allen Denton

NEW YORK

OSWEGO

Dime Building and Loan Association
153 West Second Street
Secretary, W. G. Cooper
Treasurer, G. H. Cleaver

PEEKSKILL

People's Savings and Loan Association
108 North Division Street
President, Frank N. Clinton
Secretary, W. H. Wildey

POUGHKEEPSIE

Home Co-operative Savings and Loan Association
20 Cannon Street
President, John M. Bush
Secretary, Clarence De Lamater

ROCHESTER

Dime Banking and Loan Association
938 Clinton Avenue, North
President, Edward F. Mayer
Vice President, Louis C. Hock

Eastman Savings and Loan Association
343 State Street
Secretary-Treasurer, A. P. Bartholomew
Assistant Secretary, A. J. Bain

SARANAC LAKE

Saranac Lake Co-operative Savings and Loan Association
88 Main Street
President, Arthur D. Manning
Secretary-Treasurer, Wm. C. Koernig

SCHENECTADY

Schenectady Building, Loan and Savings Association
118 Wall Street
Secretary, S. H. Visscher
Treasurer, C. W. Briggs

SPRING VALLEY

Home Building and Loan Association
No. 2 North Main Street
President, Charles E. De Baun
Secretary, Fred E. Braband

STATEN ISLAND

Great Kills Savings and Loan Association
3972 Amboy Road
President, Herbert S. Brower
Secretary-Treasurer, Herman C. Leonhardi

North Shore Building Loan and Savings Association
298 Richmond Avenue
President, Johnston L. Rose
Secretary, George J. Cullen

Richmond County Building and Mutual Loan Association
190 Main Street
President, G. S. Barnes
Secretary, C. B. Gandy

South Shore Savings and Loan Association
139 New Dorp Lane
Secretary, H. S. Smyth
Treasurer, Robert Knight

Tompkinsville Co-operative Savings and Loan Association
150 Bay Street
President, T. L. Kennedy
Secretary, James D. McKenzie

Westerleigh Building Loan and Savings Association
832 Jewett Avenue
Secretary, Hiram C. Horton
Assistant Secretary, Joseph Holzka

SYRACUSE

Syracuse Savings and Loan Association
213 Montgomery Street
President, Walter R. Stone
Secretary-Treasurer, Irving D. Perry

TROY

Troy Co-operative Savings and Loan Association
407 Grand Street
President, Arthur J. Burch
Secretary, R. Edwin Kane

NEW YORK

UTICA

Cornhill Building and Loan Association
37 Devereux Street
Vice President, Dwight C. Pitcher
Secretary, James H. Rolling

WHITESTONE

Whitestone Co-operative Savings and Loan Association
5-15—150th Street
President, Henry C. Buncke
Secretary, L. M. Fanning

NORTH CAROLINA

ALBEMARLE

Home Builders Association
Albemarle, North Carolina
President, J. M. Morrow
Secretary-Treasurer, A. P. Harris

ASHEVILLE

Blue Ridge Building and Loan Association
18 Government Street
Secretary-Treasurer, Edwin L. Ray

CHARLOTTE

Mechanics Perpetual Building and Loan Association
116 East Fourth Street
President, J. H. Wearn
Secretary-Treasurer, E. J. Caffrey

Mutual Building and Loan Association
119 East Third Street
President, J. G. Shannonhouse
Secretary-Treasurer, E. Y. Keesler

CONCORD

Cabarrus County Building and Loan Association
Concord National Bank
President, L. D. Coltrane
Secretary, Gilbert H. Hendrix

Citizens Building and Loan Association
President, Dr. W. C. Houston
Secretary-Treasurer, A. F. Goodman

DUNN

Home Building and Loan Association
109 North Wilson Avenue
President, J. R. Butler
Secretary-Treasurer, Eugene Lee

DURHAM

Durham Building and Investment Company
111 North Market Street
President, I. F. Hill
Secretary, Thomas F. Hill

Home Building and Loan Association
N. W. Corner Washington Duke Hotel
President, R. L. Baldwin
Secretary-Treasurer, W. A. Biggs

ELIZABETH CITY

Albemarle Building and Loan Association
Savings Bank and Trust Building
President, J. C. Sawyer
Secretary-Treasurer, W. Ben Goodwin

FOREST CITY

Forest City Building and Loan Association
President, R. L. Reinhardt
Secretary-Treasurer, W. L. Brown

GASTONIA

Gastonia Mutual Building and Loan Association
Commercial Bank Building
President, S. A. Robinson
Secretary and Treasurer, E. G. McLurd

Home Building and Loan Association
President, E. B. Brittain
Secretary, A. J. Rankin

NORTH CAROLINA

GOLDSBORO

Citizens Building and Loan Association
104 West Walnut Street
President, Leslie Weil
Secretary-Treasurer, John Norwood

Goldsboro Building and Loan Association
President, G. C. Royall
Secretary-Treasurer, W. E. Stroud

GREENSBORO

Gate City Building and Loan Association
108 South Greene Street
President, Charles A. Hines
Secretary-Treasurer, J. F. Stevens

Greensboro Building and Loan Association
President, J. W. Holt
Secretary, Mrs. B. A. Henderson

Home Building and Loan Association
214 West Market Street
President, E. P. Wharton
Secretary-Treasurer, J. E. Mitchell

GREENVILLE

Home Building and Loan Association
403 Evans Street
President, Dr. L. C. Skinner
Secretary, J. J. White

HENDERSONVILLE

Hendersonville Building and Loan Association
120 5th Avenue West
President, C. E. Brooks
Secretary, D. H. Lee

HICKORY

First Building and Loan Association of Hickory
1030 14th Street
President, G. L. Lyerly
Secretary-Treasurer, G. R. Wootten

HIGH POINT

High Point Perpetual Building and Loan Association
President, C. M. Hauser
Secretary, C. H. Ellis

LENOIR

Citizens Building and Loan Association
Lenoir, North Carolina
President, J. H. Beall
Secretary, W. T. Carpenter

Mutual Building and Loan Association
President, W. J. Lenoir
Secretary-Treasurer, E. F. Allen

MORGANTON

Morganton Building and Loan Association
Morganton, North Carolina
President, W. C. Ervin
Secretary-Treasurer, E. B. Claywell

MOUNT OLIVE

Mount Olive Building and Loan Association
President, H. M. Cox
Secretary, S. D. Broadhurst

NEWTON

Citizens Building and Loan Association
President, J. A. Gaither
Secretary-Treasurer, D. B. Gaither

OXFORD

Oxford Building and Loan Association
Littlejohn
President, W. Z. Mitchell
Secretary-Treasurer, T. C. Harris

NORTH CAROLINA

RALEIGH

Raleigh Building and Loan Association
Vice President, J. C. Allison
Secretary, Victor M. Stonebanks

ROANOKE RAPIDS

Roanoke Rapids Building and Loan Association
24 Second Street
President, W. L. Manning
Secretary-Treasurer, R. J. Manning

ROCKINGHAM

Richmond County Building and Loan Association
202 East Washington Street
President, C. E. S. Egerton
Secretary-Treasurer, A. C. Corpening

ROCKY MOUNT

Rocky Mount Homestead and Loan Association
112 Tarboro Street
President, Thomas H. Battle
Secretary, R. B. Davis

RUTHERFORDTON

Citizens Building and Loan Association
West Second Street
President, C. W. Keeter
Secretary-Treasurer, Miss Virginia Grayson

SALISBURY

Citizens Building and Loan Association
104 North Main Street
President, James F. Harley
Secretary-Treasurer, W. H. Hobson

SANFORD

Sanford Building and Loan Association
Secretary, J. E. Brinn

SHELBY

Cleveland Building and Loan Association
President, William Lineberger
Secretary-Treasurer, J. L. Suttle

TARBORO

Edgecombe Homestead and Loan Association
President, C. A. Johnson
Secretary, A. D. Mizell

Tarboro Building and Loan Association
Tarboro, North Carolina
President, W. G. Clark, Jr.
Secretary, John H. Price

WADESBORO

Anson Building and Loan Association
Wadesboro, N. C.
President, Thomas A. Marshall
Secretary-Treasurer, Paul J. Kiker

WILMINGTON

Carolina Building and Loan Association
President, E. T. Taylor
Secretary, W. A. Fonville

Peoples Building and Loan Association
112 Princess Street
President, O. H. Shoemaker
Secretary-Treasurer, D. R. Foster

Progressive Building and Loan Association
222 Princess Street
President, William Harriss
Secretary-Treasurer, O. E. Todd

WILSON

Atlantic Building and Loan Association
119 South Goldsboro Street
President, W. S. Harriss
Secretary-Treasurer, George T. Stronach

WINSTON-SALEM

Piedmont-Mutual Building and Loan Association
16 West Third Street
President, A. C. Stuart
Secretary-Treasurer, N. Mitchell

NORTH CAROLINA

WINSTON-SALEM

Standard Building and Loan Association
236 West Main Street
Secretary-Treasurer, Leon Cash
Assistant Secretary-Treasurer, E. L. Pfohl

Winston-Salem Building and Loan Association
249 Main Street
President, H. F. Shaffner
Secretary-Treasurer, M. G. Follin

NORTH DAKOTA

BISMARK

Bismark Building and Loan Association
Secretary, F. L. Conklin
Treasurer, J. L. Bell

DEVILS LAKE

Devils Lake Building and Loan Association
Mann Building
President, Charles B. Pillsbury
Secretary, Fred J. Traynor

DICKINSON

Dickinson Building and Loan Association
First Avenue West
President, Judge F. Maser
Treasurer, W. J. Orchard

FARGO

Fargo Building and Loan Association
13 Broadway
President, H. E. Siegfried
Secretary, William Anderson

Gate City Building and Loan Association
518 N. P. Avenue
Secretary, F. B. McAneney
Vice President, Thomas Greenshields

Home Savings and Loan Association
23½ Broadway
President, A. T. Lynner
Secretary-Treasurer, John Nystu

Metropolitan Building and Loan Association
Fifth Street and Fourth Avenue, North
President, Gunder Olson
Secretary, Martin Jones

Northwestern Mutual Savings and Loan Association
11 Broadway
President, H. L. Loomis
Secretary, A. M. Cornwall

GRAND FORKS

Grand Forks Building and Loan Association
414 DeMers Avenue
Secretary, E. J. Lander
Assistant Secretary, F. C. Hartson

JAMESTOWN

Jamestown Building and Loan Association
Citizens Bank Building
Secretary-Manager, J. M. Severn
Treasurer, D. R. Brockman

MINOT

Minot Building and Loan Association
Minot, North Dakota
President, H. M. Wilson
Secretary, E. A. Shirley

VALLEY CITY

Fidelity Building and Loan Association
Valley City, North Dakota
President, D. W. Clark
Secretary, John D. Gray

WILLISTON

Williston Savings and Loan Association
732 Main Street
President, J. B. Lyon
Secretary, N. B. Ludowese

OHIO

AKRON

Akron Savings and Loan Company
156 South Main Street
President, C. I. Bruner
Secretary, A. E. Albright

Citizens Savings and Loan Company
96 East Market Street
President, R. M. Pillmore
Secretary, L. E. DeVore

Equity Savings Company
21 West Bowery Street
President, Judge L. S. Pardee
Secretary, Charles J. Altpeter

Permanent Savings and Loan Company
55 East Mill Street
President, Edwin W. Brouse
Secretary, John C. Moore

Society Savings and Loan Company
122 South Main Street
President, Paul M. Held
Secretary, Geraldine V. Braley

Wm. H. Evans Building and Loan Association
95 South Howard Street
President, Henry Feuchter
Secretary, D. R. Evans

ALLIANCE

Alliance Building and Savings Company
337 East Main Street
President, W. S. Lindesmith
Secretary-Treasurer, N. C. Fetters

Industrial Savings and Loan Association
20 Public Square
President, M. S. Milbourne
Secretary, W. S. Heiser

BARBERTON

Great Northern Building and Loan Company
104 Second Street, N. W.
President, M. S. Yoder
Secretary, E. D. Heppert

BEDFORD

Bedford Savings and Loan Company
686 Broadway
President, N. Ray Carroll
Secretary, L. J. Golling

BELLAIRE

Buckeye Savings and Loan Company
President, H. O. Rodewig
Secretary, L. L. Cunningham

BELLEFONTAINE

Bellefontaine Building and Loan Company
149 West Columbus Avenue
President, Charles S. Hockett
Secretary, Fred W. Arnold

Saving Building and Loan Company
115 East Columbus Street
President, Robert W. Chalfant
Secretary, John D. Inskeep

BELLEVUE

Industrial Savings and Loan Association
122 East Main Street
President, John P. Ruffing
Secretary, M I. Wolf

CAMBRIDGE

Cambridge Loan and Building Company
814 Wheeling Avenue
President, O. M. Hoge
Secretary, Arthur W. Wenger

CHEVIOT

Cheviot Building and Loan Company
3723 Glenmore Avenue
President, Howard Borcherding
Secretary-Manager, Charles A. Eckert

OHIO

CHILLICOTHE

Fidelity Building and Loan Company
12 West Second Street
President, Charles A. Noth
Secretary, George Stroehle

CINCINNATI

Avondale United States Loan and Building Company
256 East University Avenue
President, Eugene Kalb
Secretary, Valentine Reith, Jr.

Baltimore Avenue Loan and Building Company
1854 Baltimore Avenue
Secretary, Robert A. Arndt

Bank Street Building Association Company
422 Bank Street
President, W. F. Vornhoder
Secretary, Walter J. Weishaupt

Business Men's Building Association and Loan Company
N. W. Corner Reading and Forest Avenue
Secretary, Louis D. Marks
Treasurer, Jesse Shroder

Citizens Building Association No. 2
915 Clark Street
President, Albert J. Fangman
Secretary, W. E. Garber

Clark Street Loan and Building Company
915 Clark Street
President, J. Frank Willenborg
Secretary, Walter G. Garber

Clinton Loan and Building Company
415 Clinton Street
President, Sidney E. Pritz
Secretary, Louis D. Marks

Columbia Building and Loan Association Company
4022 Eastern Avenue
President, Walter Millar
Secretary, Walter F. Gabriel

Conservative Savings and Loan Company
528 East Mitchell Avenue
Secretary, Leo A. Clasgens

Eagle Savings and Loan Association
914 Main Street
President, Fred Tuke
Secretary, Edward Holz

Ernst Station Loan and Building Company
1393 Harrison Avenue
President, Martin Dreifus
Secretary, Harry W. Pellens

First Ward Building and Loan Association
2707 Eastern Avenue
President, H. M. Bohmer
Secretary, Frank Eckenroth

Foundation Building and Loan Company
231 West Ninth Street
President, Louis Rinkenberger
Secretary, Fred Steuwer, Jr.

Fundamental Loan and Building Company
2106 Freeman Avenue
President, August Huelsman
Secretary, Frederick D. Lotter

Hyde Park Building and Loan Company
2726 Erie Avenue Hyde Park
President, Andrew J. Murphy
Secretary, H. F. Wehrmeyer

Liberal Savings and Loan Company
24 East Sixth Street
President, William E. Beall
Cashier, E. C. Calvert

Mt. Lookout Savings and Loan Company
Mt. Lookout Public Square
President, Edwin L. Griest
Secretary, George W. Tuxworth

Mt. Washington Loan Building and Deposit Company
2110 Beechmont Avenue
President, Albert F. Rebold
Secretary, John Cronin

OHIO

CINCINNATI

Music Hall Loan and Building Company
1648 Vine Street
President, Joseph Uhl
Secretary, Albert J. Cuni

North Cincinnati Loan and Building Company
2605 Vine Street
President, Anthony F. Kolb
Secretary, Otto Zugelter

North Fairmont Local Loan and Building Company
1790 Carll Street
President, Peter W. Baehner
Secretary, Fred H. Busch

North Hyde Park Savings and Loan Company
2679 Madison Road
Secretary, F. A. Morris
Assistant Treasurer, F. C. Barton

O'Bryonville Building and Loan Company
1993 Madison Road
President, Fred W. Grote
Secretary, Charles C. Grote

San Marco Building and Loan Association
2725 Woodburn Avenue
President, H. F. Cellarius
Secretary, H. G. Dillhoff

Security Savings and Loan Company
631 Walnut Street
Vice President and Treasurer, Arnold H. Kaichen
Secretary, Edgar Menderson

Seventh Ward Loan and Building Company
1448 Main Street
President, Eugene Eisert
Secretary, Charles Runge

CLEVELAND

Broadview Savings and Loan Company
3344 Broadview Road
President, A. E. Riester
Secretary, E. J. Rupert

Economy Savings and Loan Company
1028 Huron Road
President, Col. D. H. Pond
Secretary, R. H. Pond

Equity Savings and Loan Company
5701 Euclid Avenue
President, D. W. Frackelton
Secretary, F. W. Robinson

International Savings and Loan Company
6235 St. Clair Avenue
President, Joseph Plevnik
Secretary-Manager, Paul Schneller

Progress Building Savings and Loan Company
5454 Broadway
President, Charles Pintner
Secretary, Joseph F. Stupka

COLUMBUS

Allemania Building and Loan Company
24 East Main Street
Vice President, Henry Turkopp
Secretary, Jacob D. Esper

Buckeye State Building and Loan Company
36 East Gay Street
President, L. P. McCullough
Vice President, C. C. Guthrie

Franklin Loan and Savings Company
297 South High Street
President, Henry Kropp
Vice President-Manager, Walter C. Kropp

Hub Building and Loan Company
236 East Main Street
President, Alfred G. Elberfeld
Secretary, W. M. Elberfeld

Lilley Building and Loan Company
150 East State Street
President, Charles E. Nixon
Secretary, Vice President, Harley L. Stoneburner

OHIO

COLUMBUS

Ohio State Savings Association
85 East Gay Street
President, John C. Stoddart
Secretary, Oscar F. Miller

Park Savings and Loan Company
20 East Long Street
President, John F. Fergus
Secretary, Clyde W. Clark

Peoples Savings Association
70 East Gay Street
President, Orlando A. Miller
Secretary, Chester Hardy

Railroad Employees Building and Loan Association
60 East Broad Street
Secretary, J. D. Streeper

Scioto Building and Loan Company
44 East Broad Street
President, James W. Nitschke
Secretary, Charles E. Nitschke

Standard Savings and Loan Company
33 North High Street
President, J. E. Kinney
Vice President, George C. Sturgeon

CUYAHOGA FALLS

Cuyahoga Valley Savings and Loan Company
117 Portage Trail
Secretary, H. O. Bolich
Treasurer, Roy H. Perry

DAYTON

American Loan and Savings Association
Third and Main Streets
President, Frank M. Compton
Secretary, Paul P. O'Brian

Dayton Building and Savings Association
18 East Fourth Street
President, W. D. Huber
Secretary, Allen C. McDonald

Fidelity Building Association
Main Street and Fifth
President, Charles H. Meyer
Secretary, Robert Albers

Franklin Savings and Loan Association
20 South Ludlow Street
Second Vice President, Morris P. Cromer
Secretary, H. J. Chancellor

Homestead Loan and Savings Association
21 East Third Street
President, Oscar F. Davisson
Secretary, Ellis J. Finke

Miami Savings and Loan Company
25 South Main Street
Vice President and General Manager, John E. Waitman
Secretary, James K. Carlin

Mutual Home and Savings Association
44 North Main Street
President, Ezra F. Kimmel
Secretary, W. H. Kimmel

Permanent Building and Savings Association
22 North Ludlow Street
President, Edward G. Durst
Secretary, Lydia Cellarius

State Savings and Loan Association
405-6 Callahan Bank Building
President, George H. Meyer
Secretary, Ellis P. Legler

West Side Building and Loan Company
Third and Broadway
President, W. O. Horrell
Secretary, O. W. Horrell

DEFIANCE

Defiance Home Saving and Loan Association
514 Third Street
President, H. B. Tenzer
Secretary, W. G. Lehman

OHIO

EAST CLEVELAND

East Cleveland Savings and Loan Company
1373 East Hayden Avenue
President, P. G. Wisertz
Secretary, Ralph R. Heikes

EAST LIVERPOOL

Federal Building and Loan Company
1032 Pennsylvania Avenue
President, R. J. Marshall
Secretary, A. L. White

Potters Savings and Loan Company
512 Washington Street
President, John J. Purinton
Secretary, Alwyn C. Purinton

Union Savings and Loan Company
114 West Sixth Street
President, G. Y. Travis
Secretary, S. T. Herbert

ELMWOOD PLACE

Elmwood Place Loan and Building Company
6305 Vine Street
President, Edward Sauer
Secretary, W. S. Eversull

FLUSHING

Peoples Savings and Loan Company
President, W. R. McNeal
Secretary, B. O. Bethel

FREMONT

H. B. Smith Building and Loan Company
311 Croghan Street
President, W. A. Gabel
Secretary, Paul W. Kridler

GERMANTOWN

Germantown Building and Savings Association
43 North Main Street
President, Charles W. Hildabolt
Secretary, John C. Schaeffer

GIRARD

Girard Home Savings and Loan Company
32 South State Street
President, E. L. Hauser
Secretary, David J. Rees

GREENFIELD

Home Building and Loan Company
President, A. S. Boden
Secretary, H. G. Ellis

HAMILTON

Dollar Saving and Loan Company
Third and High Streets
Secretary, H. G. Taylor
Assistant Secretary, Emma Bisdorf

Home Loan and Building Association
Third and Court Streets
Secretary, C. J. Parrish
Assistant Secretary, L. Nulton Parrish

Lincoln Building Loan and Saving Company
342 High Street
President, Mark Brillant
Secretary, Earl Jackman

People's Building and Loan Association
320 High Street
Secretary, E. F. Warndorf

West Side Building and Loan Association
201 Main Street
Secretary, W. C. Beeler
Assistant Secretary, R. L. Beeler

HICKSVILLE

Hicksville Building, Loan and Savings Company
100 North Main Street
President, W. H. Blakeslee
Secretary, George D. Simmons

OHIO

IRONTON

Lawrence Savings and Loan Company
119 North Second Street
President, A. D. Markin
Secretary, H. M. Edwards

Star Building and Loan Company
123 South Second Street
Secretary, F. J. Horschel
Assistant Secretary, R. S. Horschel

IVORYDALE

Lenox Building and Loan Company
President, W. G. Rose
Secretary, J. R. Wagner

LAKEWOOD

Colonial Savings and Loan Company
14815 Detroit Avenue
President, C. R. Cross
Secretary, H. S. Hart

LEETONIA

Peoples Savings and Loan Company
243 Main Street
President, C. J. Spatholt
Secretary, C. E. Greenamyer

LISBON

Peoples' Savings and Loan Company
8 South Parkway
President, George A. Rogers
Secretary, A. A. Ramsey

LOGAN

Citizens Savings Association
Secretary, Pearl Pierce

LOVELAND

Loveland Mutual Building and Loan Company
133 Broadway
President, E. C. Sears
Secretary-Manager, A. C. Brock

McARTHUR

McArthur Savings and Loan Company
Main Street
Secretary, O. F. Pilcher
Assistant Secretary, L. W. Pilcher

MARIETTA

Pioneer Savings and Loan Company
307 Second Street
President, W. H. H. Jett
Secretary, Fred W. Torner

MARYSVILLE

Citizens Home and Savings Company
122 East Fifth Street
President, Dr. H. J. Nicol
Secretary, R. B. Neer

MASSILLON

First Savings and Loan Company
President, Charles G. King
Secretary, Arthur T. Ellis

Massillon Savings and Loan Company
15 Lincoln Way
Secretary, Thomas Burd
Assistant Treasurer, Philip Baily

Peoples Building and Loan Company
Lincoln Way and Erie Street
President, Jacob Von Gunten
Secretary, Jesse G. Sohner

MIAMISBURG

Miamisburg Building and Loan Association
24 East Central Avenue
President, J. S. McKnight
Secretary, S. W. Mitchell

Mutual Building and Loan Company
President, Charles F. Eck
Secretary, J. M. Purnell

OHIO

MIDDLETOWN

Middletown Building and Deposit Association
1000 Central Avenue
Secretary, Frank A. Jones
Treasurer, D. M. Harrison

MILFORD

Milford Building, Loan and Savings Company
President, H. C. Miller
Secretary, W. E. Knapp

MINSTER

Minster Loan and Savings Company
79 West 4th Street
Treasurer, B. Bornhorst
Secretary, Loretta Laufersweiler

MT. STERLING

Security Building and Loan Company
23 North London Street
President, J. M. Williams
Secretary, C. M. Neff

MOUNT VERNON

Knox Savings and Loan Association
136 South Main Street
Vice President, L. R. Kempton
Secretary, Ellen McDonough

NEW PHILADELPHIA

Tuscarawas Savings and Loan Company
152 North Broadway
Secretary, Homer G. Frew
Assistant Secretary, D. C. Allison

NORWOOD

Norwood Improved Building and Loan Company
4031 Main Avenue
President, W. R. Locke
Secretary, Val J. Reith, Jr.

PLEASANT RIDGE

Pleasant Ridge Building and Loan Company
Montgomery Pike
Secretary, Henry W. Baetz

POMEROY

Meigs County Savings and Loan Company
110 Court Street
President, C. E. Peoples
Secretary, Robert Warner

PORTSMOUTH

Commercial Building and Loan Company
811 Gallia Street
President, George E. Kricker
Secretary, Frank C. Balmert

Royal Savings and Loan Company
Gallia Street on the Square
President, Frank L. Marting
Secretary, William C. Hazelbeck

READING

Home Savings and Loan Company
320 West Benson Street
Secretary, Clifford H. Vorjohan
Assistant Secretary, Willis H. Vorjohan

RITTMAN

Citizens Savings and Loan Company
170 South Main Street
President, D. R. Lance
Secretary, W. W. Bodager

ST. MARYS

Union Building and Loan Company
Spring Street
President, Thomas A. White
Secretary, H. G. McLain

OHIO

SHELBY

Shelby Building and Loan Company
50 West Main Street
President, L. A. Portner
Secretary, C. Doudna

SIDNEY

Peoples Savings and Loan Association
Cor. Ohio Avenue and Court Street
President, L. M. Studevant
Secretary, P. B. Kemper

Shelby County Building and Loan Association
108 Poplar Street
President, William Piper
Secretary, R. C. Kah

SPRINGFIELD

Home City Building and Savings Company
32 West High Street
President, Horace L. Heistand
Secretary-Treasurer, Rupert Wissinger

Merchants and Mechanics Savings and Loan Association
Limestone at Main
General Manager, E. A. Fay
Assistant General Manager, Harlen C. West

Springfield Building and Loan Association
28 East Main Street
Secretary, Charles E. Petticrew
Assistant Secretary, A. J. Domer

STEUBENVILLE

Jefferson Building and Savings Company
127-131 South Fourth Street
President, W. S. Walker
Secretary, H. S. Coble

Union Building and Loan Company
168 North Fourth Street
Secretary, G. A. Gescheider
Treasurer, R. L. Stuart

TIPPICANOE CITY

Monroe Building and Loan Association
8 East Main Street
President, M. T. Staley
Secretary, H. R. Wesler

TOLEDO

Home Building and Savings Company
902 Broadway
Secretary, George E. Myers
Assistant Secretary, Harold S. Myers

Ohio Savings Association
228 Superior Street
President, W. D. Freeman
Assistant Secretary, A. W. Bunce

West Toledo Savings Association
1125 Sylvania Avenue
President, Basil B. Brim
Secretary, Howard St. Aubin

TROY

Peoples' Building and Savings Association Company
110 WestMain Street
President, J. W. Stephey
Secretary, H. S. Saxton

VERSAILLES

Versailles Building and Loan Company
4 East Main Street
President, A. J. Read
Secretary, Orpha M. Alexander

WARREN

Community Building and Loan Company
130 South Park Avenue
President, R. V. Marshall
Secretary, George H. Watson

Trumbull Savings and Loan Company
Park Avenue and High Street, N. E.
President, Robert T. Izant
Secretary, James R. Izant

OHIO

WEST MILTON

Milton Loan and Savings Association
102 North Miami Street
President, D. M. Coate
Secretary, Wirt Kessler

WOOSTER

Peoples Savings and Loan Company
Public Square
Secretary-Manager, J. W. Hooke
Assistant Secretary, Raymond E. King

XENIA

Peoples Building and Savings Company
11 Green Street
President, C. E. Arbogust
Secretary, T. J. Kennedy

YOUNGSTOWN

Home Savings and Loan Company
Federal and Chestnut Streets
President, James M. McKay
Secretary, Oliver E. Jones

Metropolitan Savings and Loan Company
42 North Phelps Street
Vice President, W. Bruce Jones
Secretary, Lloyd Nuttall

ZANESVILLE

Equitable Savings Company
508-510 Main Street
President, A. T. Baker
Secretary, Maurice M. Lane

Home Muskingum Savings Company
14 South 5th Street
Secretary, Chas. G. Griffiths

OKLAHOMA

ADA

Home Building and Loan Association
114 South Broadway Avenue
President, R. W. Simpson
Secretary, John P. McKinley

ANADARKO

American Saving and Loan Association
109 South Sixth Street
President, John D. Pugh
Secretary, D. M. Scism

ARDMORE

Peoples Building and Loan Association
226 West Main Street
President, Frank S. Gates
Secretary-Manager, George P. Selvidge

BARTLESVILLE

Bartlesville Mutual Building and Loan Association
P. O. Box 92
President, C. V. Davis
Secretary-Treasurer, A. H. Boles, Jr.

Home Savings and Loan Association
107 East Third Street
President, H. H. McClintock
Secretary, L. C. Pollock

Peoples Savings and Loan Association
323 Johnstone Avenue
Secretary, R. T. Houghton

BLACKWELL

Peoples Savings and Loan Association
108 East Blackwell Avenue
Secretary-Treasurer-Manager, E. H. Peine
Assistant Secretary, Sarah I. Glick

CHICKASHA

Chickasha Building and Loan Association
111 North Fourth Street
President, O. L. Bingham
Secretary, M. A. Wylie

OKLAHOMA

CLEVELAND

Cleveland Building and Loan Association
114 North Broadway
President, Ward Guffy
Secretary-Treasurer, W. H. Boles

CLINTON

Clinton Building and Loan Association
Fourth Street at Frisco
Secretary, Charles W. Goodwin
Assistant Secretary, Charles N. Goodwin

CUSHING

Cushing Savings and Loan Association
116 West Broadway Street
President, T. J. Hughes
Secretary, R. G. Boatright

DUNCAN

Duncan Building and Loan Association
906 Main Street
President, W. P. Fowler
Secretary, Harry A. Blake

DURANT

Durant Building and Loan Association
118 North Third Avenue
President, O. R. Salmon
Assistant Secretary, Mamye Cox

Indian Territory Building and Loan Association
301 West Main Street
President, J. V. Connell
Secretary-Manager, J. B. Raines

ELK CITY

Beckham County Building and Loan Association
105 West Broadway
Secretary-Manager, Guy Woodman
Treasurer, W. C. Thomas

Western Oklahoma Building and Loan Association
President, G. E. Martin
Secretary, Kate R. Herring

EL RENO

El Reno Building and Loan Association
207 East Woodson Street
President, Frank Kraft
Secretary-Treasurer, R. C. Rice

Investors Building and Loan Association
111 South Rock Island
President, Dr. Ernest Ewing
Secretary-Manager, L. C. Godberry

ENID

Garfield County Building and Loan Association
203 North Grand Street
O. H. Hayes
C. E. King

Liberty Savings and Loan Association
Box 942
Secretary and Manager of Office, J. E. Turk
President, A. H. Foulks

FAIRVIEW

Fairview Building and Loan Association
East Broadway
Vice President, P. C. Friesen
Secretary-Treasurer, W. L. Stewart

GUTHRIE

Employees Building and Loan Association
President G. A. Hughes
Secretary-Treasurer, R. A. Estus

GUYMON

Security Building and Loan Association
President, W. D. Yourtler
Secretary, W. W. Kennedy

OKLAHOMA

HOLDENVILLE

Holdenville Building and Loan Association
100½ West Main Street
Secretary-Manager, C. O. Lucas

HUGO

Home Building and Loan Association
Vice President, L. R. Blakely
Secretary-Treasurer, R. F. Henshaw

IDABEL

McCurtain County Building and Loan Association
President, J. G. Griffith
Secretary-Treasurer, W. T. Guthrie

KINGFISHER

Kingfisher Building and Loan Association
Box 136
Secretary-Manager, Geo. E. Moore

LAWTON

Home Building and Loan Association
413 Dave Street
Secretary-Treasurer, Manager, Ray H. Babbit

McALESTER

McAlester Building and Loan Association
103 East Grand Avenue
President, George Deibler
Secretary, J. L. Shinaberger

MIAMI

Miami Building and Loan Association
6 East Central Avenue
President, H. B. Cobban
Secretary-Manager, N. F. Wright

MUSKOGEE

Muskogee Building and Loan Association
110 North Third Street
Secretary, A. R. Caldwell
Treasurer, Gordon Harper

Victor Building and Loan Association
Third and Wall Street
President, R. P. Harrison
Secretary, H. E. Boudinot

NOWATA

State Savings and Loan Association
112 North Maple Street
President, J. Wood Glass
Vice President, J. L. Coffman

OKLAHOMA CITY

American Building and Loan Association
212 North Harvey Street
Manager, Joseph Swatek
Vice President, Peter Rabstejnek

Capitol Hill Building and Loan Association
222½ West Commerce Street
President, J. E. Moore
Secretary-Treasurer, Leo Smith

Federal Savings and Loan Association of Oklahoma
209 West Main Street
President, Ernest E. Radford
Secretary, Jack A. Radford

Local Building and Loan Association
First and Robinson
Vice President-Manager, R. O. Brewer
Secretary, R. A. Mahaffy

Metropolitan Building and Loan Association
103 West Main Street
President, E. A. Walker
Secretary-Manager, John C. Campbell

Mutual Savings and Loan Association
18 North Robinson Street
President-Manager, B. Booth
Secretary-Treasurer, J. A. Campbell

OKLAHOMA

OKLAHOMA CITY

Oklahoma City Building and Loan Association
125 North Harvey Street — *Vice President-Manager*, W. R. McWilliams; *Secretary*, H. T. McWilliams

Oklahoma Savings and Loan Association
300 North Robinson — *Secretary-Treasurer*, J. R. Jones; *Assistant Treasurer*, F. McWilliams

Security Building and Loan Association
5 North Robinson Street — *President*, J. Henry Johnson; *Secretary*, P. W. Raemer

OKMULGEE

Okmulgee Building and Loan Association
110 East Main Street — *President*, W. B. Pine; *Secretary*, Adlai S. Baker

PAULS VALLEY

Pauls Valley Building and Loan Association
201 West Paul Avenue — *Secretary*, W. L. Menifee

PAWHUSKA

National Building and Loan Association
Citizens National Bank Building — *President*, E. E. Grinstead; *Secretary*, J. F. Wood

SAND SPRINGS

Home Building and Loan Association
204 North Main Street — *President*, E. M. Monsell; *Secretary*, Charles B. Parker

SAPULPA

Sapulpa Building and Loan Association
111 East Dewey Avenue — *President*, Dr. W. P. Longmire; *Secretary-Manager*, Claude Masters

SHAWNEE

Fidelity Building and Loan Association
118 North Broadway — *President-Manager*, George E. McKinnis; *Secretary-Treasurer*, Edith Young

Home Building and Loan Association
210 North Bell Street — *President*, W. L. Blessing; *Secretary-Manager*, J. C. Fisher

STILLWATER

Stillwater Building and Loan Association
702 Main Street — *Secretary*, Leo H. Thomas; *Manager*, Raymond H. Moore

TAHLEQUAH

Tahlequah Building and Loan Association
President, J. B. Pearson — *President*, J. B. Pearson; *Secretary*, Willis G. Banker

TULSA

Home Building and Loan Association
Third and Boston Street — *President*, L. W. Grant; *Secretary*, D. R. McConahy

Peoples Building and Loan Association
423 South Boulder Street — *Vice President and Manager*, A. S. Viner; *Assistant Secretary*, S. M. Epsten

Savings Building and Loan Association
201–202 McBirney Building — *President*, Benjimin Nossman; *Secretary*, J. A. Spalding

Security Building and Loan Association
Fourth and Boulder Street — *President*, C. C. Cole; *Secretary-Treasurer-Manager*, W. A. Setser

OKLAHOMA

TULSA

Tulsa Building and Loan Association
12 East Fourth Street — *Vice President-Secretary*, Cleves F. Bruce; *Treasurer*, Mark E. Carr

WEATHERFORD

Weatherford Building and Loan Association
103 West Main Street — *President*, R. C. Everts; *Secretary-Treasurer-Manager*, Eugene Howe

WOODWARD

Woodward Building and Loan Association
914 Main Street — *Secretary*, A. W. Anderson; *Treasurer*, W. V. Shy

OREGON

ASTORIA

Astoria Savings and Loan Association
116–12th Street — *Secretary*, Ray Kee Holts

BAKER

Eastern Oregon Building and Loan Association
2014 Broadway — *President*, John Schmitz; *Secretary*, George H. Foster

EUGENE

Security Savings and Loan Association
45 West Broadway — *President*, Joseph H. Koke; *Secretary-Manager*, W. R. Robertson

GRANTS PASS

Josephine County Building and Loan Association
Masonic Block — *President*, C. A. Swope; *Secretary*, George J. Fox

HILLSBORO

Washington Savings and Loan Association
Savings and Loan Building — *Vice President-Manager*, J. M. Person; *Secretary-Treasurer*, E. L. Johnson

MEDFORD

Jackson County Building and Loan Association
30 North Central Avenue — *Secretary-Attorney*, O. C. Boggs; *Assistant Secretary*, A. P. Butter

Southern Building and Loan Association
125 West Main Street — *Vice President*, Fred L. Heatte; *Secretary*, Hamilton Patton

PORTLAND

Benefit Savings and Loan Association
109 Broadway — *Vice President-Manager*, Lee C Stidd; *Vice President*, Charles L. Stidd

Benjamin Franklin Savings and Loan Association
349 Morrison Street — *President*, Frank L. Shull; *Secretary-Treasurer*, B. H. Hazen

Equitable Savings and Loan Association
301-303 Stark Street — *President*, A. C. Cammack; *Secretary*, R. A. Schramm

Federal Union Savings and Loan Association
311 Stark Street — *Secretary*, Glenn E. Husted

Guardian Building and Loan Association
Third and Alder Streets — *President*, E. E. Fitzwater; *Vice President-Manager*, J. S. Moltzner

Northern Savings and Loan Association
136 Fourth Street — *President*, A. A. Asbahr; *Vice President*, Guy E. Jaques

OREGON

PORTLAND

United States Savings and Loan Association
136 Fourth Street
President, A. A. Asbahr
Vice President-Manager, Guy E. Jacques

ROSEBURG

Douglas Building and Loan Association
Medical Arts Building
President, B. L. Eddy
Manager, Wayne E. Jones

Umpqua Savings and Loan Association
248 North Jackson Street
President, E. N. Ewart
Secretary-Manager, H. O. Pargeter

SALEM

Mutual Savings and Loan Association
344 State Street
President, Carl H. Johnston
Secretary, A. A. Lee

State Savings and Loan Association
404 State Street
Secretary-Treasurer, J. J. Elliott

PENNSYLVANIA

ALLISON PARK

Allison Park Building and Loan Association
President, Charles Hoffmann
Secretary, James L. Kay

ALTOONA

Alliance Building and Loan Association
Union Bank Building
President, George W. Kabis
Secretary, Louis Leix

Logan Loan and Building Association
71 Altoona Trust Building
President, W. B. Seward
Secretary, A. E. Sheller

BEAVER FALLS

Peoples Building and Loan Association
1128 Seventh Avenue
President, J. L. Miksch
Secretary, W. F. Bell

CARNEGIE

Anchor Building and Loan Association
309 East Main Street
President, J. A. L. Smith
Secretary, W. G. McCraley

Chartiers Valley Building and Loan Association
Broadway and East Main Street
President, Frank Stifter
Secretary, Henry Wegener

Eureka Savings and Loan Association
309 East Main Street
President, W. G. McCraley
Secretary, George P. Geinzer

CHESTER

Industrial Building and Loan Association
25 East 5th Street
President, John Nessenthaler
Secretary, Clifford E. Blythe

Iron Workers Building Association
514 Crozer Building, Fifth and Market Streets
President, Hiram E. Turner
Secretary, Elmer G. Dutton

Keystone Building and Loan Association of Chester
515 Welsh Street
Secretary, James L. Rankin
Treasurer, John H. Fawcett

Linwood Building and Loan Association
Crozer Building
Secretary, Edward C. Burton
Treasurer, George R. Crosgrove

PENNSYLVANIA

GRAFTON

Grafton Ingram Building and Loan Association
135 Noble Avenue
President, T. J. Fitzpatrick
Secretary, M. J. Eakin

ELLWOOD CITY

Ellwood City Building and Loan Association
Lawrence Avenue and Seventh Street
President, John G. Cobler
Secretary, Harry R. Smith

HARRISBURG

Friendship German Bau and Spar Verein
1408 North Sixth Street
President, F. B. Mickey
Secretary, C. A. Klemm

Harris Building and Loan Association
204 Locust Street
President, John A. Affleck
Vice President, C. A. Ellenberger

Penn State Building and Loan Association
Caplan Building, Room 200
President, Philip Caplan
Secretary, Max I. Klass

LEWISTOWN

Mifflin County Building and Loan Association
15 North Brown Street
President, G. Howard Lewis
Secretary, Albert Lynch

McKEESPORT

McKeesport Savings and Loan Association
Sixth Avenue and Walnut Street
President, Gilbert F. Myer
Secretary, Carl F. Morlock

Peoples Building and Loan Association
409 Ringgold Street
Business Manager, E. D. Howard
Recording Secretary, J. L. McLane

MIFFLINTOWN

Fermanagh Building and Loan Association
President, J. Holman Weiser
Treasurer, Dr. W. H. J. Holman

MILLVALE

Bennett Public Building and Loan Association
225 North Avenue
President, Ignatz Guentner
Secretary, Joseph M. Bauer

Revenue Building and Loan Association
320 Grant Avenue
President, Fred C. Klussmann
Secretary, Charles W. Murphy

MONACA

Phillipsburg Building and Loan Association
Pennsylvania Avenue and Tenth Street
President, Martin W. Carey
Secretary, Joseph Hermann

NEW BRIGHTON

Home Protective Savings and Loan Association
Masonic Building
President, R. R. Bentley
Secretary, Philip Martsolf

NEW CASTLE

Dollar Savings Association of Lawrence County
10 East Street
President, John S. Abel
Secretary, John G. Northdurft

New Castle Mutual Building and Loan Association
16 East Street
President, Sam H. McGoun
Secretary, Norman E. Clark

PENNSYLVANIA

PHILADELPHIA

Ark Building and Loan Association
6422 North Camac Street
President, Egbert H. Morrison
Secretary, Henry Brachhold

Chelten Hills Building and Loan Association
S. W. Corner 12th Street and Oak Lane
President, Thomas W. Dagney
Secretary, W. S. Barr

Filbert Building and Loan Association
Northeast Corner 15th and Locust Streets
President, Simon Walter
Secretary, Samuel Stern

Fox Chase Building Association No. 2
7940 Oxford Avenue
President, Thomas W. Grookett, Jr.
Secretary, Edward Thornton

Hermann Building and Loan Association No. 1
1958 North Sixth Street
President, Joseph Kohn
Secretary, R. J. Miller

Home Protection Building and Loan Association
356 Public Ledger Building, Sixth and Chestnut
President, George B. Shearer
Managing Director, Fernand Baruch

Lion Building and Loan Association
Pulaski Pike and 18th Street
President, Wm. P. Siegret
Secretary, Wm. G. Friedgen

Market Square Building and Loan Association
23 North 53rd Street
President, George E. Kemp
Secretary, Adam R. Preston

Merrick Building and Loan Association
1802 South Broad Street
President, J. Frank Adams
Secretary, Robert Craig

Mortgage Building and Loan Association
250 South Broad Street
President, Millard Merz
Secretary, Alfred P. Post

Municipal Building and Loan Association
Fifteenth and Locust Streets
Secretary, Samuel Stern
Treasurer, W. P. Brockermann, Jr.

Perpetual Building and Loan Association
250 South Broad Street
President, A. K. Frank
Secretary, Alfred P. Post

Reliance Building and Loan Association of Germantown
19 Maplewood Avenue
President, Fred W. Kaplan
Secretary, George W. Cliffe

Vici Building and Loan Association
1361 Fillmore Street
President, John Bezner
Secretary, Walter B. Gossling

Westmoreland Building and Loan Association
Fifteenth and Venango Streets
President, William A. Lechler
Secretary, George W. Worman

PITTSBURGH

Allen Knox Building and Loan Association
746 Warrington Avenue
President, J. C. Stuart
Secretary, A. A. Glausser

Allentown Turn Building and Loan Association of the 31st Ward
Allentown Turner Hall, Allen Avenue
President, Conrad Malkus
Secretary, Harry G. Appel

Beltzhoover Building and Loan Association
407 Climax Street
President, Philip Metz
Secretary, Adolph Demme

Duquesne Heights and Loan Association
1202 Grandview Avenue
President, William L. Bond
Secretary, Hubbs Weimer

PENNSYLVANIA

PITTSBURGH

Eagle Building and Loan Association No. 2
4625 Liberty Avenue
President, W. Boehm, Sr.
Secretary, J. C. Knapp

East Park Permanent Building and Loan Association
718 East Diamond Street
President, Herman Braun
Secretary, John F. Kappel

Economy Building and Loan Association
McClure and Woods Run Avenues
President, Gerhard Brocke
Secretary, R. Frank

Enterprise Building and Loan Association of Pittsburgh
207 Fulton Building
President, Charles Wain
Secretary, Joseph W. Beeh

First Mutual Building and Loan Association
429 Fourth Avenue
President, James McClure
Secretary, W. Hamilton Brunt

Forbes-Murray Building and Loan Association
207 Plaza Building
President, John A. Sharp
Secretary, I. W. Jacobs

Friendship Building and Loan Association
4625 Liberty Avenue
President, William Downey
Secretary, J. C. Knapp

Greenfield Building and Loan Association
184 Greenfield Avenue
President, David G. Morgan
Treasurer, James H. Bradley

Hemlock Building and Loan Association
1948 Ley Street
Secretary, Emil Andres

Home Building and Loan Association of Pittsburgh
526 Fourth Avenue
Vice President, Myer H. Sparks
Secretary, Elmer P. Erkel

Iron City Deposit and Loan Association
408 Columbia Bank Building
President, A. H. Patterson
Secretary, H. T. Thompson

Keystone State Building and Loan Association
533 Fifth Avenue
President, Theodore F. Brown
Secretary, Charles Wilcox

Kordecki Building and Loan Association
511 Overbrook Boulevard
President, C. R. Czapiewski
Secretary, C. J. Machnikowski

Lawrenceville-Columbus Building and Loan Association of Pittsburgh
3431 Butler Street
President, John Bienemann
Secretary, J. W. Fink

Mt. Troy Building and Loan Association
2021 Mt. Troy Road
President, Edward Heid
Secretary, John G. Stoehr

New Century Building and Loan Association
4625 Liberty Avenue
President, L. H. Moss
Secretary, J. C. Knapp

Pleasant Valley Building and Loan Association
Columbus and Irwin Avenues
President, Charles Ochsenhirt
Secretary, C. L. Jacobs

Potomac Building and Loan Association
Glenmore and Potomac Avenues, Dormont
President, A. J. Schmidt
Secretary, G. A. Stoehr

Progressive Mutual Savings Fund and Loan Association
1411 Carson Street
President, W. G. Yost
Secretary, W. J. Seiferth

Riceville Building and Loan Association No. 6
1917 Union Bank Building
Secretary, F. A. Hannan

PENNSYLVANIA

PITTSBURGH

Security Savings Fund and Loan Association
20 Wabash Avenue, West End
Secretary, Arthur E. McMurray
Assistant Secretary, Carl E. Koch

Security Ten Cent Loan Association
506 South Main Street
President, L. W. Mallasee
Secretary, W. H. Heselbarth

Teutonia Permanent Building and Loan Association No. 2
737 East Ohio Street
President, Merle J. Scheller
Vice President, George B. Alberth

Thirty-First Ward Building and Loan Association
835 Warrington Avenue
President, Adam Weitzel
Secretary, Geo. H. Davis

Troy Building and Loan Association of Pittsburgh
1610 Lowrie Street
President, Frank J. Berner
Secretary, Charles A. Schrempf

Unity Building and Loan Association
816 Warrington Avenue
President, William E. Colligan
Secretary, Henry A. Bechter

West End Building and Loan Association
506 South Main Street
President, C. A. Shaner, Jr.
Secretary, W. H. Heselbarth

READING

New Home Savings and Loan Association
9 North Sixth Street
President, Allen H. Gittelman
Secretary, J. Hain Mengel

SOUTH LANGHORNE

Eden Building Association
Bellevue Avenue (Mail P. O. Box 167)
President, George W. Brelsford
Secretary, Frank D. Lyons

SPRINGDALE

Springdale Building and Loan Association
236 Walter Lane
President, W. A. Haas
Secretary, Clarence B. Eyler

TULLYTOWN

William Penn Mutual Loan and Building Association
President, A. Brock Shoemaker
Secretary, W. Lovett Leigh

WASHINGTON

Equitable Building and Loan Association
206 Brown Building
Secretary, M. P. Ruch

WILKESBARRE

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