

GUARDIAN BUILDING & LOAN SECTION

SCHOOL SAVINGS IS GROWING ANNUALLY; TEACH REAL THRIFT

Through Co-operation of Banks and Building and Loan Associations All Over the Nation It Is Possible for Schools to Learn Great Lesson—Millions Put Away Each Year.

A habit is something that we do easily and automatically, such as talking or eating or walking. Reading, writing and arithmetic are complex habits that we acquire by gradual stages during our progress through school.

BILL SAYS



W. R. AGNEW Sales Manager, Portland

Success is a journey, not a destination.

Nothing in progression can rest on its original plan. We might as well think of reeking a grown man in the cradle of an infant.

A young man cannot honestly make a success in any business unless he loves his work, any more than a married man can be happy in his home unless he loves his wife.

Your ship may be coming in, but it never hurries to row and meet it.

Teacher: "Name, give me a sentence containing the word 'cavert'."

Name: "Every morning the milkman leaves us a cavort of milk."

Red-headed man: "You say this is a good hair tonic?"

Barber: "Very fine; we have a customer who took the cork out of the bottle with his teeth and the next day he had a moustache."

Seen in a Boston paper: "Death was due to natural causes, Mrs. Blank had for some time been under a doctor's care."

Employer: "Now that I have decided to give you the job, I must tell you that early hours are the rule in this store."

New Clerk: "That's good. You can't close too early for me."

John: "I said the schoolmaster sternly: 'You have been caught in the act of flagrant disobedience. Your example to others is most reprehensible.'"

An Income of \$100 A Month Is The Result of Savings of \$5,000

Receiving \$100 a month for a \$5,000 investment seems impossible. But it does not take 24 per cent to make it—only 6 per cent and a little patience.

Just as a sporting proposition, a young man can bet himself that he will not be obliged to do without a new automobile simply because he reduces the "dead line" of production at 65. And the sooner he makes the bet, the less it will cost.

Today's young man can take care of himself throughout his life if he wants to, instead of being obliged to live with relatives or friends after 65. This is proved by recent changes which have taken place in American economic life.

There are endless good opportunities to post your bet and buy a real income with the money you post.

For example, there is the local building and loan association in your town. They buy mortgages right along, and if you place your bets with them every month, you will own a little part in all the mortgages which they own.

There are endless good opportunities to post your bet and buy a real income with the money you post.

A gentleman told me the other day that he would like to save, but did not know how.

This friend has never earned over \$175 a month, and most of the time very much less. Also he never saved more than \$25 a month at any time and yet, since he has reached 56 years of age his savings bring him an income of \$100 a month. It sounded like a fairy tale, so we drew up a table to show it was done. Altogether he

only saved a little over \$5,000—but it was the early start that did it. If he had waited before starting to save, his per cent income would have cost him more. Think of \$5,000 in savings producing \$100 a month!

"But," he said, "I made a bet with myself years ago that I would not ask help from my friends after I passed 65. We have a building and loan association in our town that has earned and paid an average 6 per cent dividends for years. So I did a little figuring. I knew that \$100 a month will always keep a man alive. It even leaves a few extras now and then, after the bare necessities are paid for. Not much for real folks, of course, but a lot better than nothing.

"All right—\$100 a month is \$1,200 a year. This would mean that I must have \$20,000 invested in our little building and loan association, as it is paying 6 per cent every year. That \$20,000 seemed an impossible goal. And it would be impossible for me to save that amount quickly. It would take \$100 a month for more than 13 1/2 years (132 months) in our building and loan association, and I knew I couldn't save \$100 a month. Some men can do it easily, of course—but my earnings were too small.

"So I knew that if I were to get that amount it would mean saving what I could and waiting for compound interest to do the rest. Waiting is the easiest thing I do.

"That little problem in arithmetic didn't take long. I experimented with various figures—45 a month gives you \$1,000 in about 11 1/2 years; \$10 a month gives you \$200, and so on. Well, if I saved \$10 a month at 2 1/2, I'd have \$2,000

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New Stockholder



Dr. A. L. Richardson, of La Grande, former president of the La Grande Building and Loan Association and in the Mortgage Investment Co.

The Guardian feels that Dr. Richardson's action in purchasing this stock will add confidence and stability to the local branch, as he is a staunch believer in building and loan.

"For the past thirty years I have not been without stock in some building and loan association and regard it as a safe and sure investment. I have matured many of these stocks in the past 20 years and at the present time I am a consistent investor in stocks, both for myself and the Grande Rondo hospital," Dr. Richardson said when interviewed.

"This type of investment induces people to form the habit of thrift, accumulate savings, and encourage home building," he continued. "People should begin their investment in building and loan stock with the intention and determination of carrying it to maturity."

"It is with regular saving of some amount each month kept up over a period of years that finally operates to the great benefit of the investor," the doctor concluded.

Dr. A. L. Richardson received his education in eastern colleges and universities, at Chicago and St. Louis.

He came to Oregon, locating in La Grande in 1881, and since then has practiced here, continuing with the exception of time spent in post graduate work in the east.

He is a member of the Eastern Oregon District Medical Society, the Oregon State Medical Society, and the American Medical Association. He is the director of the Grande Rondo hospital of La Grande which has a capacity of 75 beds.

Most of the money of the mode (Continued on Page Three)

BUILDING AND LOAN ASSOCIATION PLAYS AN IMPORTANT PART

Nature of Organization Is Explained—Building and Loan Companies Permits Man to Take Uncertainty Out of His Investment for the Future; Community Ideals Served.

By Jacob Dobrin



It is sometimes said that the average American is more of a thrifter, and expects that his fortune will be made through a lucky chance. If this were true, there would be even a wider gap than now exists between those with fortunes and those without. But like many other half truths, it overlooks a most important part of our economic life. It is merely idle to talk about undue extravagance with the facts about our people's savings. Side by side with our large expenditures for luxuries and pleasures, we find a host of expenditures for capital goods that contribute to the progress of our time. And most of our capital is saved in comparatively small sums in institutions designed primarily to promote thrift and to accumulate a cash reserve.

Perhaps it may be said that we depend too largely upon chance for the larger rewards of life. But for the smaller things that make for a successful, progressive community, we do not take so many chances as popular opinion would have us believe. During the time that young men and women are watching for the great opportunity that will mean a competence for them, hundreds and thousands of them are putting aside small sums each day toward that unknown rainy day which is sure to be ahead. They may be looking toward the chance of big gains, suddenly achieved, but they have not forgotten the smaller things, as so many demagogues would have us believe. If they had, insurance companies would be out of business, investment companies would close their doors, and the general business life of our country would be ruined. All these concerns help to furnish the capital with which which business is carried on, and they get it primarily in small amounts from individual customers who have a limited store of savings.

Among the investment companies the building and loan association has taken an important part. There is one of them for every 3,511 of the people of the United States, yet comparatively few people know how they operate. There are more associations than the total number of national banks, and there are more than one-third as many as all the banks combined, including national, state, and private.

Amortization, a method of paying off a debt—the success of the building and loan association in promoting the two ideals is due primarily to the use of small periodic payments, or the so-called "principle of amortization." The term "amortization" means "killing off," and is used to signify the repayment of debts in periodic installments. Loans are due at some given time in the future, and when the amortization principle is not used, the borrower often has difficulty in finding the large sum of money to meet the lump payment when due. Such loans are called "straight" mortgage loans. It is the common experience of lenders on straight loans that the debt is seldom paid in full except after several renewals. During the term of a straight loan (ordinarily from three to five years), the borrower pays the interest but usually makes little or no effort to accumulate a fund for the repayment of the principal. As a result, when the mortgage is due, he is obliged either to renew it (that is, borrow the same sum for another period from the same lender), or "refund"

The Duty Of The Business Man

Business is business because it can't be anything else. The ideal business man is like a judge. His company is an entity, apart from himself. If he is an honest business man he will, in an emergency, cut his own salary as ruthlessly as the wage of the humblest laborer. When he makes a mistake and offends a customer he will settle accounts with a check book and not with an excuse. He will deal fairly and justly with all, and always be guided by his reason and not by his feelings. You will find him on the board of directors of one of the Building and Loan associations.

This kind of business succeeds because it deserves to succeed.

BANKER LAUDS BUILDING, LOAN ASSOCIATION

"The growing popularity of the Building and Loan Association is the greatest promise of promise on the horizon of an undeniably extravagant period of American life," says Mr. John E. Owens, vice president of the Republic National Bank, Dallas, Texas, in an address delivered before the Texas Bankers' convention in Galveston.

Mr. Owens expressed impatience with the bank that has a vague distrust of the building and loan association because it has drawn certain small deposits from the bank's savings account, and pointed out the fact that the Building and Loan Association creates a prosperity in which the banking (traditionally) predominantly participated.

Contrasting the amortization principle of debt paying with the old principle of one large note, Mr. Owens showed that in some instances, immediately on the creation of a debt, to extinguish it by a certain small set-up payment that begins to disburse principal and interest at the same time is the great triumph of extended credit.

Conversely, the one-note system results in a tendency to pay the interest and on the maturity of the debt, to re-instate—to become an interest slave.

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FRESHMAN SHOWS THRIFT GENIUS

High School Boy Saves \$500 During Year by Doing Odd Jobs.

"I wish I could save as much money this year as that seventh-grade boy," said one teacher to another. The boy is George Gordon, first chairman of Room 214. He saved \$500 last year and, as he put it, "bought clothes and things besides"—and he is just 12 years of age!

The boy is the son of Albert Gordon, 915 South Matthews Street, Los Angeles, California. He is a first-year student in Hollenbeck Junior High School and ranks first in school thrift activities in an enrollment numbering more than 2,000 students.

Started Piling Weeds. George earned his first money three years ago digging weeds. The following year he took a paper route. Last year he added a magazine agency, with mowing lawns, buying weeds and painting chores as sidelines. George never loses an opportunity to earn money, and it opportunely doesn't come seeking him he has to go looking for it. Recently he met a neighbor tugging his garbage can to the sidewalk.

"That's not very good for your new suit, Mr. A.," he called. "You're right. I don't, and what's more, I hate the job and forget it half the time."

The result of this encounter was a contract for the removal and return of the can, nicely papered twice a week—and George was richer by 25 cents each trip.

Plans Tree Partnership. Just before Christmas George began to speculate. A lot of children were expecting Christmas trees. Where were they coming from? "Well," said a grown-up man who was moved to do a little speculating about that time also, "suppose you and I go into partnership and sell 'em."

The partnership was formed on a 50-50 basis. A stand was rented at Sixth street and Boyle avenue.

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Savings Fund With added Feature of Insurance Offered by Building and Loan For Your Baby

Attention, Parents: This belongs to your baby, your girl, your boy. How helpless, how entirely dependent. It's Daddy this or Mother that, from morning till night—and when the boys and girls are tucked in bed fast asleep, you and mother look at the sleeping bits of mortal and wonder what the world holds in store for them. And so great events take place from time to time in the child's life—birthdays and parties, and excursions in schools, and promotions, etc. They are all great events in the child's life and you are involved in them as a principal figure. It may be difficult for you to visualize this little mite as a grown-up, but here they quietly and only too soon will you hear those words: "Daddy, do I get to go to college?" Think what joy you will experience in being able to say: "Yes, my child, I have made provision for your college education through an endowment in the Guardian Building and Loan Association. And 20 years from now you will celebrate another birthday, another happy event—if you make it so; if you have looked ahead wisely and with loving kindness made preparation for your child. Think what joy you would have in maturing an endowment fund for your child on that birthday, 20 years from now. Think what it would mean for the child's future, the completion of an education; a start in business; a milestone on the road to success. You realize that presents and toys received by "baby" are soon lost and forgotten; but an Endowment Fund grows more and more valuable each year. We offer a Savings Fund with the Added Feature of Insurance. We will gladly give this figure and also furnish you information regarding the Nest Egg Bank—which, by the way, will be our

Form for Savings Fund application with fields for name, address, and child information.

USEFUL GIFTS to each NEW DEPOSITOR Free Pencil and Blotters To All School Children