Small Loan Companies Exploit Friendliness In Customer Dealings

Editor's note: This is the second of three dispatches on the small loan business. Today—Small loan companies vs. banks.

By FRED DANZIG
United Press Correspondent

New York —UP— Small loan companies have found that respectability rubs off.

Borrowing suddenly became more fashionable in 1928, when the First National City Bank of New York opened a personal loan department, leading the way for other banks. This year, banks will dole out $12,300,000,000 in personal loans.

The small loan companies, instead of being hurt by this competition, find themselves doing better than ever.

This year, our 10,745 small loan offices will make about 16 million loans at a volume of 5½-billion dollars. Ten years ago, it was 10 million loans at a $1,400,000,000 volume.

Even though interest rates are about double when compared to bank rates, one family in six is a small loan company customer.

Charge More Interest

Small loan companies charge more interest than banks because they have higher operating costs and take greater risks. They deal mostly with skilled or semi - skilled workers while banks lend mostly to the white collar worker.

Why do some people who can get a bank loan borrow from a small loan company instead. Here are some reasons:

—Small loan offices are open at more convenient hours and may be closer to home.

—Small loan offices are more willing to lend small amounts.

—Their employees "speak the same language" and make the borrower feel more comfortable.

One psychologist recently found that, "A large majority of Americans consider banks as distant, cold, formal institutions. They long for a more personal, a warmer relationship."

Warm And Friendly

Small loan companies promote the "friendly and warm" angle to the limit.

One firm, General Finance, urges radio listeners to call a local number and let good old "Bob Adams" arrange a quick loan. This firm has about 200 employees answering calls for Adams. "We picked 'Bob Adams' because it's a typical American name," said Richard Trenkmann, company vice president.

Some finance companies in the early 1940s began to realize that a get-tough policy toward delinquents was bad business and bad public relations. They repossess only in rare cases these days. The danger of repossession is at a minimum because of such cushions as credit life, health and accident insurance, unemployment insurance and pensions.

A $500 20-month loan can cost you from $104 to $161 in interest, depending on the state law the small loan company works under. The bank's charge would put the same loan cost about $71. On a $300 loan, payable ober 18 months, the bank cost comes to about $38 while the small loan company would charge at least $68.

Next—How to borrow wisely.

REUNION—This was the happy scene in New York as William Gavcus was reunited with his family after their release from Siberia. Here he tries on a pair of Russian-made boots with the help of his son, Romutis, 13, as his wife, Monika, and daughter, Ruta, 16, look on. Gavcus a liquor salesman in Chicago, came to the U. S. in 1948, believing that his family would soon follow him from their Lithuanian farm. Instead, the wife and children were sent to Siberia and were freed after Soviet Premier Khrushchev yielded to a plea to free them.

TESTIFYING before Senate rackets committee, Nathan Shefferman, labor relations consultant, refuses to tell whether he gave senators false information earlier this year. (International)

The Family Council

Editor's note: The Family Council consists of a judge, a psychiatrist, three clergymen, a newspaper editor a women's editor and two writers. Each article is a summary of an actual report. The Family Council does not give advice; it merely reports on problems that have been dealt with by responsible agencies and counselors.

Franklin T. — It is time my parents considered me.

Mrs. L. T.—We can't hurt my sister.

• • •

Franklin T.—I am a bachelor of 30 and I am now living with my parents and a widowed aunt in a small apartment. I had been living in another city for the past five years, but returned home when a business venture I was working on didn't pan out.

Now that I am back home I find there is really no room for me here. I have to sleep on a day bed in the living room and have no privacy at all. It didn't bother me so much when I was younger, but it does now.

My parents have made a home for my aunt for the past 15 years. I think it is now time they considered me a bit. My aunt has no children, but she has another sister and could live with her. My mother refuses to say anything to my aunt. It's hardly fair to me.

• • •

Mrs. L. T.—My husband and I are terribly upset about this whole situation, but we can't see how to handle it. I thought my sister would understand the situation and offer to make a change of her own free will, but she has not been well and is probably afraid to undertake anything new at this time. I just haven't the heart to say anything to her that would make her feel in the way. She is so sensitive and irritable these days.

Frank accuses us of all kinds of things ever since he has returned home. He claims we never considered him, never gave him the same advantages we gave his sister. This just isn't so, but we don't want him to have such ideas in his mind. We would like to show him we really care for him, yet we can't do what he asks.

• • •

The Council: Several lonely years away from home climaxed by a business failure have probably reawakened an old and childish bitterness in Frank. He should recognize the more he indulges in such feelings, the slimmer will be his chances of coming to terms with himself as an adult.

Frank is right that he needs some privacy. A healthy man of his age should not be sleeping on the day bed in the living room of his parents' home. But he has no right to demand his parents display their love for him by ejecting an ill and elderly woman from her home.

Frank is old enough to make his own home. If that home is to be with his parents at the present time, it is up to him to create the proper conditions. He should find a larger apartment and make the full financial contribution necessary for this arrangement.

Frank is now in effect saying: "I am a helpless, dispossessed child and my parents refuse to take care of me." As long as he feels this way, he will be exactly that—and will be unable to take on any of the pleasures and responsibilities of adult life.

4-H CLUB NEWS

Meadows Busy Beavers

The Meadows Busy Beavers held the second meeting of the new year on Nov. 9.

At the first meeting we elected officers. For president we elected Bob McAllister. For vice president we elected Donald Mitchell, and for secretary Pat Bishop and for treasurer Sidney Maplesden.

At our second meeting we elected leaders. For our leaders we have Mrs. Ellis and Mr. Maplesden.

The next meeting is to be held at Bishops on Nov. 30.

Reporter
Sharon Terry

The Antelope 4-H Cooking club met at Paulette Anderson's home on Nov. 2. The club pledge was lead by Carol Jaffrey. There were some plans made for the Christmas party. Mrs. Bohnert, the club leader, announced that a demonstration day will be held at the court house auditorium on Nov. 23, Charlotte Bush and Phyllis Jaffrey showed how to make White Sauce and two main dishes.

The next meeting will be held Dec. 7., at Nyla Murray's home.

Reporter,
Paulette Anderson

EVERYBODY WAS DOING IT

Columbus, Ohio — UP — When police asked Franklin D. Radcliff why he was driving 50 miles an hour the wrong way on a one way street which had a 25 miles an hour limit, he replied: "I was just following the flow of traffic."

Salem —UP— The State Supreme Court has affirmed dismissal of a writ of habeas corpus brought by James Clinton Anderson of Klamath county.

President Franklin D. Roosevelt signed that 20 per cent of income, pay-as-you-go tax bill June 10, 1943.

Grange Notes

Upper Rogue Grange

Upper Rogue Grange met in their hall Thursday evening, Nov. 7, with Master Caroline Harding presiding.

Thursday, Nov. 14 will be work day at the Grange hall and members are urged to come. The men will cut and stack wood and the ladies will cook a hot meal for them and clean out cupboards.

The H E C announced the next meeting is to be Thursday, Nov. 14, at the home of Mabel Hansen on Elk creek with a noon luncheon. Lucile Barber will be cohostess. Names will be drawn for the Christmas party which will be at Eastin's on Dec. 12.

Officers for the coming year are master, Herb Carlton; overseer, Carl Richardson; lecturer, Meryle Carlton; steward, Roy Vaughn; assistant steward, Ray Gillispie; chaplain, Tressie Vaughn; treasurer, May Richardson; secretary, Carolyn Harding; gate keeper, George Tockstein; ceres, Dorothy Tockstein; Pomona, Minnie Eastin; flora, Hazel Uurich and lady assistant, Georgia Grieve.

The executive committee is Helen Artell, Harold Barber and Bruce Grieve.

Mr. and Mrs. Arthur Kobernik, of the Evergreen Grange in Roseburg, were vsitors. After the business meeting chili beans and crackers were served by brother and sister Brugger and brother and sister Harding.

Central Point Grange

Central Point Grange will meet in regular session. Friday, Nov. 15.

The three Graces, with Mrs. William Straus leading, will have charge of the lecturers program.

The lunch committee will be Mr. and Mrs. B. E. Ford, Mr. and Mrs. Roy Vogle and Mrs. Victor Bursell.