

Oregon First National Bank Not Participating in SBA Loans

By A. ROBERT SMITH

Mail Tribune Correspondent

Washington — The Small

Business Administration has

advised Congressman Charles

O. Porter that the First

National Bank of Oregon

is not participating in SBA's

loan program to small busi-

nessmen.

The U. S.

National Bank

and the state's

smaller independent banks

have not followed this same

policy, however, and have co-

operated with SBA in making

small business loans, accord-

ing to Wendell B. Barnes,

SBA administrator.

Barnes reported that Ore-

gon banks had participated

with SBA in 30.6 per cent of

all loans arranged through

the agency for the state's

small business applicants from

1953 through Sept. 30, 1957.

By comparison, banks in

Washington state participated

in 57.2 per cent of loans in

that state. Nationally, banks

participated in 69.3 per cent

of SBA loans, Barnes report-

ed.

Porter looked into the mat-

ter after receiving complaints

from "a number of small busi-

nessmen" who charged that

"banks in Oregon are not do-

ing their part and they point

to states which do show that

Oregon banks participate far

less than do banks in Wash-

ington or in the national on

the whole, as an average."

Specific Statements Avoided

Main office loan officer of

the First National Bank have

avoided specific statements

but a number of branch man-

agers have stated orally or in

letters that the bank does not

participate as a matter of

policy.

Barnes reported that the

U. S. National Bank is "par-

ticipating" in several loans

and others are being dis-

cussed.

There are indications that

some bank officers are in-

clined to feel that their banks

are taking care of the legiti-

mate needs of their custom-

ers," the SBA head went on.

This feeling is not shared, of

course, by the businessmen

who have been refused assis-

tance by their banks and have

come to the Small Business

Administration for help. In

many cases, we must also de-

cline to make a loan for the

same reasons that the bank

has given."

C. B. Stephenson, president

of the First National Bank of

Portland, when asked by Por-

ter for an explanation of the

bank's attitude, replied:

"I feel that the percentage

of bank participation in SBA

loans is not necessarily mean-

ingful. It could well be—and

I think it is quite likely—that

many loans are made by

banks in Oregon with their

own funds that in other states

are shared on a participating

basis with the SBA. That is a

reflection of policy. If the

risk involved is such that we

can accommodate the appli-

cant, we prefer to handle the

credit without participation

with the SBA. Our legal

lending limit of \$5,000,000 en-

ables us to do that in many

cases, while in other states

some of the banks either lack

the lending capacity or want

someone else to share the risk

involved."

SBA compiled figures for

the period 1953 through Oct.

31, 1957, which showed that

112 loans were made to Ore-

gon applicant through SBA—

76 direct government loans,

36 with some local bank par-

ticipation. The total amount

of the direct government

loans was \$4,494,500. Of the

loans in which banks partici-

pated with SBA, the govern-

ment put up \$1,350,913 and

local banks put up \$416,837.

Barnes said it is SBA's "de-

sire to encourage maximum

bank participation in every

case in order to establish a

sound credit relationship be-

tween the bank and the bor-

rower as well as to make our

loan funds available to as

many small businesses as pos-

sible."

"It is possible," the SBA

went on, "that the low rate of

participation in our loans in

Oregon and Washington is be-

cause of the generally higher

prevailing rate of interest

charged on business loans in

the Northwestern part of the

United States. A bank might

prefer to make the entire loan

at a prevailing rate of seven

or eight per cent, for exam-

ple, rather than to participate

with the SBA at our maxi-

mum rate of six per cent."

The Council of the Blind

will meet at 2

p.m. Sunday in the St. Mark's

church guild hall, Fifth st.

and Oakdale ave. Refresh-

ments will be served following

the business meeting.

The Council of the Blind

is a group of blind and visu-

ally handicapped persons orga-

nized to advance the economic

and social status of all blind

persons. The Jackson county

group is affiliated with the

Oregon Council of the Blind,

which is affiliated with the

national organization.

John Ragsdale of Eagle

Point is president of the Jack-

son Council of the Blind.

Safety Engineer

Talks to Club on

Defensive Driving

A "defensive" driver is

careful to commit no driving

errors himself and makes al-

lowances for the lack of skill

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McKellar, a safety engineer

for Pacific Telephone and

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Wednesday at their luncheon

session at Rogue Valley Coun-

try club.

Discussing further attri-

butes of defensive driving as

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lisions and other auto mishaps,

McKellar said that a motorist

practicing the requisites of

such operation is careful of

road hazards, is continually

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vance, and always concedes the right-

of-way.

Courtesy Contagious

The speaker advised prac-

tice of the "Three Cs," concen-

tration, control and courtesy.

He brought out that "courtesy

is contagious."

McKellar listed a number

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sidered for safe driving. These

included condition of health

and emotions, checking of ve-

hicle condition, making stops

smoothly and casually and

considering backing as a seri-

ous business.

The safety engineer warned

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conditions of the road. A mo-

torist should make up his

mind in advance about turn-

ing. McKellar declared, stress-

ing that turns should be made

properly from the correct

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signs and signals was listed

as another factor in defensive

driving.

TWO SUSPECTS

Atlanta, Ga. — Detectives

suspect that two persons

were involved in the looting

of Charles Rinzler's home.

On the missing list were two

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apples.

The surface of the moon

contains an estimated 14,657,-

000 square miles.

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dating before they are ready

can have very harmful effects.

The children who show no in-

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Actually, there are many

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marriage.

Any normal child looks for-

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ture. When he feels ready for

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but eventually he will catch

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Warm Springs

Tribe Gets Check

Portland — The Portland

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erated Tribes of the Warm

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The payment, under terms

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KEEPING COMPANY

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