TWO ASSOCIATIONS HERE IN
PAST TEN YEARS HAVE PAID
$1,228,292 IN DIVIDENDS

LAFAYETTE TRIBUNE

Meet Here Marks Only
Statewide Observance
of Centennial
April 9, 1931

Building and Loan
History is Reviewed

Nine Billion Dollars in Small
Homes Invested in
United States

An oil lamp flickering shadows
across a red-and-white-checked
tablecloth on which Jesse
Castor had placed the large book wherein
he was carefully tracing precise
outlines. On the other side of the
room near the bright warm stove
stood Samuel Pilling and Jeremiah
Horrocks, buttoning their great-
coats over their black damask col-
lers.

They were waiting for Jesse
Castor, the lawyer, to finish writ-
ing the minutes of the first build-
ning-and-loan association organized
in this country, and they conversed in
low tones with several other
men who had taken part in the his-
toric meeting that had just fin-
ished.

Mr. Castor added January 3,
1831, Frankford, Pennsylvania, to
his notes, and the little group went
out into the cold night, walking the
short distance to their various
homes.

They had met at the Inn of
Thomas Sidebotham and organized
the Oxford Provident Building As-
sociation, because then, as well as
now, the average salaried man
required financial aid in order to be-
come a home owner.

From the time Mr. Castor closed
his famous minute book in that
dimly lighted parlor, until the pres-
ent day, is just one hundred years.
In that interval the modest figures
set down by the Pennsylvania at-
torney have grown into the mil-
ions and lately into the billions, so
widespread and continued has been
the growth of the building-and-loan
idea.

But Samuel Pilling and Jeremiah
Horrocks, and Isaac Shallcross,
first paid official of a building as-
sociation, had in mind only the
needs of the citizens of Frankford
who longed for homes of their
(Continued on page four)

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There was no thought of carrying the building association on after these needs had been met. Indeed, the original records stated that "this association shall continue until every member shall have the opportunity of building or purchasing a dwelling house." That the association should be continued nearly a hundred years later, and that similar associations should become rooted in practically every community in the country, because people still longed for homes, never occurred to the small group gathered together in Thomas Sidebotham's bare little parlor.

And Isaac Shallcross, setting his salary as treasurer and manager of the Oxford Association at fifteen dollars a year, was never to know that some of the ablest financiers of the twentieth century would guide the destinies of a tremendous business, which he, for many years, guided alone in Frankford.

The house in which the first meeting was held still stands, now listed as post-office address, 4219 Frankford Avenue, Philadelphia. The association was founded there and still does business as The Decatur Building Association of Frankford, having been reorganized several times since 1851. The wishful longing that comes at some time or another to every family for a roof-covered cottage of its own has kept the Oxford Association active for one hundred years.

Samuel Pilling, treasurer of the first American building association, had come to this country from England in 1820. Mr. Horrocks, too, was English, and came to this country about the same time as Mr. Pilling. Building societies formed expressly for the purpose of loaning funds to wage earners who might use them for home buying or building had flourished in England for many years. Mr. Horrocks and Mr. Pilling had not paid much attention to these organizations when they resided in the old country, but the spectacle of their employees in this new country struggling to acquire homes, and often not being able to handle the undertaking, recalled the British method to these community leaders.

When these men drew up their first papers on the night of January 3, 1881, they did not have as much as a scrap of paper to guide them in their work which was to become so important. They had no literature or records of the English organizations. Dr. Henry Taylor, a physician who worked much among the poorer people and was sympathetic to their desires for homes of their own, was consulted. These three men enlisted the aid of Mr. Shallcross, a teacher in the principal school in the town. Mr. Castle was an attorney, and a member of a family long prominent in that vicinity.

The president of the first building association was Mr. Isaac Whitelock, who had manufactured spinning wheels and chairs, and who at the time of the organization of the Oxford Provident was in the lumber business. Mr. Whitelock was one of Frankford's city fathers. He was chief Burgess of the town from 1827 to 1829; in 1832, when the town was stricken with an epidemic of cholera, he was appointed one of a "sanitary committee" to take charge of the emergency. His charities were numerous and it was especially remembered of him that he was good to colored people.

The first loan by the Oxford Provident Building Association was made on April 11, 1831, to Mr. Comly Rich. The amount was $500. And when Mr. Rich pocketed this money and went out to see about floor plans, building materials and contractors, home ownership received the greatest impetus it has ever had in this country.

The second building-and-loan association in America was organized in Brooklyn, New York, in 1836. A group of men from that city had visited Frankford for the express purpose of learning about the unique plan used there. They liked the idea so well that they hastened to draw up the Brooklyn Building and Mutual Fund Loan Association as soon as they returned home. The monthly payments were $2.50 a share, and the association matured its stock at $600. In 1856 there were more than one hundred associations in New York State. New Jersey had several, and the first one to appear in the West was set up in Chicago in 1849. From then on the growth of these organizations, pledged to assist wage earners to finance home ownership and exist for nothing else, was rapid. The movement took hold slowly in New York City prior to the 1880's due to the high cost of land there, still, by 1889 New York City had thirty associations, Brooklyn eighteen, and there were 275 in the state.

In 1892 the associations set up a national body known as the U. S. Building and Loan League, with headquarters in that city where the idea had been supported so ardently—Cincinnati.

Now the national body undertook to apply business principles to the important task of creating homes where none had been before. The old-time associations, prospering without advertising, had rendered an important service to the American people. However, the grandchildren of the early officers began to see that some folks have to be urged to do what is good for them, and that more funds could be raised for this purpose by adopting some of the methods used by other businesses to sell their wares.

When they are satisfied that the loan is secure, building-and-loan officials throughout the country act as advisers on all the phases of home owning, from the selection of architectural plans to the curbing for the living room and the grass seed for the lawn. They receive no pay for this except that of the happy people who have achieved home ownership under this guidance.

Last spring the building-and-loan associations pledged themselves to increase their assets by one billion dollars. They already held billions, but in the summer after the acute depression had made thousands draw their savings from many other sources. They wanted the billion dollars to give to people who sit in rented flats and dream of cozy cottages on country lanes.

Home owning is still a problem, as it was in the days when Judge Castle wrote in his minute book, "this association shall continue until every member shall have the opportunity of building or purchasing a dwelling house." This time has never come, probably never will come, for the successor to the Oxford Association or for the people at large in the United States. The average income in this country is approximately $2,000 a year. Building-and-loan associations will probably continue for another hundred years. They will take a modicum of the family's income and give it back a home.