

YOUNGSTOWN STATE UNIVERSITY

ORAL HISTORY PROGRAM

Metropolitan Savings & Loan

Personal Experience

O H 894

DAVID R. JONES

Interviewed

by

Evelyn A. Jones

on

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EJ This is an interview with David R. Jones for the Youngstown State University Oral History Project on the Metropolitan Savings & Loan, by Evelyn Jones, on December 5, 1982

Would you start by telling me something about where you grew up?

DJ I grew up on North Meridian Road. I had two brothers. My father was a security writer at the time. He had an insurance business. The area, at the time, was pretty much a farming area. Cornersburg was a little crossroad at the time with a general store and hardware. We went by bus to Chaney School because we lived within the city limits.

EJ What was school like?

DJ Chaney, when I started there, was relatively new, I believe it was completed in 1928. We were always the students that were separate and apart from the regular students there because we came by bus. There was one bus that made several trips around Meridian Road and Bears Den to bring the students into school. We never had much association with the other students because we would jump on the bus and come home and do things in the country.

EJ What was your training like and how did you come to work with the Metropolitan?

DJ I had worked there one year. I had taken a job to help Mr. Waller, who at that time was doing the appraising for the company. This was after the war and I was at the time enrolled in Kent State University. I enjoyed the appraising end. We went out every day and looked at houses and made appraisals in order to make loans on the property. That was my first introduction to the company.

EJ What was your first real job then?

DJ At that time, we were rather small, we were not much over a million dollars in total assets at the time. To put that in perspective, the Home Savings was something like 39 million. People in there were Bruce Jones, my uncle, who was the president. Lloyd Nuttle, Harold Waller, I recall there were two girls and a bookkeeper, and that constituted the whole company. We went to Home Savings & Loan classes in Youngstown and Warren. I took a good bit of ribbing at the time because we were a very small institution and very insignificant then what the other people from the other companies thought. That did not bother me too much.

EJ What was the company like then when Bruce was president?

DJ It was a very small company and physically it was very small. The property had been purchased in 1929 by a company at 42 North Phelps Street. It was next to the old Savoy Hotel, which had burned and been redeveloped. It was eighteen feet in width, the building and it was long and narrow. The room in the building is where we held the board meetings.

There was a vault there and a restroom and that was it

EJ When you up from an appraiser, what was the next step?

DJ I went to work full-time for the company My uncle had become ill and was in the hospital In September, I had decided that I preferred not to go back to Kent State, but to work full-time That was very agreeable with Mr Waller, who was a very good attorney and teacher He was very liberal in his willingness to help teach me new jobs, which he did Then I slowly got into making loans and taking applications I had been appraising on my own and then structuring the loans and actually closing them I got involved in all areas

EJ What events, in the years that you worked at Metropolitan, stand out as major?

DJ As I think of it, probably the big thing that helped our company was joining the membership in the Ohio Deposit Guarantee Fund, which was an organization formed in Ohio in 1956 It gave the insurance for guarantee to those companies not members of the Federal Savings & Loan Insurance Corporation We never did want to become members of the Federal Savings & Loan Insurance Corporation because we felt that insurance of the companies, of the deposits of the companies was an Ohio problem and not a federal problem

One of the things that stands out in my mind was my uncle's attitude toward anything federal He felt that the federal government, "If the camel got its nose in the tent, pretty soon it would be walking away with the tent " Of course, that is basically what happened in the ensuing years Bruce, himself, was a very interesting fellow He was well-educated and had a quick mind He was a bit sarcastic or cynical, but I think that covered up sort of the natural shyness that he had He always seemed to me to be old; he died at the age of fifty and he always seemed to me to be older than that. He had the appearance of an older man with the vest and watch chain and rimless glasses

EJ Looking back, what changes would you have liked to have seen instituted, maybe that did not come about?

DJ I cannot think of anything really There are things that I wish did not happen I wish that our business had been able to proceed without much government intervention and interference as we have experienced As for the events of the company, I cannot think of anything that I would have changed

EJ What kind of future can you envision for the savings & loan industry, but especially for the Metropolitan?

DJ I think in the past, our success in my opinion, was based on the fact that we attained a local identity We had local stockholders and local people working in the company We made our loans locally and we were real closely tied to Youngstown. I think that that helped make us successful and another thing that helped make us successful was that we were able to

concentrate on trying to do a few things well rather than trying to be all things for all people. Our philosophy, over the twenty years or so that I was involved as president, was basically that if we tried to not be all things to all people, but to do a few things and do them well.

It is an open question now what will happen nationally, to the savings & loan business and whether they will be able to find a niche in the economy. There are vast changes coming and the savings & loan companies have now shed their old identity of just lenders to savers on their homes, they have gotten into many other things. It is still an open question and the jury is not in yet on what is going to happen to the savings & loan business nationally.

EJ How do you feel about the rapid growth of the Metropolitan since you were president?

DJ That has always been a problem, you do not want to grow too rapidly. You will outstrip your reserves if you do. Yet you want to grow. We have tried to steer a middle course and really without working at it too hard advertising and marketing wise we have grown, and are now within 180 million. I recall, in 1976, when we moved into the old Central Tower Building we were under 100 million. The growth has been rather rapid. Because of changes, we are now unable to stick to the idea of doing a few things and doing them well. We have to expand and search for a new identity.

EJ There must be more than one reason for the success of the company. What do you think that might be?

DJ One of the reasons I think for exceeding, is the image that is portrayed by the officers of the company and the leaders of the company. If they show up early and stay until the closing bell and work hard the other employees see this. If the officers and the leaders of the company are lax about how they do many little things, the employees get this attitude and the company gets sloppy. I think that is one reason for success. I think the officers of the company concentrate on trying to set a good example so they do not become big shots or big operators and work the task at hand. I think that is one of the most important things of any company.

EJ Is there anything else that you would like to add?

DJ No. I might mention that at the beginning of the company, Will B. Jones was the founder and the first president of the company. He started by getting men to go out and sell stock in his company to people in Youngstown. They sold a lot of stock. They started out with his friends, the Republican Party people, and probably people of Welsh background. I think the incorporators were Attorney Hugh Wickham and Dr. Biant, and Andrew Henderson. These men, along with a couple of others, AG Sharp was another one, invested money themselves and they got friends to invest money. That is how we got started.

We have grown considerably and sold stock. It was originally sold on the basis of \$10 per share plus \$ 50 organization fee and membership fee. They sold many shares of stock,

all which were all not paid up at the time, so it took many years for some of these people to pay it up

Others quit and withdrew and took their money out, and did not complete their subscription because the payment period went into the Great Depression in 1932. By 1952 the state superintendent of savings & loans had asked to close out the existing running stock accounts, that was quite a big job. I had that job of writing each of these people and getting a registered letter to determine whether they wanted to finish or take out their money. We closed all of those out at that time and we now have about 400 stockholders, most of them from Youngstown.

EJ How long was Bruce president of the company?

DJ Bruce was president from 1924 or 1925 until his death in 1951. He graduated from Boston University and was an attorney. He worked for the American Indemnity Company out of Cleveland for a short while and then came down as secretary of the company. Will B. was president at the time when he took the job as secretary. He was later named president then.

EJ Do you remember anything in the 1930's?

DJ All I remember from the 1930's was talk at home about what was happening. Metropolitan had a lot of foreclosures not near as many percentage wise as the Home and the Federal because they had not been in existence that long. It was hard time for the company. I remember Bruce telling me about the people who would come in in the middle of the Depression and would withdraw their money in their savings account and go out. Bruce would send Lloyd Nuttle to follow them and he would follow them and they would go around the block and come back in and put their money back. They wanted to see if they could get it.

End of Interview