

ONE MINUTE TALKS on BANKING

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This is the second of a
series of "One Minute Talks
on Banking" by prominent
bank officials, which will
run each Saturday in the
Times during the month of
August.

Banks and Community Development

A hundred years ago, the usual procedure for a merchant in settling an account in a distant city was that of setting out in



person by stage coach, with his bag of coin necessary for the settlement. The present day merchant, taking advantage of all modern developments of transportation and banking, simply buys a draft and mails it to any part of the country. He leaves the rest of the transaction to the several banks involved. The saving in time and expense is so apparent that we hardly think of the inconveniences of early days. It is bank credit that makes the daily transfer, through the medium of checks and drafts, of enormous sums of money throughout the country possible.

Banking is on a new and higher plane today. Bank credit is transferred with the speed of electricity over wires that connect bank with bank, wires that abolish consideration of miles and time in the transfer of purchasing power.

A modern, progressive bank is a public institution, serving the community in hundreds of ways. It accepts the money of thousands for deposit and makes their dollars available for the benefit of the whole community through its known responsibility. It gathers the idle funds of the community and places them at the disposal of the manufacturing and trading element to the profit of the city. It shoulders the "load" of business. It carries the farmer's financial load from seed time to harvest. The manufacturer who needs raw materials for his factory borrows from the bank, buys the supplies needed, turns them into finished product, sells, and with the proceeds pays his note at the bank.

The progressive banker, with his knowledge of the money markets and of general conditions, is in a position to advise business men on questions of financing their business, informing them where and how to raise the money which builds skyscrapers and sets tremendous factories roaring with activity and prosperity. The community which succeeds in the highest sense is one in which the public understands the function of banks and uses them to public profit, and the bank that succeeds is the bank that assumes a progressive, helpful attitude toward the community, adopts an aggressive policy, has a broad vision of the city's future and extends liberal yet sound credit to its customers.

How the Community Benefits

Credit, banking and business are so closely associated that unless a person understands the fundamental principle of credit as a banker applies them, he cannot appreciate what progressive banks mean to a community. Credit is too big a subject to study here in all its broad aspects. An attempt to evaluate the tremendous benefits derived would be impossible in such a short article. But let the reader consider the business world of today without the element of credit. In the first place, there would be no banks, for they are credit institutions dealing in but one thing, credit, using money as the basis. The stockholders would not have invested their money in the banks and no deposits made by the public, if the factor of trust did not exist. There would be no paper money, for a Government note is a form of credit—trust in the Government or trust in the banks, that the promises to pay will be kept.

Merchants dealing with one another would have to do so on a cash basis this basis being metallic money. No goods could be sold on time. The factory owner would not have time to turn the raw materials into finished product before paying for the raw material. The jobbers could not open an account with their customers, allow them to put the goods on sale and receive their pay in sixty or ninety days from the proceeds of the sale.

Corporations, such as railroads, industries, gas and electric corporations and manufacturing companies could not borrow money for buying land, laying tracks and buying equipment necessary to operate, by selling their stock and bonds. Cities could not pave streets, build water systems, sewers and parks. Individuals could not build homes and pay for them out of their earnings.

But why go further? The credit element touches all we are, all we accomplish and all we hope to have. Credit is the backbone of our financial structure, the life blood of our activities as a city, state and nation.

TRAIN AND MOOSE HIT

One Dead and Two Badly Hurt as Result of Queer Crash.

PORT ARTHUR, Ontario.—Fireman Robert Kramer of Kenora, was killed and Engineer Goodman of a Canadian National ballast train was severely scalded near Horne Payne, when the train ran into a moose, overturning the locomotive.

LOST LAD IN CANOE

Found Sleep in Drifting Boat Five Miles at Sea.

BIDDEFORD, Me.—As a riot call was about to be sent for assistance in finding Lawrence Andrews, 22, of Detroit, Mich., a telephone message was received saying that he had been found by a fisherman asleep in a canoe five miles off the coast.

Let's Be Done With Pessimism!

IN EVERY crisis the people want to know what the bankers think. We have had numerous calls from business men and individuals who wanted to know what is going to happen next. The public has been anxious to obtain the bankers' opinion.

The country has been passing through a period of re-adjustment of living costs, prices and wages. But the painful days of 1920-21 are now history. Adjustment of wages and prices to the new level of August, 1922, is necessarily painful and accompanied by disturbances from many quarters. But the progress now under way cannot be stopped. The momentum of its swing and economic signs all say "go.". New conditions turned the "stop" signal months past and traffic jams on the new highway now seem only of a temporary nature. General business bears a number of scars as a result of the transition, but the new wounds are healing fast.

Conditions are growing better every day. The country has more gold in its possession than ever before. Europe is gradually getting the bitterness out of itself and is getting back to common sense. Interest rates are lower — "men wanted" signs are back on the factory gates—construction work is booming—country-wide good crop reports give a sound basis for mass confidence. The merchant and the manufacturers have taken their losses and are proceeding under the new conditions of today.

All over the country the process of "moving out" the effect of hard times has been going on for months. The period of "good times"—a long period—has already begun.

The public is buying—but buying sanely, realizing that now is the time to turn to "good times." It's time to forget pessimism—to smile and work and to put your dollars to work.

These Indianapolis banks are as varied in service as human needs and capabilities and they are ready to serve now as never before. This is an invitation to start using their facilities for all they are worth.

Industry is forging ahead. Your deposit in one of these banks will help the wheels of industry turn with ever-increasing speed.

A Satisfactory Banking Connection Increases the Radius of Your Business Opportunities

City Trust Co.

Continental National Bank

Commercial National Bank

Fletcher American National Bank

Marion County State Bank

National City Bank

The Peoples State Bank

Security Trust Co.

J. F. Wild State Bank

Washington Bank & Trust Co.

This advertisement is the second of a series paid for by the several banks above to cultivate a better understanding of banking and bankers. By so doing, they are building the financial and industrial strength of the future Indianapolis, by giving you knowledge of just the banking service you need.