

Various Meanings of Credit-The Way Character Begets Confidence and Opens the Way to Trust-Thrift and Honesty the Basis of Banking.

The secret of why some men can readily obtain credit, while others are unable to borrow a cent, is disclosed in the present article prepared by the Committee on Public Education of the American Bankers Association. It tells an interesting story of how a man of forty, of good reputation and fair success, was nonplussed by his inability to borrow and had to pass up a good opportunity.

Banks are said to deal in credit. | \$80 from the bank, and paying it off The word "credit" has various meanout of savings.

ings. When you deposit money, your account receives "credit" for that amount. When a man borrows money on his note at the bank, he is granted When a railroad, a manu-"credit." facturing concern, a town, or a government, issues bonds, it uses its When anyone buys goods "credit." without paying cash, at the time of purchase, "credit" is granted. Without credit, our present day business system could not exist.

Credit is possible only where people have confidence in each other, and confidence can exist only where good character exists. Every successful business man looks upon his credit standing as a most valuable asset, and he maintains it by square dealing. To get credit a man must pay his debts, or it soon becomes known he is not of good character and not worthy of confidence. Those from whom he would buy refuse to trust him and the banks decline to grant him credit. Then come business failure and a long uphill fight to get on his feet again and live down the past.

More Than Honesty Needed Honesty is not the only factor involved in credit. For instance, Mr. credits. Jones, a man of forty, of excellent morals, who has enjoyed a fair income for many years, sees an oppor-THE MORTALITY OF tunity to purchase a business. He SAVINGS ACCOUNTS requires financial assistance. He calls on a banker and asks for the necessary credit. The banker asks the naisiness, what it will cost. Massachusetts has issued a tabulation and what Mr. Jones can command in made by a mutual savings bank in an ready money, or other resources, but average New England town showing learns that he has no money or propthat, of the accounts opened during a erty of his own. six months period, 85 to 90 per cent It is clear that Mr. Jones lacks ability to manage his affairs wisely. were open at the end of the period. At the end of the next six months He has not had enough strength of about 70 per cent were open. At the character to save money by adapting expenses to income, and therefore has end of one year about 60 per cent were open; at the end of 18 months not proved that he could make financial progress. Moreover, if men do about 55 per cent; at the end of three not invest some of their own money years about 50 per cent; and then the figure rather steadily declined by 2 to in the business they usually lack in-3 per cent of the original number centive and become easily discouraged. It would be unwise for anyone each year. At the end of ten years to assume such a financial risk, and about 25 per cent of the accounts were Mr. Jones probably would fail to get still open. After that the changes were credit from the bank. He must give very small, mostly on account of death. up his opportunity to some one else who has saved money. Federal Reserve Copied Banks are public servants, but that does not obligate them to serve those who are unfair in business or lack-Peru is the first country in Latin ing in the great principles underly-America to reorganize its banking ing success. To be known as a caresystem according to Federal Reserve ful and thrifty person is the best principlies by the enactment of the assurance that the bank will extend Federall Reserve Act of Peru to de financial help when needed. velop the country's resources along Many people think that one should modern lines of financing. Peru's new shun debt like the measles. They banking: system is modeled after the fail to distinguish between wise and United States Federal Reserve, with unwise debt. It is wise to use credit. modific ations such as the banking that is, go into debt, to buy a home. conditions and general financial sit-Such debt encourages thrift. A stuuation there require. It provides for dent may wisely borrow money needthe creation of a Federal Reserve ed to complete his education. It is Bank in : Peru. The directorate of this an investment that should pay divi- bank is to be composed of nine memdends in greater success. Another bers, t' sree of whom are to be desigwise use of credit is borrowing nated by the Government and the to buy good bonds, such as Liberty other six are to be elected by the Bonds, paying \$20 down, borrowing member banks.

When to Shun Debt There are circumstances, however, under which one should never borrow

money. Never incur a debt in a speo ulative venture. OF THE PEOPLE WHO SPECULATE, NINETY-FIVE PER CENT LOSE. Neither should debts be incurred to purchase pleasure-giving possessions. / Such debts are millstones around the necks of countless families.

Progressive banks adhere to the same standards they exact of their patrons. Their business methods must be beyond reproach. They exclude business of doubtful reputation and have no part in the feverish struggle for suddent wealth. Well-managed banks are regarded with great respect, and hold a place of ever increasing importance.

Some thoughtless persons criticize banks for not making loans more freely but it must be remembered that a bank's business is to receive deposits as well as to grant loans, and it is therefore the trustee of money belonging to others. It must safeguard its depositors' funds and so control them as to be always ready to return them intact upon demand. That requires great care in granting

The Savings Banks Association of

Keep Wampum Sound of his crops to Europe, or of the 'In-

By SAMUEL H. BEACH, President, Savings Bank Division, American Bankers Association. Although the United States is today apon a solid gold basis, we neverthe

less know of our own knowledge what

inflation means. It would take long to recall in detail the experiences bitter which this nation suffered during the Civil War and the years which followed it, and in our present easy condition we might think

such conditions S. H. Ecach could never again arise. But with such men as Henry Ford and Thomas A. Edison talking about commodity money there is no foretelling what may happen.

One of the plainest lessons taught by financial history is that whenever a nation issues paper money with nothing back of it, that nation is on the road to disaster. Look at Russia with its worthless rubles and Germany with its worthless marks. Think of what happened in France during the years immediately following our Revolutionary War.

The common people of France rose in their might, tore down the Bastile, and made reprisal for centuries of kingly crime and oppression. The profligate court had piled up taxes until they were unbearable. The enraged populace killed King Louis XVI, and also his queen, Marie Antoinette. But they only threw themselves out of the frying pan into the fire so far as finances were concerned.

Unsound Money Tyranny

At the very worst point of their currency inflation they found themselves under the absolute domination of Robespierre. In order to meet the growing scarcity of coin, paper money called assignats were issued. First 400,000,000 francs worth, then 800,000, 000 were added with the distinct understanding that the 1,200,000,000 would be the full extent of the issue. This pledge was soon broken and further issues brought the total up to 3,700,000,000 francs.

Frightful depreciation was the inevitable result; and legislation was passed making it a crime, with six years' imprisonment as the penalty, if any one should refuse to take the paper assignats at their face value. Just think of it! A French peasant after working the entire year to produce a crop was compelled by law to accept payment for that crop in paper money, which he knew to be worthless, or go to prison.

It was simply legalized robbery. When the penalty was increased to twenty years imprisonment the inevitable climax came. The Reign of Terror was at its height Robespierr was in supreme power. He suggested that more assignats be issued and if the people did not take them the guillotine should be the penalty.

ternational Manufacturer." "The banker maintains, and can maintain, international contact, and

the extent that American industry, commerce and agriculture are international. True, the banker must take within his purview continuously the conditions of affairs and the current of things throughout the world, but so must the exporter and importer, and so must the farmer take into ac count the prices and tendencies of the

world market in Liverpool. Banking Mostly Home Business "The American banker's market is the home market. His success is conditioned upon the capacity and willingness of the American investor to absorb the securities which he offers His very existence depends upon the confidence and co-operation of the ady banker whose activities would ALBANY GARAGE. "Studeacy banker whose activities would justly create the impression that he was actuated by cosmopolitan rather G. T. Hockensmith.-Lloyd Templeton. than by American interests would very soon lose that confidence and

following. "The business which he does for his own account in, with, or for Europe is inconsiderable as compared to the business he does in America. His prin cipal functions in relation to Europe are to provide the requisite banking facilities for export and import and for travelers. That part of his functions which consists in financing loans of foreign governments or industries .prices has hitherto been, with sporadic exceptions, of relatively inconsiderable proportions as compared to the vastness of the volume of his transactions

Necessity for Foreign Credits imply that there is anything that calls street, Albany, Oregon. for apology in the floating of foreign

of American funds to Europe, provid ed such loans are considered sound as to security and are made for legiti mate, constructive purposes. Indeed Holman & Jackson-Everything such loans ought to, and I believe will for your table except the linen. be made in increasing measure, when Highest quality and prices reasonable, conditions in Europe will have become Phone 43 Opposite Postoffice such as to warrant it.

"It is manifest that the promotion of owr export trade, including, of course, the export of farm products. requires us, under the circumstances remain for some time, to aid the pur Miller Motor Sales chasing power of other nations by er

tending to them financial facilities to

velopment of this country and the

C

BEN T. SUDTELL

FARM LOANS

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HALSEY ENTERPRISE

lots and littles Ibany Directory

(Continued from page 1)

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Frank Gansle spent the week end at Oregoa City.

Davis has discontinued the Albany Brownsville stage

Andrew Nicholls of Lebanon has been sent to the insane asylum.

Mrs. Esther Rike has gone to Albany to keep house for Mrs. Foster.

Ramsey, who drove the stage in the fatal collision near Shedd, is out of jail under \$1000 bail.

Miss Audrey Showalter of Mc-Minnville, who is attending summer school at O. A. C., was a week-end guest at the B. M. Bond

Alfred Steinhauer and wife of Greenleaf, the latter William Wheeler's granddaughter, visited him Monday and took him to Albany and back in their car.

The Oregon National Guard furnishes regulation military tents. which are already being set up at Fish Lake, for the Boy Scouts' encampment, which opens July 30.

Frum's new warehouse, as big as before the fire, is ready for the big hay crop, and a new baler, just off a freight train, stood between it and the depot staring at it over a week.

John Duncan of Shedd, whose serious illuess was mentioned in Enterprise last week, died Wednesday but the news did not reach the this office until the paper had gone to press. He was 78 years old. J. E. and C. C. Duncan of Shedd are his sons.

D. R. E. Michener, once a Brownsville schoolteacher, and his wife, formerly Lennie Ramsay, with their daughter Mildred, have been here from their home at Mulvane, Kansas, visiting at Amos Ramsay's.

F. H. Porter of Portland was attending to business in this violaity the first of the week. He has purchased a fine new home in Rose City park in Portland and with his family expects to move in the last of this week.

We are thankful to friends who send in little social items like this. but this one came in last week after the Enterprise had been printed : -Mr. and Mrs. W. H. Beene and son Allen spent Sunday at the Pearl True home.

There has been a change in the S. GILBERT & SON Sunday mail service at the Halsey Chinaware and gift shop Albuny postoffice. No mail goes out Sundays except on the north-bound 11.37 train. The postoffice will be STIMSON THE SHOE DOCTOR open only from 10:50 to 11 s. m. Second street, opposite Hamilton's and from 12:15 to 12:80 p. m. "Sudden Service." R. E. McGuire, 50. of Portland, and Harold Gray, 18, of Lacomb. Waldo Anderson & Son, distribwere killed Friday at the Hamutors and dealers for Maxwell, Chalmond lumber company's works at mers, Essez, Hudson & Hupmobile cars Mill City by a heavy donkey en-gine, which was being moved, Accessories. Supplies. 1st & Broadalbin when a cable broke and let it run over them. The county Red Cross bandled the cases of 45 ex-service men and 33 civilians in Jone. Disbursements were \$80 06, of which \$60 went for ex-service men, \$7.35 for civilians and \$12,71 for expenses. Miss Edith Forrest, the efficient FURNITURE AND executive, leaves Saturday for a month's vacation and Mrs. A. C. FARM MACHINERY Heyman substitutes for her. bought, sold and exchanged at all times Last Thursday there was thunder and lightning, with hailstones as large as English walnuts, at Phone 76-R, 123 N. Broadalbin st., Alban y Fish Lake. Trees had all their leaves beaten off by the downpour in some places. But that's tame. Over at Bend they got hailstones that weighed a pound apiece. A greenbouse lost \$1500 worth of We are making five-year loans on glass and much other damage was done. Five sisters who had not been together at one time for fortythree years met at the home of one of them, Mrs. A. E. Randall, 727 Madison street, yesterday noon. They are daughters of Rev. and Mrs. S. T. Miller, pioneers, who lived near Scio. They are Mrs. John Miller of Halsey, Mrs. J. C. Hudson of Pullman, Wash., Mrs. Sarah Gamber of Albany, Mrs. Fannie Buchner of Salem and Mrs. Randall. The following friends and relatives were invited : Mr. Randall, Miss Daisy Bachner of Albany, Mr. and Mrs. Robert Miller and daughter of Harrisburg and Rev. and Mrs. J. C. Spencer and daughter of Florence.-Albany Herald, July 12.

in financing American industry, com merce and enterprise. loans in America and in the loaning

a reasonable extent. "It is the function of the banker to be instrumental in carrying out such transactions. In doing so, he is the means of serving a useful national purpose, just as he served a useful, indeed a highly important national purpose, in being the means of attract ing and bringing European capital to America in former years when condi tions were reversed and such capital was nothing less than vital to the de

realization of its opportunities."

conduct international business, only to This is good advice: "If you live

in Albany, trade in Albany; if you live in some other town, trade in that town." But in these automobile days many residing elsewhere find it advisable to do at least part of their buying in the larger town. Those who go to Albany to transact business will find the firms named below ready to fill their requirements with courtesy and fairness

JULY 19, 1923

Albany Bakery, 321 Lyon street, Best one-pound loaf of bread made. cents ; 3 for 20c. Wedding cakes to order

A loady Florar Co. carefully for everywhere or any lbany Floral Co. Orders filied time. Flowers, wire anywhere in U. S. or Canada. Flower phone 4589.

Blue Bird Restaurant. 309 Ly. on street. Eat here when in Al-y. Open from 6 to 2 and 5 to 8. MRS. BLOUNT.



Eastburn Bros. -Two big grocery stores, 212 W. First and 225 South Main. Good merchandise at the right

Flood's dry goods store is the best place in Albany to buy dry goods. furnishings and notions. Service is our notto

Fortmiller Farniture Co., furni-"In saying this, I do not mean te Funeral directors. 427-433 west First

> Films developed and printed. We mail them right back to you. Woodworth Drug Company, Albany, Oregon.

Opposite Postoffice

en and money are best when busy. Make your dollars work in our savings department. ALBANY STATE BANK. Under government supervision.

Oakland and Jewett cars

Supplies and accessories First and Baker Sts. Albany, Oregon Morton & Speer Service Com-Headquarters for good tires Phone 65 First and Lyon ROSCOE AMES HARDWARE,

WINCHESTER STOKE 322 W. First st.

Specialized shoe repairing. Good-O'year welt sole sewing. White's Shoe Repair Service. Opposite Hotel Albany.

Mr. and Mrs. H. W. Chance and] Mr . and Mrs. Alfred Wright and son' Glenn and grandson Harry son ? Iomer of Portland spent the visited at the Henry Bateman week end at the J. W. Moore home home in Brownsville Sunday. in th is city.



Robespierre's End

This unheard of outrage was more than the people could stand. An unknown man arose on the floor of the convention and denounced Robesplerre, reciting the heinous crimes he had committed, and so worked upon the feelings of the audience that Robespierre, the tyrant, became Robespierre, the convicted criminal. Two days later he was led to the guillotine. France had learned her finan cial lesson well-that money must have value back of it.

The fallacy of unsound money is sure to confront us again. Never is there enough of everything for all the people. The struggle for existence is a real struggle, and those who find themselves in the lower strata of human society are ready at any time to grasp at flat money or any of the other things which misguided politicians hold out to them.

My whole purpose is to drive home the fact that danger lies ahead and to urge every one to let no opportunity go by to use voice and influence to ward keeping the wampum of these United States, as it is today, the soundest currency in the world.

BANKING REFLECTS BUSINESS

"International Farmer" and Other Business Men Who Sell to Foreign Markets Create Domand for International Financial Service.

The idea that bankers engaged in fnancing foreign trade and in handling foreign bond flotations are a particular cult of "International bankers" actuated by motives differing from those of other bankers was refuted recently by Otto H. Kahn of New York, in an address before the Roch. ester Chamber of Commerce.

"There is no such thing as an International Banker' in America, as the meaning of the term is generally understood," Mr. Kahn said. "He exists in the imagination of people all too numerous, but he does not exist in the flesh. You might just as well speak of the International Farmer' because the farmer sells a certain percentage



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censed Embalmer Meade & Albro, Efficient Service. Motor Hearse Optometrists, Manufacturing Opticians Lady Attendant. Albany, Oregon Brownsville.....Oregon

Monday Mrs. G. M. Larkins, 23, an Albany bride of three weeks, drove her auto upon the railroad track in that city and a train hit and wrecked it and her right thigh and left knoe were