

BANKER'S DUTY AS EDUCATOR.

[By Wm. C. Cornwell, Indiana Bankers' Association Convention, Indianapolis, Oct. 25, '99.]

Nature in all its operations emphasizes the principle of benefit endowment resultant from life work. The silk worm spins laboriously its cream-white cocoon and, goes out of it to a new life, leaving its priceless threads to adorn beauty in salons and palaces.

I suppose every worker is bound to teach something of what he knows to the people he comes in contact with, and so leave the world a little better off in knowledge, when he goes out of it. The laborer, at least by his example of uncomplaining honest industry, certainly teaches something. The mechanic, the inventor and the scientist each pushes world knowledge up several notches from one generation to the next. The doctor teaches hygienic care. The lawyer teaches hope of ultimate justice—if not here at least hereafter—and the minister certainly is a teacher, more than anything else.

I do not think the banker has been much of a teacher in this country. If he had been, I do not believe the prevalent ill-will against banks would have existed. It is a prejudice which is not directed against any other class of business institutions. It is without foundation. The facts are that banks are the greatest benefit, not only to the people who use them, but to *all* the people, inasmuch as they make it possible to carry on with facility all the operations of the business world, and without banks, at least seven-eighths of all commerce would have to be abandoned. The banks are to commerce what the steam or power engine is to industry. If the world was compelled to go back completely to horse power it would be less of a hardship than if banking were entirely abandoned.

Prejudice Not Counteracted.

These being the facts, it is remarkable that they are not widely known, and it is due, to the education of the people having been conducted the other way, by the demagogues, who have persistently taught that banks are a selfish monopoly and that any one who damaged them, did God's service.

There appears to have been no one to counteract these teachings. They date from the time in the civil war when banking got into politics, when the national banking system was formed, and when, for a few years, on account of the large profit in note circulation and bonds, the banks became a target for the stump speaker on the anti-administration side. This condition of profit has long since passed away, but the target practice has continued ever since.

The bankers themselves have done almost nothing at all to relieve the situ-

ation, and the question is whether or not it does not behoove them to take the matter up systematically. This might be considered something of a selfish operation. To educate the people as to what a bank really is, so that the banker might get out from under the political crush, and have justice done him, and get his share of legislation for the benefit of banks in general, looked at narrowly, might not be called education on high lines, but, nevertheless, whatever benefits banks, benefits the whole business structure, which operates by means of them—just as improvements in the power engine help the industrial world.

I do not mean that the banker should limit all his educational endeavors to this effort. There is a wide field besides, pertaining perhaps to the more immediate customers. A well conducted bank encourages among its dealers thrift in savings; better system of accounts; careful arrangements to ensure prompt payment of obligations; wise investigation in extending credits; well studied forecasts of the market. All these things make the bank and its customers more prosperous. They are the daily work of the banker as an educator. But they have no influence in repealing hampering, unjust, or inadequate laws.

Education Better Than Reform.

"Let us make our education brave and preventive," says Emerson. "Politics is an afterwork, a poor patching. We are always a little late. The evil is done, the law is passed, and we begin the uphill agitation for repeal of that of which we ought to have prevented the enacting. We shall one day have to supersede politics by education. What we call our root-and-branch reforms of slavery, war, gambling, intemperance, is only medicating the symptoms. We must begin higher up, namely in education."

To affect general legislation as to the banking situation, wide distribution must be made of information as to what banks really are, which would favorably influence the voter.

Educating the Public.

That the bankers of the United States are alive to the need of this sort of progaganda is shown by the response to the efforts of the committee on education of the American Bankers' Association. This committee sent out samples of a primer on the Use of Banks, with request that those of the fraternity who cared to and would give time to its painstaking distribution, should respond. Over 4,000 bankers replied, ordering 1,250,000 copies of the primer, and promising coöperation in the work of the committee. The response was so prompt and the order so large, that the executive committee was staggered with the vastness of the undertaking if once begun, and advised a smaller beginning. The committee accordingly started to

supply 100 copies each to the banks ordering, and in this way, in the last year, over 325,000 copies have been transmitted to the bankers, and by them to the hands of the individual readers, comprising farmers, mechanics, laborers, lumber men and miners. From the reports received it is evident that the bankers in nearly every instance have given personal attention to the matter, and so careful has been the distribution that hardly a single copy has been wasted. It is fair to presume that each primer has had five readers, which would extend whatever good was done to over a million and a half people.

Educating the Banker Himself.

This is only a beginning, however. It is a question whether the education of the banker himself does not enter in here. The lawyer, physician and clergyman must each pass through a course of training before he graduates into practical operations. Engineers, electrical, civil and mechanical, do the same. Even the farm, the workshop and the counting room is represented by manual schools and business colleges. The banker alone, must work his way to the top through actual experience and without the help of the university, and many times finds the top occupied by someone who has been successful in other business and without any experience in this. There should without doubt be in all our colleges and universities a course for bankers, and it should be, and we hope will be, the aim of the committee on education to bring this about.

In the meantime the banker already in it, must do the best he can by individual application outside of the treadmill routine of daily business, fitting himself for the higher questions which the bankers should long ago have decided.

Authority on Money.

It seems to me that the bankers should be the authority on what our currency system needs. It certainly needs some rearrangement. I think every banker should give this subject the most careful study. I am quite sure that a unanimity of opinion would be the result.

The Monetary Convention.

Four hundred representative business men of this country convened at Indianapolis two years ago to consider this question. Few of them knew anything about currency reform, and yet today, by means of a currency commission, they have arrived at a unanimous conclusion, embodied in the monetary commission report which stands at this date as the most noteworthy work on our financial problems ever produced in this country, and I will venture to say that these four hundred delegates—business men—know more about the real principles of currency reform—the real needs of this country in this line—than any other four hundred men you could pick