

# ARE THE BANKS TO BLAME?

It is frequently said that one reason why some Philadelphia industries have not expanded as those in other cities have done is that the banks of Philadelphia do not encourage and support aggressive selling methods. Notably, it is said, they often decline to loan money to be invested in advertising.

And yet the first great national advertiser of the United States was a Philadelphia banker.

A Philadelphia banker, Morris, stood behind the nation and carried it through the Revolution. A Philadelphia banker, Clark, financed the Government in the Mexican War. And again, in the time of the Civil War, it was a Philadelphia banker, Jay Cooke, who supplied the sinews of war. He did it by advertising.

He was appointed fiscal agent by Abraham Lincoln, and his job was to sell war bonds. He abandoned the old-line, conservative methods, and by aggressive advertising in every good newspaper in the North, he sold \$1,240,000,000 worth of bonds. That was the *first national advertising campaign ever known*—and it was planned and executed by a Philadelphia banker.

Our bankers have been staunch supporters of their nation in the wars of history. So too should they be staunch supporters of the city's business and business men in the modern warfare of commerce.

It is true that the banks are often unjustly criticised for refusing to loan to manufacturers who really have not the qualifications necessary to make a success of any selling campaign—whether or not advertising is a part of it. In order to loan on something other than tangible security, the bank has to be convinced of the ability and energy of the man who wants the loan.

It is equally true that the same complaint is heard in other cities as well as in Philadelphia.

Edward Mott Woolley, in an article in *Printers' Ink* last fall, said:

"The banks in the great advertising centres, such as New York and Chicago, are generally liberal in their viewpoint on advertising. In the smaller centres, the old distrust is often seen.

"An inquiry at some of the largest banks in New York shows that loans are being made heavily. If a concern intends to put \$25,000 or \$100,000 into the next year's advertising appropriations, the sagacity of the managers is trusted for the result. But reports from other places show decided conservatism and misunderstanding of the true mission of advertising.

"In a small city of Pennsylvania, three advertising manufacturers, who really constitute the sum-total of the industry of the town, are today practically closed down because of the disinclination of the local banks to let them carry on their usual campaigns. The result is that the town is stagnated, the one savings bank losing deposits heavily, the merchants doing no business except in bare necessities, and credit seriously overtaxed all around.

"In a New Jersey town there is a manufacturer of specialties who has been obliged to reduce his advertising 75 per cent. because his bank would not loan him money unless he did.

"The main trouble has been that bankers have never given any considerable study to the subject of advertising. They have taken the more spectacular advertising as typical. They have seen tremendous successes, and some big disasters. These they have lumped together and called the whole thing 'chance.'"

The writer goes on to show that bankers have a misconception of modern advertising. He adds that the time is coming when large banks will have on their staffs men with trained knowledge and appreciation of the true value and force of advertising. He says: "If this seems far-fetched, remember how, only a decade or two ago, there weren't any real credit men attached to banks.

"With the growing recognition of advertising as a necessary sales force, advertising methods must be made more and more a matter of study by the banks; and an advertising adviser, either as a member of the bank's actual staff or in the position of a counselor, might easily accomplish wonders in the legitimate development of a community and of the bank."

*We should appreciate an opportunity to place in the hands of every Philadelphia banker who is interested to know more about advertising AS AN INVESTMENT RATHER THAN AN EXPENSE our 282-page illustrated book entitled "Selling Forces," which is a study of the basic principles of national advertising.*

*The Ladies' Home Journal*

*The Saturday Evening Post*

*The Country Gentleman*

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