

THE BANKING IMAGE



There are as many views of money as there are people who think about it. And everyone thinks about it. It is important stuff.

And because it is so important, we have devised an intricate system for collecting, protecting and distributing it. The system is called banking, although banks are by no means the only institutions engaged in it.

Banking is as old as history, and probably a lot older. There surely was a scene among the cavemen when one of them said to another, "Charlie, watch over my extra arrowheads while I go zap me a mastodon."

Charlie and his cave thus became a repository for another man's wealth. If Charlie proved himself a reliable caretaker of wealth, he could have become the tribe's banker, accepting other articles for safekeeping in the absence of their owners and in turn being paid off with an occasional extra slice of venison.

BUT, PIGGY banks notwithstanding, there is more to banking than the

safe storage of wealth. By the Christian era, banks in the Mediterranean and Middle East were taking in money for both time and demand deposits, paying interest and making loans.

The use of paper money and the writing of checks had not developed yet. One reason was probably the low level of literacy among the population.

The Romans had their own banking system. When their empire collapsed, so did most of the banking in Europe.

But banking was by no means an exclusively European institution. It had thrived for centuries in the Middle East and China and continued to do so.

About the 11th Century, A.D., European trade began to thrive again, and with it banking. Modern banks are descendants of the banks of the Italian city-states of the Middle Ages and Renaissance.

The Italian banks of those times had an advantage over the banks of neighboring countries. The Catholic Church, headquartered in Rome, acquired vast sums which it placed as

long-term deposits with nearby banks. These holdings gave the banks great power in the development of commerce and culture and contributed to the intellectual and artistic splendor of the Renaissance.

BANKING OF that area was largely a family enterprise, closely held and often mixed with insurance and pawnshop activities.

By modern standards, banking of the Middle Ages and Renaissance was chaotic. Banks frequently collapsed, a hazard that existed until the inception of governmental controls and guarantees only a few decades ago.

One of the prime causes of European bank failures was extending too much credit to kings and noblemen, who often proved to be deadbeats. Being born heir to a title or throne doesn't necessarily make a man very bright or guarantee his honesty.

Along with banking, there grew also the trade of moneychanger. It is a function still performed by modern

banks for persons going or returning from abroad, but it hardly ranks as a full-time profession.

But in the Middle Ages and later, many European noblemen were empowered to mint their own coins. These had no standards of value and were spendable only in localities where people chose to accept them. So the moneychangers moved about from city to city and fair to fair, swapping one kind of money for another to the satisfaction of everyone, including themselves.

THE UNINHIBITED manufacture of money and unregulated banking brought many kinds of people into the banking arena. Priests, pawnbrokers and goldsmiths all played roles. But in the 17th Century, the Bank of Amsterdam became the most successful in Europe and set standards that led to modern banking procedures. Close behind it came the Bank of England, founded in 1694.

Several developments brought these advances about. For one thing,

the 46½ hour a week bank



We're the bank in Farmington that always seems to be open. Of course we're not always open... it just seems that way because we're here from 8:30 in the morning till 4:30 in the evening Monday through Thursday and from 8:30 in the morning till 6:30 on Friday. And then on Saturday we hang around till after lunch in case you want to do your banking on your day off. It all adds up to 46½ banking hours every week. That's 2,790 minutes. And when you consider that it would only take a couple of minutes to switch to Metro, you could do it just about any time you felt like it.

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8 Mile at Kelly

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