

## Tom Marshall's Weekly News, February 13, 2017

**Before There Were Credit Cards:** Perhaps credit cards are becoming obsolete in favor of electronic transfers, debit cards, ATM machines and the like. However, I find a credit card a wonderful convenience, and it's hard to imagine how I took so many long trips before I had one. Many people had credit cards before I did; I think my first one was about 1975.

I have been wondering how I made so many trips, some to the West Indies and to Europe as a travel agent, some in my "modern" car, and some in Stanleys, notably on Glidden Tours and Trans-Continental Reliability Tours, up to nearly two months in length, before I had a credit card. While I could reserve and prepay some lodgings in advance, I still needed cash for fuel, meals, and other travel expenses. How was it done? Cash and traveler's checks.

Before a lot of banks got into the act, the American Express Company had a gold mine in selling traveler's checks. This company was also known for its tours worldwide, second only in size to Thomas Cook & Son of London, but traveler's checks provided a revenue stream in the millions. Prospective travelers would pay cash in advance plus a small service fee for their traveler's checks, and American Express would have the use of this money until the checks were cashed in, sometimes months or years in advance. The holder would sign each check once when he bought it, and the matching signature was required for turning it into cash. Once my father lost a bunch of traveler's checks. He never found them. I'm not sure if there was a way he could reclaim any of the value lost.

My longest trip ever was in 1972, when our 1912 Stanley Model 87 was driven over 8,300 miles between June 13 and August 9. However, I came home for just over a week in late July and could "refinance" during that time (Weldin and Dorothy Stumpf and their daughter Joan, age 13, operated the car from Disneyland to Loveland, Colorado, where I rejoined). Despite the purchase of several hundred dollars of traveler's checks prior to the trip, I asked Dick Worrall, president of the National Bank and Trust Company of Kennett Square, for a letter of credit, in the event I needed more, which he gladly gave me. About three weeks into the trip, my cash was running low, and I went into a bank in Shoshone, Idaho (the Union Pacific Railroad station for Sun Valley) and presented my letter of credit. The man in charge said the letter meant nothing to him, and he would not cash a personal check. We continued southwest as cash was running low. Finally, after checking in at our hotel in Reno, I asked again about cashing a personal check. The desk clerk said, "No problem, just go into the casino off the lobby, and they will take care of you." The cashier in the casino cashed my check for \$300, no questions asked. My guess is that \$300 in 1972 was about \$2,000 today. The highest rate for a room on that trip was \$36 at the Chateau Champlain in Montreal, a new Canadian Pacific hotel, and \$34 at the new Century Plaza Hotel in Los Angeles, built where the old 20<sup>th</sup>-century Fox movie lot had been. The average room rate on that trip was \$16, and we stayed at very comfortable places. Ten years later, these rates had doubled.

I doubt if anyone uses traveler's checks today. Why should we pay in advance, sometimes weeks in advance, when charges on Credit Cards are not due (on average) until a month after the actual purchase? American Express held a strong position in the credit card business for many years, but more favorable terms from banks selling MasterCard and VISAs have held the upper hand for many years. I don't know how Bob Reilly, one of FAHP's directors now traveling with his wife Barb in Vietnam, is paying his bills, but it will be via the very latest system.