

Letters to The Editor of The Times

land, remains outside of the movement, and when it is brought in along with certain minor additions, the whole industry will have attained to a self-reporting system whereby the credit facts in the ledgers of each concern will be at the command of all, and on a basis of expenditure not exceeding the cost of the operation. In this case the best is the cheapest.

By this method credit reporting is brought up to the level of the present means of communication, which permits the direct exchange and co-ordination of the experience of merchants as recorded in their ledgers. Prompted by the talking wire, the plan looks to the universal extension of the clearing house principle. It marks a clear advance, amounting to a revolution, in the handling of merchandise credits. The essential facts are registered immediately and are distributed with equal promptness to all concerned. It is through such means that the honest trader finds recognition and protection. The mercantile agency system, which came into existence over half a century ago, answered to the imperfect communication of that time.

As President Marks of the Clothiers' Association insists, it is only by this direct method that overtrading can be guarded against and failures prevented. It may fairly be questioned whether the fifty-year-old credit reporting ever resulted in the prevention of failures. Much, indeed, can be said for the view that through a false reliance failures were actually encouraged. Under old-time conditions credit information was drawn chiefly from the home of the debtor, but through the methods introduced by Mr. Marks and his associates the ledgers of creditors constitute the main source. The reporting is from first hand, and facts are substituted for gossip and rumor.

The further point is to be noted that the movement is of necessity co-operative, which means that the centres for the interchange of credit news cannot be brought under the notion of private ownership. It is too big for that. Besides, the merchants are in possession of the record, and they are discovering that the only need is for centres through which the facts can be exchanged, and interpreted at the hands of experts.

Merchants generally should be brought to know the dignity and far-reaching usefulness of the action in hand. The example of the National Clothiers' Association is prompting the extension of co-operative reporting to all branches of mercantile credits.

The action is one with the natural development of the commercial organism, which, owing to the instantaneous communication of the time, is at least to be seen as a whole. The movement has back of it, therefore, the growing conviction that the welfare of each organ or division of commerce is dependent on the prosperity of all other divisions. It is apparent that President Marks is animated by this vision of the general welfare, perceiving, as he must, that the full execution of the principle of interchange in the field of credit news will effect a great advance in the scientific or responsible organization of commerce.

As bearing on the much-discussed question of the National regulation of commerce, the work of the National Clothiers' Association is exceedingly suggestive. While the public gaze continues to rest on Washington, as the supposed single centre of regulation and control, new centres of National supervision are appearing, the clothiers' organization being but one among numerous others of like character and meaning. They have their organs or Congressional Records in their respective class journals, and altogether the development is so impressive that the specialists in commercial regulation would do well to take the facts into account. It is plain enough that commerce is evolving its further control through these new centres. Men have yet to learn that the moving principle of commerce is both constitutive and regulative.

FRANKLIN FORD.

New York, Sept. 17, 1902.

CO-OPERATIVE CREDIT REPORTING.

To the Editor of The New York Times:

Your issue of Aug. 31 gave a striking account of the work of the National Clothiers' Association in co-operative credit reporting under the direction of its President, Mr. Marcus M. Marks. The success gained has the greatest possible meaning in relation to the present commercial development, so much so that the important thing is to bring out its general bearing and the further action to which it points.

The immediate facts are that the leading centres in the clothing industry are now clearing their information concerning debtors through the credit offices of the clothiers' organization. But one city, Cleve-