

RETAIL SELLING AND STORE MANAGEMENT

paid, or whether home is all paid for, and all about any sources of income other than regular salary or wage for the city dweller. For his country customers, he learns what property the debtor owns, what incumbrances there are on the property, the customer's character, his methods of marketing his crops, the condition of his farm, his care of implements, the condition of his live stock, and his specialties in farming.

Credit records.—This information is often carried in the mind of the small town merchant; but lapses of memory are so common that the written record that the professional credit man employs is preferable for all but the smallest businesses. The credit man's records are kept strictly private. Surely the customer should never know the detailed opinion of his reliability that the credit man holds. After the records are complete, even if all looks well, safety in a credit business can be assured only by eternal vigilance and thorough watchfulness of general business tendencies, changes in the prospects of each debtor, and careful supervision of the ledger accounts. Any slowness or failure to meet obligations at the appointed time should be noted at once. Any system established in the bookkeeping department must aim at efficiency in this regard. Even under the best conditions a good credit man with a good system can hope only to keep the percentage of total losses below a certain point; he cannot eliminate them entirely.

Relation of credit to prosperity.—Granting retail credits is a matter of vital importance to the whole country. For example, it can be shown that retail credits had some share in causing the financial crises of 1837, 1857, 1873, and possibly 1893. Laxness in credits leads to trouble, not only for the retailer, but also for the wholesaler, manufacturer, banker, and, consequently, for the public in general. A business granting credit should carefully estimate what amount it can safely grant in total, and beyond which it