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THE DUN AND BRADSTREET COLLECTION: A REPORT

Located at the Baker Library of the Harvard Graduate School of Business Administration, the records of the credit agency, Dun and Bradstreet, represent a relatively unique but unfortunately little-used source for the exploration of Canadian Urban History. To date the records have been used successfully by a number of American urban and business historians. To my knowledge, only one Canadian scholar, Michael Katz of York University, has utilized the material for any published report.¹

The founding of the Mercantile Agency in New York in 1842 marked the commencement of systematic gathering and presentation of credit information regarding American businesses. A commercial system that was rapidly developing the potential to exploit the vast resources of the North American continent and was already stretching its tentacles out to a waiting world had clearly outgrown the older system of personal reference as a basis for doing business. Markets were becoming too distant and friends obviously too few for effective regulation of the delicate credit mechanisms that the commercial world depended upon.

At the outset there were two major credit agencies, both with their headquarters in New York. The Mercantile Agency would later become more commonly known as the R.G. Dun Company. A competing firm was that of S. Bradstreet. In 1933 they were merged to form the firm of Dun and Bradstreet. The nineteenth century credit ledgers of the Dun Company were turned over to the Baker Library in 1968. The ledger system was the method of assembling data on clients of the Company and was in use until the mid 1880s, when it was replaced by the developments associated with the commercial use of the typewriter and the introduction of carbon paper. It also reflected the growth of the company and the necessity for establishing branch offices where information could be made more directly available to clients of the system.

The total volume of the R.G. Dun ledgers is rather staggering. There

are 2580 ledgers in all, covering the period 1842-c1885. Each ledger contains approximately six hundred pages and there is an average of four to six entries per page. Volumes deal with all the regions of the United States and there are several volumes on some of the larger cities. There are thirteen volumes dealing with Canada. They begin to show some regularity by about 1855, reflecting, I suppose, the increase in commercial activity associated with the Reciprocity period. Most of the detailed information is good up to about 1880, when the new system appears to have been introduced.

I have examined in detail only those volumes dealing with the Maritime provinces and Newfoundland. The bulk of the collection pertaining to Canada deals with Quebec and Ontario. There are individual volumes or parts thereof dealing with most of the major urban centres in central Canada. There are no entries for the Prairie West and only a few dealing with Victoria. These latter are hidden away in a volume dealing with miscellaneous foreign countries in the Pacific. All told there are probably more than thirty thousand entries respecting firms in Canada for the twenty-five years that the system operated.

The credit bureau was a simple solution to a rather complex problem, especially for the major New York forwarding houses that were preoccupied with western expansion and all the uncertainties associated with that development. Instead of each businessman keeping his own set of files on the credit rating of potential customers, a central system of compilation and presentation was evolved.² The information thus banked and collated in this central system was then made available, on a confidential basis, to subscribers to the service. The centrality of New York and the drive to make the files as complete as possible soon led to expansion.

The essential element in the system was the establishment of a cadre of supposedly unbiased reporters spread across North America feeding an almost continuous stream of information regarding the business climate of their areas back to a central repository. More directly, agents were required to assess the credit situation of individual businessmen in their

respective communities. The reports of these anonymous agents were collated at the head office and the information was transferred to the ledgers referred to above. These ledgers were supposed to be updated at six month intervals. So, one could expect to see an almost continuous record of the performance of individual businesses. That kind of consistency was seldom the case, but the reporting was often regular enough to give a realistic picture of the prosperity of given businesses. It tends to be most explicit during critical junctures in the business cycle and is, of course most useful in referring to failures, a feature that seems to dominate the returns. Unfortunately, the returns for the biggest businesses tend to be the most sketchy, reflecting the general strength of bigger and longer established firms. When a firm had a continuously high rating there was very little to report.

The instructions to correspondents were most explicit about what was to be reported. Most central to the historian is the detailed information regarding partnerships, dates of formation, real estate holdings (never as explicit as one would hope), associations with other businessmen, etc. In addition correspondents included information regarding the moral standing of the individual in the community and often referred to his associations with non-business groups like churches, political parties, etc., and often referred to drinking problems. Of course, the central feature of all reports was the maximum credit rating of the firm being reported.

The assessments were made confidentially, and presumably without the knowledge of the individual in question. This system would later change and by the turn of the century, businesses were encouraged to make their public statements available to the agency for inclusion in its reporting system. The reporters were not supposed to be known to their communities. Apparently, most of them were young lawyers or bank clerks resident in the city or district they were responsible for, though the regular reporters were often supplemented by field agents sent out directly from the head office. Local reporters were not paid for their services, but did receive the business of the agency and its customers whenever there was some action

taken against a local businessman. In addition to their regular reporting, they were often requested to do an assessment on a specific firm at the instigation of one of the subscribers to the system.

The confidentiality that was central to the system has been responsible for the preservation of the records in the form that they have survived. The practice, in the beginning, was for a client of the system to come to the office in New York and have the report on a firm demanding credit read to him by one of the clerks in the firm. This practice led to some rather nasty court cases, instigated by firms that had failed to get a good rating, but the system was successfully defended by the firm. That confidentiality is still a factor today. Permission to use the ledgers is contingent on agreeing not to publish anything from them that might potentially damage the current customers of the firm and the technical approval of the company for anything that is published. The firm of Dun and Bradstreet has not exercised that prerogative. The custodian of the collection is Mr. Robert Lovett, Curator of Manuscripts at the Baker Library.

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1. Michael Katz, "The Entrepreneurial Class in a Canadian City: The Mid-Nineteenth Century", Journal of Social History (Winter, 1975), pp. 1-29.
2. See Bertram Wyatt-Brown, "God and Dun and Bradstreet, 1841-1851", Business History Review, Vol. XL, No. 4 (Winter, 1966), pp. 432-450; and J.H. Madison, "The Evolution of Commercial Credit Reporting Agencies in Nineteenth Century America", Business History Review, Vol. XLVII, No. 2 (Summer, 1974), pp. 164-186.