

# The Cardboard Beginnings of the Credit Card



Elaine Thompson/Associated Press

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In “Looking Backwards,” Edward Bellamy’s 1888 novel about a socialist utopia more than a century hence, citizens are issued “credit cards” entitling them to shares of the national wealth. In today’s dystopian reality, people use a different sort of card to buy stuff on the Internet. Yet according to Robert Manning, a historian and author of “Credit Card Nation,” plastic remains “one of the top 10 innovations in the post-World War II period.” Even if it owes its ubiquity, in part, to a New York businessman named Frank X. McNamara, who forgot to bring cash to a lunch meeting. In 1950, McNamara introduced a cardboard charge card. He called it the Diner’s Club.

## PAPER OR PLASTIC?

During the 1920s, department stores started issuing charge plates or coins — round or rectangular and mostly made from metal — to encourage loyal customers to run a tab. The most popular, made by a company called Charga-Plate, was rectangular and big enough for an account number, a name and an address. Stores like Bloomingdale’s and Saks eventually began charging an interest rate.

But unlike cash (ornate, flimsy), the earliest credit cards were designed with practicality in mind. The material was durable, and embossed numbers could easily be transferred onto carbons. A monospaced, easy-to-read typeface kept production cheap. At first, the very notion spooked people. Bank of America introduced the BankAmericard in 1958 by making thousands of active cards. The company, Manning says, was viewed as “encouraging sloth and laziness.” But by the 1960s banks regularly doled out credit cards in lieu of toasters for customers who opened new accounts. By the ’70s, plastic became the most popular medium. Soon they got a magnetic strip.

Yet the magnetic strip is now being replaced by more advanced technology. And that could spell the end of the credit card itself. Programs like Google Wallet — a virtual, smartphone-enabled electronic card — are already paving the way. “You won’t have to ever pull out your credit card,” Manning says. “In a lot of ways, it’s analogous to the future of paper checks.” Not to mention cash.