

**FOREIGN COMMERCIAL
CREDITS, A
STUDY IN THE FINANCING
OF FOREIGN TRADE**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649294619

Foreign commercial credits, a study in the financing of foreign trade by George W. Edwards

Except for use in any review, the reproduction or utilisation of this work in whole or in part in any form by any electronic, mechanical or other means, now known or hereafter invented, including xerography, photocopying and recording, or in any information storage or retrieval system, is forbidden without the permission of the publisher, Trieste Publishing Pty Ltd, PO Box 1576 Collingwood, Victoria 3066 Australia.

All rights reserved.

Edited by Trieste Publishing Pty Ltd.
Cover @ 2017

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form or binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.

www.triestepublishing.com

GEORGE W. EDWARDS

**FOREIGN COMMERCIAL
CREDITS, A
STUDY IN THE FINANCING
OF FOREIGN TRADE**

FOREIGN COMMERCIAL CREDITS

McGraw-Hill Book Co. Inc

PUBLISHERS OF BOOKS FOR

Electrical World ∇ Engineering News-Record
Power ∇ Engineering and Mining Journal-Press
Chemical and Metallurgical Engineering
Electric Railway Journal ∇ Coal Age
American Machinist ∇ Ingenieria Internacional
Electrical Merchandising ∇ Bus Transportation
Journal of Electricity and Western Industry
Industrial Engineer

263 f
r.

FOREIGN COMMERCIAL CREDITS

A STUDY IN THE FINANCING OF FOREIGN TRADE

BY

GEORGE W. EDWARDS, Ph.D.

ASSISTANT PROFESSOR OF BANKING, SCHOOL OF BUSINESS, COLUMBIA UNIVERSITY;
RESEARCH ASSISTANT, FEDERAL RESERVE BOARD; CO-AUTHOR OF WILLIS AND
EDWARDS' "BUSINESS AND BANKING," ETC.

FIRST EDITION

177654.
22.1.23.

McGRAW-HILL BOOK COMPANY, Inc.

NEW YORK: 370 SEVENTH AVENUE

LONDON: 6 & 8 BOUVERIE ST., E. C. 4

1922

COPYRIGHT, 1922, BY THE
MCGRAW-HILL BOOK COMPANY, INC.

TO MY MOTHER

INTRODUCTION

A review of the banking and business history of the past eight years, with special reference to the foreign trade conditions produced by the war, throws into high relief a series of defects and omissions which have been only too characteristic of the practice of American banks and business men. There are many large questions of policy, still unsettled, whose adjustment will be essential before the future of our international trade relations can be in any degree predicted. The tariff, our foreign branch bank policy, our methods of extending credit in foreign trade, the conditions under which foreign bonds may be marketed in the United States, and a variety of others to which we formerly gave but scant attention, are now matters of earnest study in many quarters.

There are other issues, more technical in nature but in their way quite as significant as the broader questions to which attention has just been directed, whose settlement is imperative. Among these is the problem of commercial credit practice in its various aspects. The war and the post-war reaction brought home to American business men the fact that our technique of foreign financing, and indeed of foreign trade generally, is far inferior to the manufacturing equipment, and of course to the agricultural development, upon which the volume of our possible exports depends. The return of sharp competition with foreign producers which has been a noteworthy feature of post-war trade has emphasized the fact that, even with their systems disorganized by the disturbances of 1914-18, foreign nations are, in numerous respects, better equipped in matters which call for close competition than are we. Many points of technique both in production and finance require far more careful treatment than they have ever had in the past from our banks and business houses. The practice, so prevalent in former years of selling our goods to foreign buyers only for cash or its equivalent, placed us at a competitive disadvantage, and, so far as use on any large scale was concerned, early broke down. Still less satis-