

the latter are unable by reason of the great demand on their resources to loan adequate sums. Frankly, in many foreign countries it is not expected that banks shall "finance" merchants as would be the case under like conditions in the United States. In passing it might be interesting to speak of the demands for credit in those countries where a depreciation of currency has resulted in a shrinking of working capital. In such cases the granting of credit facilities to responsible firms would be a distinct sales advantage to the American supplier.

6. NEED FOR LARGER STOCKS

Generally speaking, the rate of turnover in stocks in foreign countries is slower than it would be in the United States in the same line of business. This can be easily accounted for. Purchases must usually be made long in advance in order to insure having stocks on hand at the proper season. The importer must take into account possible slow deliveries, unexpected difficulties in interior transportation, etc. If merchandise is not ready at the beginning of a buying season a sales opportunity may be entirely lost. In some cases Americans fail to realize the importance of this fact and are inclined to blame the foreign buyer for demanding additional time because of late shipment. Seasonal merchandise may have to be carried over for six months. The situation is often complicated because the seasons on the other side of the equator are the exact reverse of our own.

7. TERMS GRANTED BY COMPETITIVE NATIONS

Foreign competitors of American manufacturers, notably those of England, France, Italy, Germany, Czechoslovakia, etc., have long been accustomed to do business in foreign countries on credit terms. Being fully aware of the reasons which make credit necessary they have not hesitated to offer the time that is essential to make sales. It is merely stating the obvious to remark that if Americans, especially in the case of highly competitive lines, wish to make headway abroad, they must be prepared to do as well as their competitors.

8. CREDIT REQUIREMENTS IN THE CASE OF PLANT INSTALLATIONS

Reference has already been made to the lack of capital in many countries. When companies are formed to establish new industries,