

SHOULD HAVE SHORT CREDITS

Farmer Gets Cash for Everything He Sells and Yet Expects to Buy Everything on Credit, Says Henry Ford

A criticism of automobile loans figured at the annual convention of the Wisconsin Bankers' Association, held at Milwaukee recently. That the automobile dealer is not on equal security with merchants in other lines, that two-thirds of the owners of cars cannot afford them, that the trade is overworked, and if care is not exercised by the bankers a strained financial condition bordering on a panic is apt to result, were some of the observations of Mr. C. J. Borum, secretary of the association and cashier of the Barron (Wisc.) Bank, in an address on the subject.

A declaration by Henry Ford, the automobile manufacturer, that there is no intention on the part of his concern to relieve the banker of the burden developing from the purchase by farmers of automobiles on credit, also figured as part of the proceedings, Mr. Ford's views being made known in a letter written in response to a request for an expression of his views.

In asserting that his concern is not interested in promulgating a plan which extends credits for automobiles or anything else, Mr. Ford refers to the fact that the farmer gets cash for everything he sells, and yet expects to buy everything on credit. His letter was as follows:—

Ethics of Debt-Paying.

The country banks' problem as to so-called automobile loans is an interesting one. You say that you feel automobile manufacturers will soon find it necessary to assist in financing the sale of their product in some such way as the manufacturers of farm machinery are obliged to do.

So far as the writer is concerned, I have never been able to determine just what is the difference between paying your debts now or putting them all off to some future time. Why should time be extended on farm machinery or automobiles until they are practically worn out any more than that time should be extended on the purchase of horses or cattle?

I know that time is extended on cattle where they grow in value themselves, but I do not know of any system whereby horses are purchased on credit and paid for after they are dead, or the best part of their usefulness worked out. It always seemed to me that this putting off the day of payment for anything but permanent improvements was a fundamental mistake.

South American Credits.

In South American countries and some of the European countries they have gotten into the very bad habit of extending long credits, and in the final analysis I have never been able to see where this has done any good. The United States has never gotten into that habit, and, while we do have a system of credits, at no time has it reached such lengths in the way of extended periods of credit as prevails in South American countries. And yet we are far more prosperous and have been far more successful under our plan than any other country.

We, for one concern, are not interested in promulgating a plan which extends credits for automobiles or for anything else. The farmer gets cash for everything he sells, and yet expects to buy everything on credit. The country banks complain about our taking the money out of their districts. The farmers have the habit, in many sections, at least, of holding their crops for better prices, and then they want the farm implement manufacturer and the banks to carry the load while they are waiting for better prices.

Carrying of Loans.

This trouble you speak of seems to be largely due to the farmers themselves, and I can see no reason why they should be encouraged in this. The country bankers should not expect to make more than a reasonable return on their capital, and, therefore, should not expect to carry more loans, whether on farm implements or automobiles, than their capital and deposits permit. If the country banks want to carry these loans themselves, why not increase their capital stock to enable them to do it? It is my opinion that many of the country banks could sell a good deal of their paper to Milwaukee banks.

The manufacturer should have cash as well as the farmer. The manufacturer pays out enormous sums in cash for wages, and he gets no extended credits on any of his material. The manufacturer cannot pay cash to labor, pay for merchandise in thirty days and extend credits to purchasers of automobiles for months, and sometimes years.

EGGS AND MILK FROM CANADA

Many of the World's Wants the Dominion's Producers Are Able and Should Supply

To Canadian exporters and producers specific information regarding various markets are given below. Hon. Philippe Roy, Canadian Commissioner-General at Paris, has informed the department of trade and commerce that some of the principal merchants are being approached in an endeavor to induce them to accept trial shipments of eggs from Canada. During the year 1913 the total imports of France of poultry and eggs amounted to 35,772 metric tons, estimated at about Frs. 59,000,000, or about \$11,500,000. The largest exporter was Russia with 12,159 metric tons, then Turkey with 8,552, Italy with 5,020, Belgium with 4,969, and Austria with 2,897.

On the other hand, France exported in the same year, 1913, 13,442 metric tons, estimated at Frs. 23,245,000, that is to say, \$4,400,000. The largest importing country was Great Britain with 5,961 metric tons, then Spain with 3,008, Belgium with 1,936, and Switzerland with 1,504 metric tons.

From the four principal countries from which France imported eggs, three are at present cut off from all communications with that country: Russia, Turkey, and Belgium, and Italy have prohibited the export of eggs. This may offer an opportunity for Canadian producers to supply the French market with preserved eggs, which formerly had to be imported.

Milk Manufacturers Can Sell.

To enterprising Canadian manufacturers of condensed milk the opportunities offered by the Cuban market are considerable, thinks Mr. A. T. Quilez, Canadian trade commissioner.

The latest figures issued show the annual imports, with the principal countries of origin, to be: Total imports, \$2,483,720; United States, \$725,432; Germany, \$11,956; Belgium, \$13,130; Holland, \$61,629; United Kingdom, \$1,151,507; Norway, \$518,881.

The customs tariff on condensed milk is as follows: From United States, 10.4 per cent. ad valorem (reciprocity); when imported from every other country, including Canada, 13 per cent. ad valorem.

From Britain and Her Ally.

The head of a firm who is probably the largest buyer of box shooks in the world is likely to be in Canada in September, and it would be convenient if firms producing or able to produce suitable material would favor Canada's trade department with their names and addresses, together with probable capacity, for submission to the gentleman named on his arrival.

The imperial Russian consul-general at Montreal has forwarded to the Canadian department of trade and commerce a communication from a society of Polish merchants in Warsaw, who desire to be put in touch with Canadian firms with a view to obtaining such products of Canadian industry as were previously imported into Russia from Germany. It has been considered advisable to bring this matter to the attention of Canadian manufacturers and exporters in order that those interested may communicate with the society in question with a view to bringing about closer commercial relations. The name and address of this society may be obtained on application to the department.

The following companies have changed their names: St. Mary's Medina Telephone Company, Limited, with Ontario charter, to St. Mary's Medina and Kirkton Telephone Company, Limited; the Defiance Manufacturing Company, Limited, with Ontario charter, to J. A. Haugh Manufacturing Company, Limited.