

WHAT of the future of Mexico?
What of the future business and social relations between the United States and Mexico?

We are neighbors.

Should we be fed on suspicion and act on prejudices from a lack of understanding or should we be neighborly, study their problems and their needs and act toward them as a good neighbor should act?

Surely the latter!

There was a meeting of Americans and Mexicans in Mexico City the past month, to discuss problems of interest to both nations. The Dearborn Independent sent a staff man there.

This article and others to follow are the results of his observations.

Mexico, D. F., Mexico, March, 1920.
ONE HUNDRED AND FIFTY Americans, banking representatives, merchants, and industrial executives are returning to their American homes. They, with more than two hundred Americans and Mexicans, residents of this country, have been meeting in Mexico's capital, in the first trade conference of its kind ever held in Mexico, to bring about a better understanding not alone in trade relations, but in relations between the peoples of the two nations. The tangible results of such a meeting often are difficult to discern immediately upon its close, but that much good will come out of the United States-Mexico Trade Conference, convened under the auspices of the American Chamber of Commerce of Mexico, whose guests the American visitors were, can safely be prophesied by one who has attended the sessions.

For years Mexico has sold more goods to the United States than to any other nation; likewise, Mexico has imported far more from the United States than she has from any other country. And the remarkable feature of that is that wherein for years European business interests have made it as easy as possible for Mexican business to develop trade relations, American business interests in a measure have made such relations most difficult, at least from the Mexican viewpoint.

Through this conference, in which plans were discussed and formulated whereby American business interests may have a fuller understanding of the Mexican people with whom they have relations, it is hoped that the work accomplished at the meetings may be spread through trade papers and American meetings until a true appreciation of the methods to be employed to do business in Mexico shall be apparent to all interested.

Trade With U. S. Exceeds All Others

FOR the most part, American business interests which have sold to Mexicans have for years done business either on a cash basis or on such slight credit as to be practically negligible. On the other hand, it is shown that European industries always have been most eager to extend the most favorable credit terms, and that, except for the intervention of the Great War, it might be expected today that Mexican business relations with the United States would be seriously impaired. The war, however, made it necessary for Mexico to continue doing business with the States, on the terms of the American business people with whom it was necessary to have relations, but already the representatives of European houses are actively engaged in a widespread campaign to take away from America the advantages she has enjoyed because of the war, and these Europeans are offering credit terms which never have been considered by Americans who are doing business in this country.

It was Mr. Frank P. McIntyre, chairman of the committee on statistics, who explained most clearly and comprehensively the needs of Mexican business people in the matter of credit, the means employed by Europeans to build up trade in this country, and the requirements Americans must fulfill if they are to continue to hold the lead and develop that lead over other competition as advantageously as it can be furthered by progressive activity.

Mr. McIntyre said that it was most desirable to emphasize that Americans

Americans Hold Conference in Mexico on Trade

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OF THE DEARBORN INDEPENDENT STAFF

from now on will not be able to "walk away" with trade in this country. "War conditions having ceased to govern," he continued, "other nationals are coming forward with credit terms that Americans seem unwilling to give."

"Today, right in this field, representatives of European manufacturers and exporters are working under a distinct advantage in being prepared to extend credit, while American manufacturers and exporters with but few exceptions are still trying to maintain the cash basis which has prevailed throughout the war in foreign transactions. The very fact that European competitors are ready and willing to go back to the terms of payment which were in effect before the war would indicate that the attitude of American exporters is not entirely justified."

"Our trade with Mexico during the period of the war was on a strictly cash basis with but few exceptions. American commission merchants, and manufacturers' agents and representatives insisted upon a partial cash payment of the invoice value of import orders, with the balance usually covered by sight draft against documents, payable either in New York or at the Mexican port of entry. As far as American shippers are concerned there has been little change.

Plenty of Credit

"AWORD as to the practice of other nationals may be of interest. It is reported that it was a common practice of English merchants to sell on pen account charging four and one-half per cent on unpaid balances. That was the manner of doing business with companies of good standing with whom they were well acquainted. Small buyers were often drawn on against shipping documents. Competition in some lines often forced six to twelve months' credit. Within a few weeks a salesman for a Manchester firm has been offering cotton goods on six months' credit. Of course exchange gives the European shipper an advantage at the present time and it is a matter over which there is no control. However, the shipper from the other side is too good a business man to leap in the dark, and the facts which make a man a good risk are no hidden secret, with one person as able to get such data as another.

"Many of the local French houses have followed the English practice. A number of the large dry goods concerns have resident buyers in France. It was a common practice for German firms to sell goods on six and eight months' time in many lines.

"Selling goods on fifteen and thirty days is not considered credit in this market. Our shrewd foreign merchants think of credit in terms of four and six months, with a willingness to extend for a longer period if necessary. One should bear in mind that it takes the larger part of a month to get a shipment here from the States, then another month and often more to distribute goods to various points in the Republic where only the most primitive transportation facilities exist.

"Three to six months often pass before any return is forthcoming for goods delivered. When the ex-

porter is making a fair profit, there is no good reason why he should not assist the importer to a certain degree by extending fair credits.

"An energetic merchant in Mexico City who is a real success in every sense of the term tells me that unfulfilled promises have done much harm to American exporters but nothing has done so much damage as the requirements of cash with order when shipment cannot be made immediately.

A Banker's View

"ALOCAL banker refers to the credit question in even stronger language when he says, 'Inviting a man to pay cash with his order is practically the same as inviting him to purchase elsewhere,' and when it is realized how difficult it would be to establish a domestic business under such conditions, it is apparent why trade with Latin America cannot be built up in that manner.

"To make a success of the business of exporting to Mexico credit must be extended by American manu-

As an example of the trade that America and Mexico have had with each other, and the comparisons the figures here given reveal, statistics for the year of 1910, the last year that can be called normal in Mexican trade because of the internal difficulties the country has experienced since that time, are as follows:

Mexico imported from:	
United States	\$112,000,000
Great Britain	22,000,000
Germany	20,000,000
France	17,000,000
All other countries	20,000,000
Mexico exported to:	
United States	\$196,000,000
Great Britain	28,000,000
Germany	8,000,000
France	12,000,000
All other countries	12,000,000

facturers. While it must be done carefully, experienced merchants in business here will point out that there is just as large a percentage of honest and honorable merchants in Mexico as elsewhere. There are several reliable sources of information to aid in making decisions as to whether a person in business here shall be given credit.

"Mexico for the American exporter is a logical market at his very doors. If the products of other nationals crowd those of the United States out of the race it is the fault of the American business men who suffer, for with a little study it would be possible to meet the needs here. When Americans are anxious to take up the question in a mutually helpful way it will be found that one of the most important export requirements in winning the good will of the Mexican customer is more liberal extension of reasonable credit terms."

Without question one of the most beneficial talks given the several hundred delegates was that made by Mr. John J. Arnold representative of the American Bankers Association, and supervisor of the international business of the Bank of Italy in San Francisco, who discussed "International Banking." Mr. Arnold pointed out that economic pressure brought about the European War, clarified to the point of simplicity the international financial situation as it existed before the war, as it has been left as a result of the war, and told what, in his opinion, was necessary to rehabilitate conditions generally. It was his argument that Germany's great industrial growth had forced the war, and that today America as a result of the exchange of securi-

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The Governors of Mexican States



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THIS picture shows the governors of the various states of Mexico at the time of their gathering in Mexico City to arrange for the election of a President, the election to be held the first Sunday in July. Take another look at their faces. They do not have the appearance of the "typical" Mexican often pictured to us, but are a very clean, intelligent appearing gathering of men.

Photo shows, left to right, sitting: Augustin Millan, State of Mexico; Candido Aguilar, State of Vera Cruz; Carlos Castro Morales, State of Yucatan; Federico Montes, State of Guanajuato; Gustavo Espinosa Mireles, State of Coahuila; Dr. Alfonso Cabera, State of Puebla; Luis Castellanos Tapia, State of Jalisco. Standing: Maximo Rojas, State of Tlaxcala; Severino Martinez, State of San Luis Potosi; Jose E. Santos, State of Nuevo Leon; Francisco Figueroa, State of Guerrero; Salvador Argain, State of Queretaro; Francisco de Santiago, State of Nayarit; Nicolas Flores, State of Hidalgo; Aurelio L. Ganzales, State of Aguascalientes. Some other governors at the convention are not in this group.