

tial expenditure have found it profitable to open branch establishments in the business centres of their principal foreign markets. These are usually in charge of Americans, and the number of such establishments in London, Paris, Berlin and other European capitals is rapidly increasing.

(3) Foreign Agencies.—The bulk of the direct export business of the average manufacturer is secured and handled through foreign firms to which an exclusive agency for a city, district or country has been granted. Being natives of the country in which they operate, these agencies can often represent the manufacturer more effectively than even his own salesmen or branch-office managers could do. They understand the customs of the country as no foreigner ever can, are a part of its social life, and on terms of personal intimacy with their customers. Abroad, these factors count for more than they do here. Many of the exporters of Hamburg and other German trade centres have for many years been sending out promising young men to become apprentices in the stores of their foreign clients. These are expected to make the country to which they are sent their permanent home, to marry there, and eventually to establish trading houses of their own, which will naturally purchase largely in the fatherland. Agencies with German proprietors and native employees, whose origin is due to this far-sighted policy, are now to be met with in nearly every trade centre of the world; and the extent to which they have contributed to the enormous expansion of Germany's export trade in recent years can hardly be calculated.

(4) Advertising.—This is practically the only method for reaching the foreign buyer direct at relatively small expense, and it has been the means by which nearly every American manufacturer now exporting on a large scale made his first beginning. A few houses have occasionally advertised in foreign class-publications with benefit, but the great majority employ one or all of the export journals published in the United States.

(5) Circularizing and Direct Correspondence.—Excellent results have been obtained by the intelligent application of this method in cases where reliable lists of actual buyers have been available. Most of the so-called "export lists" prove not to be worth the postage expended on them. The lists that prove to be really worth while are those built up slowly and carefully by each manufacturer in his own export department.

These methods have for their object the securing of orders from foreign buyers direct. As a matter of fact, very considerably more than half of the export trade of the United States comes through the export commission houses and export merchants. In so far as these are agents of foreign buyers, they have little or no option as to what particular mark or make they shall buy. These points are settled by their foreign clients, who specify the exact goods which they desire. To a steadily increasing extent, however, the great export trading houses are carrying on their business simply as merchants, buying and selling on their own account and not at the dictation of foreign principals.

#### PLAIN FACTS IN THE BUYERS LANGUAGE.

The foundation-stone of foreign trade is the export catalogue and price-list. Most manufacturers find a complete Spanish catalogue essential to their success abroad, and many issue condensed booklets in other languages. Accuracy of translation is of prime importance, and too much care cannot be taken in the selection of a translator. A badly translated catalogue is likely to result in a total loss, not only of the cost of printing and postage, but of the money expended in securing the inquiry in reply to which the catalogue is sent out. The manufacturer should also be slow to discharge a translator when once engaged. Criticism of translations is the very common trick of certain unscrupulous translators in soliciting employment.

The export catalogue need not be a translation of the entire domestic catalogue. Only those lines that can be successfully pushed for export should be included. If the line is machinery, all that the foreign buyer desires to know is what the machine can do. Technical descriptions of gears, cams, bushings, etc., are a waste of space and ink, and may even prevent a trial order by creating the impression that the machine is too complicated. The export catalogue should also invariably contain the exact weight and dimensions of every article as packed for export, cable address and cable code, illustrated and numbered list of parts, and any other special information useful to the foreign buyer.

The price-list should be translated into the language of the buyer to which it is sent, whenever this is possible, and quotations should be in the money-standard most familiar to him. The American system of discounts should be entirely abandoned when it comes to the export price list. In the domestic trade these are sometimes masterpieces of intricacy, often comprising half-a-dozen separate discounts, of which the largest buyers receive all, others five, four, or three, and so on. To make matters worse, discounts are frequently quoted in fractions—one sheet giving 62½, 16 2-3, 12½, 10, 10, 5, 5, and 2½ off the list price. These discounts differ as between the different trades, as between different manufacturers in the same trade, and as between different articles in each manufacturer's catalogue; while new discount sheets cancelling the old prices entirely are issued at frequent intervals. All this is hopelessly confusing to the foreign buyer, and may prevent his sending a direct order. The English and German exporting houses rarely have more than one or two discounts. American exporting commission firms attend to this detail for their foreign clients, usually securing all discounts, including that for cash.—In itself an important reason why so large a part of the export trade reaches the manufacturer through them.

The prices quoted should also be f. o. b. seaport, rather than the point where the factory is located. The buyer in South Africa who is given an f. o. b. price at a factory town in Indiana can only guess at the probable cost of shipping the goods from that point to the seaboard, and cannot know exactly what they are going to cost him at his door.

On the intelligence with which the first letter of inquiry from the foreign buyer is answered depends in a large measure the manufacturer's success in securing his order. A surprisingly large number of orders are lost through carelessness at this point. Only by having a well-organized export department in charge of an experienced manager can the manufacturer be certain that all of the minute peculiarities of foreign correspondence have been attended to. The reply to a foreign inquiry should cover every point regarding which a prospective buyer requests information. Laudatory descriptions are a waste of effort. The inquirer must already be convinced that the article has merit or he would not have written. The points about which he now desires information relate to prices, terms of payment, manner of packing, size, gross and net weight, and similar details. All of these points should be covered in the reply, together with c. i. f. price (cost, insurance and freight) at the buyer's town or seaport, and an explicit statement as to terms of payment so that the return mail can bring the order. Another letter of inquiry would mean from three weeks to three months of unnecessary delay.

#### PACKING AS A FINE ART.

If the order, when it actually arrives, comes through a New York commission house or buyer's agent, the manufacturer has only to comply exactly with instructions as to packing, marking and shipping. If the order comes direct from abroad, the export department should be made responsible for every detail connected with packing and shipping it. This is absolutely essential, or a humiliating blunder somewhere along the line is more than probable. The manager of the export department knows the route over which a given shipment must go to reach its destination and the transportation difficulties it will have to surmount. The manner of packing should be left to him and not to the shipping room. For example, if it must go part way by mule-back over mountain trails, he knows that packages must not exceed 125 pounds in weight, so that one may be hung on each side; if the route goes through damp, tropical countries, special moisture-proof wrapping is necessary; and if the wrapping is penetrated by nails, the rust caused by dampness may make it fall off. Strength is essential in export packing, for cases are subjected to rough handling, especially if transferred from steamship to lighter in an open roadstead. At the same time, superfluous weight is severely penalized, both in the freight rate and in the customs duty levied by many countries. Ocean freight rates are calculated on a basis of gross weight or cubic measurement, at ship's option, in the ratio of fifty-six pounds to one cubic foot, the measurement ton being therefore forty cubic feet. The rate is assessed in whichever way the result is larger; an article which weighs 2,240 pounds (a long ton) but measures eighty cubic feet (two measurement tons) being charged for as two tons. An extra charge is made on packages of excessive weight or size, and it is also important to bear in mind that there is a fixed minimum charge which is much higher than small packages would have to pay by either weight or measurement. Many foreign customs tariffs are based on gross