

VENEZUELA ANXIOUS FOR U. S. TRADE

Yankee Opportunities Increase in South American Republic

By James Henle.

A LAND of romance that is shrewdly practical enough to cultivate American trade, a land of gigantic mountain peaks and marvelously fertile valleys, of beautiful dream-cities far up in the clouds, of railroads that twist and squirm their way over picturesque mountain sides, of broad highways traversed by American motor cars—such is Venezuela.

There is money in Venezuela for Americans—if they go after it and if they know how to go after it. Its coffee, sugar, oil, hides, gold, rubber, cocoa, cotton and other crops render it one of the wealthiest countries of South America; its stable monetary system and its relatively high exchange rate make it safe and profitable territory for American firms.

Of course, the average Venezuelan coming to this country to do business would have to learn something about our ways of conducting transactions, our business outlook, our social customs. And in the same way the American who expects to do business in Venezuela or, for that matter, in any South American country, must learn something of the ways of the people there.

There is no doubt that a man who is a good salesman in the States can become a good salesman in Venezuela if he goes about it in the right way, but if he starts with the notion that he already knows all that there is to be learned about the Venezuelan trade he is apt to come to grief.

The story is told of one American who was sent to South America by his firm. He was known as a hustler and was anxious to cover as much territory as possible. The steamer on which he was traveling was to stop at La Guaira, the port of Caracas, capital of Venezuela. So he wired ahead to the Caracas firm with which his house had been doing business, asking if one of its members could meet him in La Guaira in order to save his time.

This might not have been considered out of place in the United States, but in Venezuela it was regarded as a gross insult.

The experienced traveler in Venezuela understands that his customers like to take their time, that leisure is in the air and that they will not permit themselves to be rushed unduly. The siesta must be taken in the middle of the day, and no one suggests doing business in those hours. On the other hand, the day of Venezuelan business begins long before that of American commerce, so the noontime halt is perhaps justified. In the same way, one would be greatly mistaken if he reached the conclusion that the Venezuelan is not a good business man. He is a shrewd trader, alert to take advantage of a bargain. He may receive our quotations with feigned disinterest, but you may be sure that if it is lower than the other man's it will bear results—perhaps when you least expect them.

Foreign countries are again entering the field and American houses must be ready for some stiff trade battles. The Englishman and the German have been accustomed for some time to doing business in South America; they understand the temper of the people and to a certain extent have their connections already established. The German, particularly, is in the habit of granting nine months and even a year for payments, and this is a point that wins him many friends. On the other hand, an extremely sympathetic feeling exists for America and Americans, and the missionary work that has been done by the first firms to do business in the country has established the worth of American goods and the "Made in America" mark.

A few typical mistakes of American houses in

Venezuela are given merely to serve as a warning to other firms or what not to do when invading that market. For instance, the story is told of a Venezuelan house which put in a rather large order for a quantity of stickers or labels to be pasted on small packages. The Venezuelan house ordered them from a well-known American firm and specified that the labels should not have the usual gummed back, intending to apply the mucilage as it was needed. Now the American firm either paid no attention to this instruction or else had no plain back labels on hand or else supposed that the Venezuelans, being foreigners, did not know what they wanted anyway.

So the American firm sent ordinary gummed labels to its Venezuelan customers. Did the latter stand up and give three cheers for the kind-hearted American business men who had thoughtfully furnished them with gummed labels when they had merely ordered plain backs? They did not, and the reason is that in Venezuela there are insects which like nothing better than mucilage, and which in jig-time made those labels look like mosquito netting.

Venezuela's Progress.

In recent years Venezuela has:

- Laid over 1,500 miles of good roads.
- Stamped out tropical diseases in its ports.
- Paid off a big portion of its debt.
- Increased its treasury reserve.
- Put in a new sewage system in Caracas, the capital.
- Increased its educational facilities.
- Imported millions of dollars of American goods.

Then there is the matter of packing. American firms in a few cases seem to have thought that their Venezuelan customers were giving them detailed and specific instructions as to packing merely for fun or for want of something better to do. So they continued to send their goods in the usual way and, as the old tale goes, the foreman of the shipping department told his assistant to "put a few more nails in these cases—they're for export."

Now the chances are usually about an elephant to a peanut that when a Venezuelan firm specifies a certain way of packing there is a definite reason for it. In the first place, the tariff laws of Venezuela are no more simple than those of any other country. If a Venezuelan merchant wants goods shipped to him in bulk and the containers sent separately it is because in this way he will not be obliged to pay so much duty. He has made a study of the tariff in so far as it affects his goods, and he knows the best method of getting the import tax down as low as possible.

As a matter of fact, the persons best qualified to judge the success with which American business has met in Venezuela are the Americans who are engaged in trade with that country, and those for the most part are enthusiastic boosters of the possibilities that commercial intercourse with Venezuela holds for this country. Some of these unpaid boosters carry their doctrine to great lengths. For instance, a former New Yorker who now resides in Caracas, where he has extensive interests, was in this country on a visit. He had occasion to call upon an executive in a big candy factory.

"Did you ever think of trying to do business in Venezuela?" the former New Yorker asked.

"Can't say I have," replied the other. "It's pretty far away, and we do a fair business right at home."

"Do you sell as much as you'd like to sell?"

"No," the other had to admit.

"Well, just to show the faith I have in American goods and in the Venezuelan market, I'm going to take some of your candy down there and get you some orders. How much is a set of your samples worth?"

"About \$75."

"All right; I'll take them. There's a world of candy sold in Venezuela, but it's all English and French. I bet your stuff will back them off the map."

For the candy business man there is a moral in this story. It is very interesting and exciting to think of the enthusiastic volunteer who introduced the candy manufacturer to the Venezuelan market. But why should the manufacturer have waited for some one to come along and literally compel him to make money? If he had been alert and enterprising he would have discovered for himself that rich land of opportunity which lies almost at the doors of the United States—nearer to us even than the Panama Canal.

To Administer Packer Law.

DESIGNATION of Chester Morrill, assistant chief of the Bureau of Markets and Crop Estimates, as assistant to the Secretary of Agriculture, for the purpose of constructing an organization to administer the packers and stockyards act, is announced.

"Mr. Morrill," says a statement, "who has entered upon his duties, is engaged in the preliminary task of collecting from various government departments and agencies having to do in the past with the packing industry information which will be available for use in building a permanent organization, under the direction of the Secretary of Agriculture, to administer the act."

"In this work Mr. Morrill is receiving the assistance of Bayard T. Hainer, of Oklahoma City, former judge of the United States District Court in Oklahoma, who is looking into legal phases of the proposed organization's activities."

"Administration of the act will be undertaken by a new and separate unit of the department. In organizing it special care is being exercised to obtain for the personnel men whose knowledge of the industry and the law best fits them for that service. It is Secretary Wallace's desire that these men shall be familiar with problems and affairs of the packing and live-stock industries and qualified through training and experience to deal with those problems intelligently and fairly. In addition, a careful study is being made of conditions as they have existed and now exist to determine equitable and fair methods of procedure to all parties involved."

"The study of the industry is a task of large proportions, involving the digest of a vast volume of information already in possession of the Federal Trade Commission, the Department of Justice, the Interstate Commerce Commission, and other government agencies. Every detail is under careful consideration and no attempt will be made to erect a hard and fast organization until a thorough grasp of all the facts have been obtained. The work at the present time, therefore, is largely preliminary."

"Formal supervision of the industry awaits the fulfillment of certain preliminary legal requirements. Already, however, the department has been informed that there will be placed before it at an early date complaints as to the commission rates—long a bone of contention—charged at some markets."

TARIFF REVISION LIABLE TO GO OVER

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000,000 will be spent by the railroads in ways which will employ labor and make business; and that in the end will have the result of a greater volume of railroad traffic, followed by a reduction of freight rates, made possible by an increase in the volume of traffic. The administration is earnest in its advocacy of this bill because, obviously, unemployment is the most serious detriment to contentment the country now has. The weight of the administration will probably be put behind the bill strongly. It is equally certain that strong opposition will be made by Senator La Follette and others and that a good deal of time will be consumed in acrimonious debate.

Related to the railroad bill, in a way, is the bill for refunding the debts owed to us by various European governments. In a more fundamental way than the railroad bill, this foreign loan refunding measure promises economic relief not only to the United States, but to the world. The purpose of the measure is to give the Secretary of the Treasury wide authority and discretion to handle these loans in the way that appears to his judgment as being to the

best interests of the United States. These loans are now substantially in the form of demand notes. As demand notes they are overdue. Not only are they overdue, but there is three years' accumulated interest overdue. It is a simple matter to say, as a good deal of current agitation does say, that we should collect this money, but every business man knows that we cannot collect it now, and that not more than one or two of our debtors could pay now.

IF the administration gets the authority which it is seeking from Congress it will undoubtedly change the form of these debts, including interest into long-time bonds at a reasonably low rate of interest. If this were done, it would be a long step towards recovery in a business sense for the European nations. The existence in the budgets of these nations of a large overdue debt makes it difficult for them to borrow more money and otherwise set their houses in order financially. With the debts refunded, they could more promptly get on their feet and more quickly achieve the stability which would allow them to become larger consumers of our goods. The bill for refunding these foreign loans has been in the

Senate for some three months. There is strong opposition to it, based largely on the traditional jealousy of giving the executive department of the government so much discretion.

Nobody who considered the possibilities of speed in the coming Congress must ignore prohibition. In the very closing hours of Congress, when it adjourned for the recess it was in the midst of a bitter conflict between the Eighteenth and Fourth amendments to the Constitution. The prohibitionists had succeeded in passing through the Lower House an enforcement bill, which gives the government enforcement officers larger powers in the way of searching houses, automobiles, and the like than the Fourth amendment permits. In the Senate, the advocates of the theory that a man's house is his castle, under the leadership of Senator Reed of Missouri, had begun a strong fight in behalf of Magna Charta. It was perfectly evident that the opponents of this enforcement measure were ready to adopt a filibuster if necessary, and there is no reason to doubt that when Congress reassembles this fight will contain undiminished possibilities of vitality and consequent delay.