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Д29

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В пособии содержатся образцы деловой корреспонденции на английском языке, относящиеся к коммерческой переписке и сфере гостиничного бизнеса.

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## ПРЕДИСЛОВИЕ

Пособие предназначено для развития навыков делового письма. Оно состоит из 14 глав, в которых рассматриваются аспекты коммерческой переписки с компанией, банком, туристическим агентством, отелем, страховой компанией по поводу выполнения договорных обязательств, условий кредитования, транспортной доставки груза и т. д. Приводятся образцы деловых писем, глоссарий с толкованием терминов. Завершается глава упражнением или заданием для закрепления предложенного для изучения материала. Структура пособия позволяет в процессе работы с деловой корреспонденцией выделить основную информацию по написанию делового письма и изучить конкретные детали составления документов, относящихся к той или иной сфере коммерческой деятельности.

Аутентичные материалы – деловая корреспонденция англоязычных фирм и компаний – охватывают широкий круг оригинальных источников из сферы делового общения. Материал соотносится с рабочей программой обучения практике письменной речи на факультете международных отношений БГУ.

В пособии даются практические рекомендации использования деловой лексики для соблюдения этикета.

Книга может применяться как на практических занятиях в ходе обучения деловому общению на английском языке, так и на занятиях в рамках контролируемой самостоятельной работы.

## CHAPTER 1

### BUSINESS LETTER WRITING

Letter-writing is an essential part of business. In spite of telephone, telex and telegraphic communication the writing of letters continues; in fact most telephoned and telegraphed communications have to be confirmed in writing.

The letter is often evidence of an arrangement or a contract, and must therefore be written with care; even the shortest and most usual of letters may have this importance. The need for thought in writing is clear when you realise that in speaking – either face-to-face or by telephone – the reaction to the spoken word can be seen or heard immediately, but reaction to a letter is not known until the answer is received.

When you have written a letter, read it through carefully; see that you have put in everything you intended, and have expressed it well; read it again, trying to put yourself in the place of the receiver, to find out what impression your letter will make.

It is obvious that what has been said in the previous paragraph becomes even more important when you write a letter in a foreign language. Unless you know that particular language very well you are certain to translate some phrases from your own language literally; these phrases may then convey quite a different meaning from that intended. It is in any case impossible to translate all business phrases literally as each language has its own characteristic idiom. With this in mind we have given as large a selection as possible of English phrases in general use.

A question frequently asked is: “How long should a good letter be?” The answer is: “As long as is necessary to say what has to be said.” The manner of interpreting this varies, of course, with the writer, and also very greatly with the nationality of the writer.

Because the aim of the letter is to secure the interest of the reader, and his co-operation, the letter should begin with sentences that will introduce the matter without undue delay, and polite forms to help the introduction must not be too long. The letter should continue with the subject itself and all the neces-

sary information or arguments connected with it, but the wording must carry the reader along smoothly; jerky, over-short or disjointed sentences spoil the impression. The letter should have a suitable ending – one that is not long but makes the reader feel that his point of view is being considered. This is especially necessary when sellers are writing to buyers.

Waste of time in subsequent letters should be avoided by giving all the information likely to be required, unless the writer purposely refrains from going into too much detail until he knows the reaction of his correspondent.

A good vocabulary is necessary, both in your own and foreign languages; repetition should be avoided as much as possible, except where the exact meaning does not allow any change of word.

Everyone has a characteristic way of writing, but it must be remembered that the subject of the routine business letter lacks variety and certain accepted phrases are in general use. This is of great help to the foreigner, who can rely on them to compose a letter that will be understood. Let us say, perhaps, that a routine business letter is like a train, running on a railway track, whereas other letters are like cars that must, of course, keep to the road but are otherwise given greater freedom of movement than a train.

This greater “freedom of movement” applies also to business correspondence dealing with matters of policy, special offers, negotiations, reports and customers’ complaints, all of which are matters that demand individual treatment. Here the correspondent must not only make his meaning clear but also try to create in the reader’s imagination a true impression of his attitude. This is by no means so difficult as it may seem if the writer will remember that simplicity of word and phrase usually gives the impression of sincerity. Also a style of writing which is natural to the writer carries his personality to the reader.

In EXPORT/IMPORT Trade, with its numerous problems and complications, the use of forms is a necessity: it facilitates the handling of goods at the various stages, indicates that regulations have been complied with, and saves unnecessary correspondence. It is the repetitive nature of many business transactions that makes it possible for the form to do the work of the letter. A study of the wording on forms is therefore advisable, and one or two specimens relating to certain transactions will be found in later chapters.

The growing use of the Telephone and Telegraph (or Cable) is also reducing correspondence in this age when, as never before, “time is money”. Another factor is the increasing personal contact in international trade. With any one part of the world only a few hours’ flying time from any other it is not surprising that many business men prefer to make personal visits in order to discuss important matters on the spot.

Other modern conditions and tendencies that have their effect on the nature of correspondence are the establishment of foreign companies by large international organizations, business “tie-ups” between pairs of firms in different countries, export and import controls and restrictions, currency controls and the financial policies of governments.

The really competent correspondent therefore needs to understand something of the principles and practice of modern commerce. There is no room in this book for even an outline of these principles, but some brief explanations of certain procedures are given in order to help the less experienced student to understand the letters that follow.

## CHAPTER 2

### THE ENQUIRY

You do not need to be an expert to write a simple letter of enquiry: a request for a price-list or catalogue can be made in a single sentence – even on a post-card. When goods of a certain specification are required, many firms use a printed Enquiry form, thus eliminating a letter. There is no need to seek careful words and phrases to catch the reader’s eye. You are a prospective buyer, you say what interests you as simply as possible, and that in all the receiver of your enquiry wishes to know.

A request for a quotation of price and terms may take a little longer and should be clear and exact; but here again, there is no need for long, over-polite phrases and still less for humbleness. “We beg you to send us your quotation ...” sounds ridiculous and is insincere: in fact you should expel the word “beg” from your commercial vocabulary – it belongs to a little group of misapplied words that have no place in modern commercial correspondence.

A “first” enquiry, that is, an enquiry sent to a supplier with whom you have not yet done business, should begin by telling the supplier how you obtained his name. Some details of your own business, such as the kind of goods handled, quantities needed, usual terms of trading, and any information likely to enable the supplier to decide what he can do for you will also help. This, too, can be expressed in simple, direct language.

It is a little different when the object of your enquiry is to get a special price for regular orders, or to obtain selling rights in your country or district. Here, although you are the customer, you are asking for concessions, and this puts you in the position of having to “sell” your proposal to the supplier. Your

letter will therefore have to be a sales letter, and accordingly attractive to the supplier. Your letter must now give some idea of the extent or the size of future orders you can place; or in the case of territorial concession, reasons for your optimism.

In enquiries to foreign suppliers, state clearly what you want and ask for prices, discounts and terms of payment; if asking for a quotation, make it clear if insurance and delivery is to be included. It is also important to ask about the length of time required for delivery.

Now here are some useful phrases to help you begin your enquiry:

### **Price-Lists: Quotation**

1. Please send us your catalogue and price-list of ....
2. Please let us have your prices in sterling for ....
3. Will you please quote for the following items ....
4. Kindly quote us your (lowest) (keenest) prices for the goods listed below.
5. We hear that you have put an electric typewriter on the market and should be glad to have full details.
6. We should appreciate full particulars of your Reflex Camera, Export Model PX.
7. Please let us have a quotation for the regular supply of Lead Paints in tins and drums.
8. We should be pleased to receive your illustrated catalogue and price-list of Plastic Kitchen-ware.

### **Samples: Patterns**

9. Will you please send us samples of rubberized floor-covering suitable for use on rough floors.
10. We have a considerable demand here for silk fabrics and should welcome your pattern-book.
11. Please, let us know whether you are able to supply from stock cotton-insulated bell-wire as per sample enclosed.

### **Advertisements**

12. Your name was given us by the Hamburg Chamber of Commerce and we should like to enquire whether ....
13. The British Embassy at ... has advised us to get into touch with you concerning ....
14. Messrs. J. Smith & Co. of Eastville have recommended you to us and we wish to know ....

15. We hear that you are exporters of ....

16. When your representative called on us last month he showed us samples of a new stainless fabric. Can you supply ....

17. Friends of ours in this town, Messrs ... advise us that you are able to supply ....

18. We have seen your advertisement in "The Overseas Journal" and should be glad to have price-lists and details of your terms.

19. Referring to your advertisement in "The Export Times" we should be pleased to see a demonstration of these electric motors when your representative is in Cologne.

20. Your advertisement in this month's issue of "The Import Buyer" interests us and we should like full details of your offer.

21. We are interested in the mechanical toys demonstrated at the recent Zurich Trade Fair and should be glad to have details of your export terms.

[1]

**A "First" Enquiry**  
FOURNIER ET CIE.  
Importers of Fashion Goods  
PARIS

12th October, 20...

The Western Shoe Co., Ltd.,  
Yeovil, Som.,  
England.

Dear Sirs,

We learn from the British Embassy that you are producing for export hand-made shoes and gloves in pure hide and other natural materials.

There is a steady demand<sup>1</sup> here for high-class goods of this type, especially in the brighter colours. Sales are not high, but a good price can be obtained for fashionable designs.

Will you please send us your catalogue and full details of your export prices and terms of payment<sup>2</sup>, together with any samples you can let us have.

We look forward to hearing from you.

Yours faithfully,  
FOURNIER ET CIE.  
J. du Pont

[2]

**A “First” Enquiry**  
*(From a Firm of Constructional Engineers)*  
THE JAMESON CONSTRUCTION CO. LTD.  
DURBAN, SOUTH AFRICA

25th June, 20...

The Aluminium Alloy Co. Ltd.,  
Birmingham, England.

Dear Sirs,

We have seen your advertisement in “The Metal Worker” and are interested in aluminium screws and fittings of all kinds.

Please quote us for the supply of the items listed on the enclosed enquiry form, giving your prices c.i.f. Durban. Will you please also state your earliest delivery date, your terms of payment, and discounts for regular purchases.

As our annual requirements in metal fittings of all kinds are considerable, perhaps you would also send us your catalogue and details of your specifications.

Yours faithfully,  
THE JAMESON CONSTRUCTION CO. LTD.

H. Smithers  
Buyer

Encl.: Enquiry Form No. XX.

[3]

**Letter to an Agent**  
JAMES SCOTT  
Photographic Dealer  
DURBAN

5th April, 20...  
J. White & Co. Ltd.,  
Cape Town.

Dear Sirs,

I have read in the “Camera Review” that you are the S.A. agents for Messrs. ILDAK of New York and London.

Will you please send me price-lists and catalogues of all ILDAK products you hold in stock; also details of trade discounts and terms of payment. Are you prepared to grant special terms for an annual trade of £5,000 (net)?

A visit from your representative would be appreciated. Perhaps he could bring samples of ILDAK colour transparencies, an item of growing interest here.

Yours faithfully,  
JAMES SCOTT.



[4]

**Enquiry from an Import Merchant  
to an English Export Manufacturer**

DYMONT & CO.  
General Import Merchants  
CALCUTTA

1st December, 20...

Weatherproof Company Ltd.,  
103 Victoria Parade,  
Manchester, 1.

Dear Sirs,

We have received a number of enquiries from our trade connections here for your "Weatherproof" raincoats and think we may be able to place regular orders with you if your prices are competitive.

The market will not stand a high-priced line: we have in mind your "Litewater" coat – Women's and Men's designs. Please quote your best price c.i.f. Calcutta for 500 of each of these in medium and small sizes and let us know if you could ship within 2 weeks of receipt of order.

In our opinion a coat of rather lighter material than your "Litewater" but equally waterproof, and mass-produced<sup>3</sup> at a low price, would have a large sale in this country.

We look forward to receiving your reply.

Yours faithfully,  
DYMONT & CO

Asking a firm with whom you have not done business to supply an urgent order calls for tactful wording. Here is one way to approach the matter; this is from an export merchant who has not been able to obtain satisfactory deliveries from his usual suppliers:

[5]

A. ZIMMERLI A.G.  
Import-Export Merchants  
ZURICH

23rd April, 20...

W. H. Strong & Co. Ltd.,  
Manchester, 1.

Dear Sirs,

Your name was given us by Messrs. J. J. Miiller (Basle) Ltd., who have been regular customers of yours for some years. We asked them if they knew of a

manufacturer who would be able to supply immediately the goods specified on the enclosed list.

We would explain in confidence that our usual supplier has rather let us down<sup>4</sup> this year on delivery dates and quantities, and we are in danger of getting into arrears<sup>5</sup> with one or two of our overseas contracts.

If you can supply the goods required, please accept this as our official order: payment will be made on any basis acceptable to yourselves.

We hope you will be able to meet our requirements<sup>6</sup> in this instance, and would add that if your products are satisfactory and terms competitive we should be interested in a long-term contract<sup>7</sup> with you.

We should appreciate a prompt reply.

Yours faithfully,  
A.ZIMMERLI A.G.  
G. Smith  
Export Manager

### **Hinting at Future Business**

22. As we have (an extensive connection) (a large distribution) (a big turn-over) (a considerable trade) in this line ...
23. ... we hope to be given your most favourable terms.
24. ... we expect a keen price.
25. ... we must have your very lowest prices.
26. ... we have to ask you for special terms.
27. ... we look forward to a favourable quotation from you.
28. If your goods are up to sample, they should sell readily in this market.
29. If your prices are competitive ...
30. If your quality is right and the price is reasonable ...
31. If you can let us have a competitive quotation ...
32. If you can guarantee regular supplies ...
33. Provided you can promise delivery within 2 weeks ...
34. If your goods meet with our approval ...
35. If your spare-part service is prompt and efficient ...
36. So long as you can maintain moderate prices ...
37. ... we think we can promise you good results.
38. ... we may place considerable orders with you.
39. ... we will push sales as vigorously as possible.
40. ... we will do our utmost in this market.
41. ... you may rely on our best efforts.
42. ... your products should find a ready sale here.

[6]

**Enquiry through Agents**

A. B. WHITE & CO. LTD.

Import and Export

567 Queen Street

LONDON, E.C.4

*Directors:*

Telegraphic Address: ....

Telephone: ....

Our Ref. SR/1

Your Ref.

31st January, 20...

The Excelso Furniture Manufacturers Ltd.,  
High Wycombe, Bucks.

Dear Sirs,

An enquiry has come in from a company owning several high-class hotels in East Africa. They are opening a new hotel and have asked us to submit quotations for furniture and equipment in accordance with the attached list.

The furniture and equipment must be of the most up-to-date design, and it would have to be delivered in time for the opening of the hotel in October. Will you please let us know, therefore, whether you have the goods in stock and if not, how long it will take to complete an order for the quantities required. We shall also be glad to have an estimate of the number of cases required and the cost of packing.

We wired you today, text as copy enclosed.

Your reply by telephone would be appreciated.

Yours faithfully,  
A. B. WHITE & CO. LTD.  
Export Department.

Encl.

[7]

**Enquiry through Buying Agent**

W. JONES & SONS LTD.

28 Cheapside

LONDON, E.C.2

Cable Address: JONSO LONDON

Telephone city 2222

Code: Bentleys

*Directors:*

30th January, 20...

W. Jones

B. Black

Our Ref. WJ/BC

The Yorkshire Woollen Mills Ltd.,  
Leeds, Yorks.

Dear Sirs,

We have had an enquiry from our principals in India for Men's Suitings and, as we think your products are the most suitable for that market, we shall be glad if you will send us your latest price-list together with a range of patterns<sup>8</sup>.

We must point out, however, that it is essential to quote moderate prices, purchasing power<sup>9</sup> in that part of the world being rather low. We shall, however, be in a position to give you substantial orders if your quotations are reasonable. Some slight concession in price would, we feel sure, bring you in sufficient profit to make this business worth your while<sup>10</sup>.

Early shipment is necessary and we should therefore welcome an immediate quotation f.o.b. London.

Yours faithfully,  
W. JONES & SONS LTD.

### **Explanation of Reference Numbers in Letters [1–7]**

- <sup>1</sup> *a steady demand*: regular sales.
- <sup>2</sup> *terms of payment*: discounts and general conditions of payment.
- <sup>3</sup> *mass produced*: produced in large numbers in a uniform style.
- <sup>4</sup> *let us down*: failed to deliver.
- <sup>5</sup> *getting into arrears*: falling behind with an obligation.
- <sup>6</sup> *meet our requirements*: supply the goods we need.
- <sup>7</sup> *long-term contract*: agreement covering a long period of time.
- <sup>8</sup> *range of patterns*: selection of sample materials.
- <sup>9</sup> *purchasing power*: general ability to buy.
- <sup>10</sup> *worth your while*: profitable: rewarding for you.

### **Requesting Special Terms and Conditions**

43. As we are the leading dealers in the (town) (district) (country) ....
44. As we are already agents for several large (exporters) (importers) ....
45. As we have a nation-wide connection ... .
46. Being sole agents for this product ... .
47. Our expected monthly requirements being in the region of 2,000 cases ....
48. ... we shall be interested only in (an agency) (a sole agency).
49. ... we should like to discuss the possibility of an agency with you.
50. ... we could handle your products with good results.
51. ... we should like to know if you are prepared to grant us a special discount.
52. ... I shall welcome an opportunity of discussing a contract with you.

## Shipping – Delivery

53. As we are under contract, please say whether you could guarantee shipment by July 3rd ...
54. What would be your earliest delivery date?
55. Would you be able to deliver within 5 weeks of receipt of order?
56. Immediate delivery would be required.
57. We should require the goods by June 1st at the latest.
58. Would your agents be able to ship an initial order per S.S. STANLEY?
59. Please quote your price f.o.b. Rio de Janeiro.
60. Your quotation should be c.i.f. Cape Town.
61. Please advise us of your freight rates, Liverpool to New York: for ....

The abbreviation: *S/S or S.S.* is for “steamship” or steamer; for example: S/S ORIOR.

The abbreviation *M/V or M/S – M.V. or M.S.* – is for motor vessel or motorship; for example M/V MERCURY.

There are other abbreviations in use, indicating the motive power of the ship, but the two above-mentioned are the most usual at present.

## SOME VOCABULARY OF CHAPTER 2

APPLICATION (*n.*): request, appeal; applicant (person); *v.* apply.

APPRECIATE (*v.*): (1) value, think highly of; (2) increase in value of money, property, etc. *Note:* This word is sometimes used in the sense “to understand” or “have understanding for”, but this use is not to be recommended.

COMPETITIVE (*adj.*): able to win trade, favourably comparable with rival firms’ goods or services; *v.* compete; *n.* competition; competitor (person).

CONFIDENCE (*n.*): a feeling of trust; “in confidence” means trusting someone with private information.

CONCESSION (*n.*): a right or privilege granted to someone.

FABRIC (*n.*): woven material.

FITTINGS (*n.*): smaller parts or accessories of a product.

QUOTATION (*n.*): price offer; *v.* to quote (a price).

SPECIFICATION (*n.*): detailed description of a product, a standard; *v.* specify.

SUPPLY (*n.*): stock, reserve; supplier (person); *v.* to supply. *Note:* compare “to supply” with “to deliver”.

## ERRORS IN ENGLISH YOU MUST AVOID

### WRONG

... As we hear, you have brought on the market.

... We make large businesses in ...

... We could dispose over large quantities if you would be able to give us an agency.

... We beg you to send us nearer details over your prices and conditions.

... We expect your early informations.

### RIGHT

We hear that you have put ... on the market.

We do a large business in ...

We could dispose of\* large quantities if you would give us an agency.

Kindly send us further details of your prices and terms.

We look forward to hearing from you.

*Or:*

A prompt reply would be appreciated.

## ABBREVIATIONS USED IN ASKING OR GIVING PRICE QUOTATIONS, TO INDICATE WHAT AMOUNT OF FREIGHT AND OTHER CHARGES IS INCLUDED IN THE PRICE

*ex-works; ex-factory; ex-mill / mills*: price without any transport,

*f. o. r. (free on rail); f.o.t. (free on truck)*: price includes delivery to the railway and loading on a truck.

*f. a. s. (port named)*: price includes delivery to loading point "alongside" ship.

*f. o. b. (export port named)*: price includes delivery to docks *and loading on to* a ship.

*f. o. b. (import port named) (particularly used in U.S.A. trade)*: price includes all costs up to arrival in the importing country, but not insurance or unloading,

*c. & f. (destination named)*: price includes all costs up to the named destination but not insurance.

*c. i. f. (destination named)*: price includes all costs including insurance, up to named destination.

*ex-ship (import port named)*: price includes delivery to the named port of destination; the seller is responsible for the goods until the ship arrives.

*franco quay; ex-dock (import port named)*: price includes all costs, unloading, customs duties, etc.

*franco domicilium; free delivered*: price includes delivery to the premises of the buyer or consignee, customs duties paid by seller or consignor.

The following are used for Home Trade, in Great Britain:

*carriage paid home*: all transport paid by sender.

*carnage forward*: transport to be paid by buyer.

*franco*; *free delivered*: all costs paid by sender.

*C.O.D.*: goods to be paid for by buyer on delivery.

*To dispose of*: to sell; to get rid of.

Capital letters can also be used.

### EXERCISES

A. Use the following notes to compose a letter of enquiry for your firm, who are cycle dealers.

To the Drake Cycle Co. Ltd., Cape Town: Your new sports model seen at Trade Fair, Birmingham. Send details all models. We need 50 each, Women's and Men's. Prices? Terms? Delivery in 4–6 weeks possible? Future supply position?

B. (1) Write a letter of enquiry for your firm to the Yorkshire Woollen Company, Bradford, England, asking for patterns of woollen cloth for men's suits. Capital letters can also be used.

(2) Write to the import agent for the RITESWIFT typewriters and enquire about prices and delivery dates, etc.

(3) Your firm is a well-known Swiss manufacturing company and is in urgent need of certain metal fittings which cannot be obtained quickly enough from its normal suppliers. Write a letter to an English maker of these fittings.

(4) You have seen an advertisement in the "Overseas Electrical Review" for an English small electric motor. Your firm is an importer of electrical equipment. Write enquiring for full details and offer your services as an import agent.

(5) Write to your buying agent in another country, sending a list of small luxury goods you need for your wholesale business. Ask whether these goods are available and mention quality and price.

## CHAPTER 3

### REPLIES TO ENQUIRIES: OFFERS

The reply of a seller to the enquiry of a buyer with whom he does regular business does not need to be more than polite and direct. The required information is given simply and clearly, and nothing more is necessary. This applies to

the commodity market in particular – i.e. raw materials, foodstuffs – and to correspondence concerning consumer goods.

*Such letters usually begin like this:*

### **Opening Lines**

1. Many thanks for your enquiry of April 3rd ...
2. We are pleased to have your enquiry ...
3. In your letter of May 13th you enquire about our ...
4. It was a pleasure to hear from you ...
5. We thank you for your letter of yesterday ...
6. As requested by you on the telephone today, we ...
7. In reply to your telegraphed enquiry of this morning ....
8. Replying to your enquiry of June 2nd ...
9. ... we are glad to inform you that ...
10. ... we are happy to advise you that ...
11. ... we have pleasure in confirming ...
12. ... we have in stock the items you need ...
13. ... we can offer you immediately, ex-stock ...
14. We are pleased to receive your enquiry, and to advise you that our agents in South America hold good stocks of all our products.
15. In reply to your enquiry of August 8th we (have pleasure in enclosing) (are sending you herewith) ....
16. ... the brochure requested.
17. ... full details of our offer.
18. ... particulars of our special lines.
19. ... details of our export models.
20. We thank you for your enquiry and have today sent you ....
21. ... samples of all our wax polishes.
22. ... patterns of our new silk fabrics.
23. ... colour cards of our range of paints.
24. ... a full range of samples.
25. We are obliged to you for your enquiry of 21st June, and ....
26. Referring to your letter of July 15th, we ...

(A further selection of phrases, including closing sentences, will be found after the specimen letters and under the section OFFERS.)



*And here are some specimen letters of "routine" a character:*

**[1] Oldham Mills Ltd. Oldham, Lancs**

Your Ref.: DLK/2/7

14th May, 20...

Our Ref.: PJB/LN/HM

John Berry & Co. Ltd.,  
Newcastle upon Tyne.

Dear Sirs,

With reference to your enquiry of May 13th, we confirm that we can supply the cloth in question at 5/-per yard.

Delivery can be made ex-stock<sup>1</sup> and your order dispatched within 24 hours.

Many thanks for your enquiry; we look forward to receiving your order in the near future.

Yours faithfully,  
OLDHAM MILLS LTD.

*(Signature)*

**[2] Electrical Supplies Ltd. Coventry**

20th April, 20...

Ulster Cable Company,  
Belfast.

Dear Sirs,

Thank you for your enquiry of April 18th concerning cotton-insulated bell-wire.

We are glad to say that we can supply any quantity of wire from stock to the exact specification of your sample.

You may be sure of immediate attention to your order, which we look forward to receiving.

Yours faithfully,  
ELECTRICAL SUPPLIES LTD.

J. E. Carr  
Sales Manager.

*Letter № 6 was an enquiry made through a Buying Agent. Here is a suitable reply:*

**[3] THE EXCELSO FURNITURE MANUFACTURERS LTD.**

**Specialists in Modern Design  
HIGH WYCOMBE, BUCKS**

*Tele* { *phone*: .....  
      { *grams*: .....

*Directors*: .....

Our Ref.:H/f 150. Your Ref.: SR/1

2nd February, 20...

A. B. White & Co. Ltd.,

567 Queen Street,

London, E.C.4.

Attention the Export Department

Dear Sirs,

We thank you for your enquiry dated January 31st, and confirm our telephonic conversation today, in which we informed you that we can deliver a part of the goods required from stock, in accordance with the enclosed detailed offer. For the balance we should require at least 3 weeks from the date of receiving your confirmation that this delivery is acceptable.

Prices as quoted are f.o.b. U.K. port.

Packing in wooden cases ...

Delivery as specified above.

Payment against documents, by banker's draft.

We hope your customers will find our terms and delivery dates acceptable, and we can assure you that you may count on our full co-operation in the matter.

Yours truly,  
THE EXCELSO FURNITURE MANUFACTURERS LTD.

.....  
Managing Director.

*Here is a reply to Letter № 7.*

**[4] The Yorkshire Woollen Mills Limited Leeds**

1st February, 20...

W. Jones & Sons, Ltd.,

28 Cheapside,

London, E.C.2.

Dear Sirs,

We thank you for your enquiry of January 30th for our MEN'S SUITINGS and enclose our detailed quotation.

A very full range of the patterns has been sent to you by sample post today, and you will see that in view of the fine quality and attractive designs, our materials are really good value. We can assure you that these suitings are very popular in Eastern markets, of which we have had some experience.

We can offer you any of these patterns firm for fourteen days<sup>2</sup>, but cannot promise anything definite beyond that period in view of the heavy demand for this type of material.

In the case of an order for more than 500 pieces we would allow a special discount of 71 % for settlement within seven days from date of invoice.

We are at your service at all times.

Yours faithfully,

THE YORKSHIRE WOOLLEN MILLS LTD.

.....

*(Signature)*

Export Manager.

All of these letters (Nos. 1–4) are examples of answering enquiries of a routine character and are correspondence between firms who are in regular contact with one another. The replies are therefore in plain, direct English, giving the information asked for and nothing else. This is all that is wanted.

Let us consider next the firm which is keen to increase sales, or one which is putting a new product on the market. Money has been spent in advertising the goods or in making them known by some other means. The vital task of selling the goods begins with answering the enquiries which are now coming in.

The letter of reply must now be a salesman. In it something must be skid which will arouse the reader's interest and create a desire to buy. The letter must carry to the customer some of the convincing force of a good salesman's talk.

A salesman who learns a piece of "sales talk" by heart soon begins to sound dull and uninteresting: a good salesman creates enthusiasm by the freshness and originality of his personality. A letter should likewise convey the sincerity, enthusiasm and personality of the writer, and this cannot be done by using routine phrases or the language of a bygone age. You cannot write "live" letters in "dead" language.

**The letters which follow are examples of the modern method, and they show that there is room for individuality and style in modern commercial correspondence.**

Reply to Letter № 4.

[5]

**Weatherproof Co. Ltd.**  
**103 Victoria Parade**  
**MANCHESTER**

8th December, 20...

Dymont & Co.,  
Calcutta.

Dear Sirs,

We are very glad to have your letter of December 1st and to hear that you have been receiving enquiries about our "Weatherproof" coats.

The "Litewate" you mention has been a great success wherever it has been introduced and we are already exporting it to several tropical countries. Unlike many waterproof raincoats, the "Litewate" does not cause excessive condensation on the inside surface and would therefore be suitable for your climate.

We are pleased to quote you the following prices:

					£	s	d
250	"Litewate"	coat's,	Women's,	medium	375	0	0
250	-/-	-/-	-/-	small	318	15	0
250	-/-	-/-	Mens	medium	493	15	0
250	-/-	-/-	-/-	small	431	5	0
				f.o.b. Liverpool	1618	15	0
	Freight	Liverpool-Calcutta			20	3	9
	Insurance				8	4	3
					1647	3	0

and can promise shipment within 2/3 weeks of receipt of your order.

We thank you for your suggestion concerning an ultra-lightweight coat for the Indian market and are already looking into the question of a suitable material.

Full details of our terms of business are enclosed with this letter. We are also sending you descriptive brochures of our products, and a supply of sales literature.

We look forward to serving you.

Yours faithfully,  
p.p. WEATHERPROOF CO. LTD.  
R. B. Gough  
Export Manager.

In this case the goods are well-known, the enquirer was already fully interested, and the seller had only to give the information asked for and show interest in the customer's special needs. This he does in the second part of the letter.

*Reply to Enquiry Phrase No 8.*  
*(From a Manufacturer to a Large Retail Dealer)*

[6]

**MODERN PLASTICS LTD.**  
**Manufacturers of Plastic Ware**  
PORTSMOUTH

12th January, 20...

Messrs. L. Thorns & Son,  
Bournemouth.

Dear Sirs,

We are pleased to have your enquiry and are sending you herewith the price-list requested. We also enclose details of our terms and conditions of sale.

As you have evidently realized, plastic kitchen-ware is here to stay – it has already ousted<sup>3</sup> the heavy and expendable<sup>4</sup> metal, glass and china-ware from the modern kitchen. Dealers who have made special window-displays of our brightly coloured ware have reported good sales even at this season when hardware sales are usually at their lowest.

After studying our prices and the liberal terms to the trade, you will understand why we are working to capacity<sup>5</sup> at the moment to meet the demand. We would advise you therefore to let us have your order by the end of the month, if you are really interested in having a stock of these attractive lines by Easter.

We look forward to the opportunity of being of service to you.

Yours faithfully,  
MODERN PLASTICS LTD.

*(Signature)*

Why is this a good letter? Because:

- (1) It is friendly and direct in style.
- (2) It is confident and positive.
- (3) It presents the case from the buyer's point of view. There is more "you" than "we" in it.
- (4) It stimulates interest by quoting successful sales elsewhere, and gives a reason for placing an immediate order.
- (5) It "reads" like a personal message – not a mass-produced, routine reply.

Our next letter is a specimen of a reply which could be sent in answer to an enquiry for samples (see Enquiry No. 9).

[7]

Dear Sirs,

In your letter of May 1st you ask us to send you samples of our rubberised floor coverings suitable for use on rough floors. We thank you for your interest

and have today dispatched a range of qualities which we have specially selected to meet your needs.

All of these materials are robust and hard-wearing. Particularly would we recommend No. 7 Compo, which is a synthetic substance evolved by our own research department to withstand the wear of rough and uneven surfaces.

Do please give the samples any test you wish – we are confident that they will stand up<sup>6</sup> to the roughest handling.

Our price-list is enclosed with this letter, together with details of our trade terms<sup>7</sup>, as we think you will need these when you have completed your tests. It will be a pleasure to quote you special terms for contract supplies<sup>8</sup>, and our technical representative is at your service at any time.

Yours faithfully,

.....

You should be able to see for yourself why this is a forceful and attention-winning letter.

*Reply to Enquiry Letter No 1.*

**[8]                                WESTERN SHOE COMPANY LTD.  
  YEOVIL, SOM.  
  ENGLAND**

15th October, 20...

Messrs. Fournier et Cie,  
Paris.

Dear Sirs,

Your enquiry of October 12th, which we welcome, is receiving our attention, and we thank you for your interest in our products.

A copy of our illustrated export catalogue will be sent to you today, together with a range of samples of the various skins used in the manufacture of our gloves and shoes. We think the colours will be just what you want for the fashionable trade<sup>9</sup>, and the beauty and elegance of our designs, coupled with the superb workmanship, should appeal to the discriminating buyer.

Our representative, Mr. J. Needham, will be in Paris next week and he will be pleased to call on you with a full range of samples of our hand-made lines. He is authorized to discuss the terms of an order with you or to negotiate a contract.

It will be a pleasure to serve you.

Yours faithfully,

.....

*Reply to Enquiry Letter № 2.*

[9] **THE ALUMINIUM ALLOY CO. LTD.**  
BIRMINGHAM

30th June, 20...

The Jameson Construction Co. Ltd.,  
Durban,  
South Africa.

Dear Sirs,

We thank you for your enquiry of June 25th and are interested to hear that you saw our advertisement in "The Metal Worker". No doubt you also read the report, on page 22 of this journal, of tests carried out on our aluminium screws, plates and brackets. As you will see, the tests prove our claim that "ALUMOY" fittings are as tough as iron and yet only a fraction of the weight.

To save time, we enclose a pro-forma invoice for the items listed in your enquiry, as all of these are in stock at all times. Thus, should you wish to place a firm order, all you need do is arrange for settlement of the invoice by draft through your Bank, and advise us at the same time. We guarantee delivery in Durban within 4 weeks of receiving your instructions.

We should be happy to arrange account terms<sup>10</sup> for you on receipt of the usual references. These terms are:

Settlement quarterly by Banker's Draft or by Bill of Exchange for net amount of quarterly statement.

Full details of quarterly discounts will be found in the enclosed Terms of Business, and a catalogue of our specifications and British Standards is being sent to you with our general catalogue.

You may be interested to know that we are opening a depot and agency in Cape Town early next year for the greater convenience of our South African customers. Meanwhile we shall give your orders our immediate attention.

Yours faithfully,  
THE ALUMINIUM ALLOY CO. LTD.

**A request for a special discount may call for some and a counter-proposal may be made in reply.**

[10]

Dear Sirs,

Many thanks for your letter of July 15th, in which you ask us for an extra discount of  $2\frac{1}{2}$  % over and above the usual trade discounts, in consideration of your order for 30,000 envelopes No. 2 Manilla.

While appreciating your order, we feel we must point out that our prices have already been cut<sup>11</sup> to the minimum possible, and that envelopes are unobtainable elsewhere at our rates.

We should, however, be pleased to allow you the requested 2½ % if you care to raise your order to 50,000 and we await your confirmation before putting the matter in hand<sup>12</sup>.

With our best thanks,

Yours faithfully,

.....

### **Ineffective Reply**

Before leaving this section on Replies to Enquiries, we might have a look at a rather different kind of letter.

**This is an example of the work of a correspondent without a modern outlook on selling:**

[11]

**SLEEP & CO. LTD.**  
**2 Coffin Lane**  
**DEADEND**

31st December, 20...

Dear Sirs,

We beg to acknowledge receipt of your esteemed enquiry of the 3rd inst., for which we thank you.

We enclose herewith our illustrated price-list as requested and trust that you will find it of interest. As you will note on perusing it, our plastic kitchen-ware is superior to any other on the market and our prices and terms are competitive.

If you wish to ensure delivery by Easter it will be necessary to place your order as soon as possible as the demand is very heavy.

Hoping to be favoured with your early instructions,

We remain, dear Sirs,

Yours faithfully,

.....

Please do not write like this. It is a poor letter. Why? Compare it with No. 6 (which answers the same enquiry) and you will see. There is absolutely nothing in it to attract the buyer's attention or arouse interest, so the writer might as well have sent his price-list only. The English in which it is written is perfectly correct, but phrases like "*your esteemed enquiry*" and "*hoping to be favoured with your early instructions*" are fast going out of use, and their use now only



makes a letter sound insincere; phrases as old as these cannot sound like one's own sentiments.

This style of writing may win marks for grammar, but none for salesmanship!

Study these two letters closely and you will find it is really as easy to write a good letter as a bad one.

### **OFFERS OF GOODS AND SERVICES**

In many types of business it has always been the practice for the seller to offer his goods to his regular customers and to others who may be interested, without waiting for an enquiry. Similarly, special offers of certain goods at reduced prices are made at certain times.

In these cases there is a need for letters which arouse the customer's interest.  
Offer of Brazilian Coffee:

[12]

**CANDOS COFFEE CO. LTD.**  
**Coffee Importers**  
**SOUTHAMPTON**

21st November, 20...

Universal Grocers Ltd.,  
London, S.W.

Dear Sirs,

You will be interested to hear that we have been able to obtain a further supply of Brazilian Coffee of the same quality as that supplied to you last year. The total consignment is only 1,000 lb., and we are pleased to offer it to you at 5/6 per lb. With the increase in freight costs which become effective<sup>13</sup> this week, the next consignment will be dearer, so we recommend you to take prompt advantage of<sup>14</sup> this offer, which is firm for three days<sup>15</sup> only.

Yours faithfully,

.....

### **Food-Product Manufacturer's Letter to Retail Trade**

[13]

**WARWICK SAUCE CO. LTD.**  
**KENILWORTH**

1st June, 20...

Dear Sir,

By today's post we have sent you a sample bottle of our remarkable new product "MEATEX".

We send you this with our compliments and hope you will give it a personal trial in your own home. If you do, you will agree with us that this is a “must”<sup>16</sup> for every housewife’s shopping list.

“MEATEX” is a sauce to add to soups of all kinds. Just a few drops shaken through the specially designed outlet give soups a rich, meaty flavour. It is particularly effective in vegetable soups.

This excellent sauce is available in 3 sizes, selling at 1/6, 2/6 and 5/-. The trade discount<sup>17</sup> to you is 15 %, with the usual settlement terms<sup>18</sup>.

A special post-card order-form is enclosed with this letter. All you need do is fill it in and drop it into a post-box; we pay the postage.

Yours faithfully,

.....

#### [14]            **French Wine Exporter’s Offer to English Merchant**

Dear Sirs,

Messrs. Hankinson & Co. Ltd., of Towgate Street, E.C.3, with whom we have done business for many years, have advised us that you will probably be replenishing your stocks of white wines in the near future.

You will be interested to know that we had an extremely fine season in 1959, as a result of which we were able to produce wines of very high quality in that year. Recent tests have confirmed that the flavour of these wines is something the connoisseur will appreciate.

We are now shipping this 1959 vintage, and should be very glad to welcome you as a customer. Our full export price-list is enclosed, but we should like to draw your attention to our

White Bordeaux	@	£40	per	gross	bottles
Sauterne	@	£45	-/-	-/-	-/-

These wines have always had a large sale in England, and the price quoted above for bulk purchase<sup>19</sup> will enable you to sell at competitive prices, while obtaining a good margin of profit.

We shall be pleased to supply you with a first order, against settlement within 30 days of date of invoice and with 2½ % discount. Immediate shipment from Bordeaux is guaranteed.

With compliments,

Yours faithfully,

.....

[15]

**Fruit Broker's Offer to Wholesaler**

Southampton,  
16th February, 20...

Stockley & Co. Ltd., London, S.W.

Dear Sirs,

Confirming our telephone conversation of this morning, we are able to offer you the following South African fruit, which arrived today per S.S. DURHAM CASTLE:

300	boxes	"Early River"	Plums	@	6/6 per box
100	-//-	"Golden Glory"	Peaches	@	16/- -//-
200	-//-	"Prime Yellow"	Apricots	@	8/-...-//-

These brands are well known to you, and the consignment in question is well up to the high quality of previous years. The fruit is excellently packed and would reach you in perfect condition.

We should be pleased to forward the goods by passenger train on receipt of your acceptance; please telephone your decision, as the offer is firm for 24 hours only.

The price includes carriage and delivery.

Yours faithfully,

.....

[16]

**Battery Manufacturer's Offer to Overseas Dealer**

Bangkok,  
27th December, 20...

Dulay Co. Ltd.,  
Cape Town,  
South Africa.

Dear Sirs,

Improved methods of production enable us to offer you our range of DRI-LITE dry-batteries at a reduced price for large quantities.

Details of the new prices for your market are enclosed, from which you will see that the average price reduction is 5 %. As our prices are quoted c.i.f. Cape Town, you will agree that they are below those of all other makers.

The quality remains unchanged – only the finest chemicals are used. The new prices are for minimum orders of £500 and are effective as from 1st January. Immediate dispatch is guaranteed, as we hold ample stocks.

We appreciate your past custom, and look forward to serving you again now at the new prices.

Yours faithfully,

.....

[17] **Manufacturer's Offer of Toys to English Multiple Store**

Solingen, 21st May, 20...

The Chief Buyer,  
Markworth Ltd.,  
London

Dear Sirs,

When our representative was in England recently you were good enough to inspect the full range of our toys and novelties for the new season. We thank you for the courtesy shown to Herr Schneider, which we should be happy to reciprocate should you ever have occasion to visit Solingen.

Herr Schneider tells us that you were interested in our mechanical toys but felt that import duties on this class of goods would make them unable to compete with the home product. While appreciating your point, we should like to say that most of our new models are protected by patents, so that you would run no risk of direct competition with these lines. All items in our catalogue marked "P.P." come in this protected classification.

You judged these toys as likely "winners" in the English market, and to help you reach a decision, we shall be pleased to offer you a reduction of  $7\frac{1}{2}$  % on all "P.P." articles in our catalogue, provided your order totals not less than £10,000 net.

We are sure you will see in this offer a real opportunity.

Yours faithfully,

.....

**Here are some examples of letters making special offers of goods at reduced prices:**

*Circular Letter from large store Advising Sale of Stocks at Reduced Prices*

[18]

Dear Sir(s),

On June 1st this year we are moving to larger and more modern premises at Nos. 50–55 Oxford Street. Our business has grown so considerably in recent years that we can no longer provide our customers with the service we wish to give them in the present building.

Meanwhile you will be interested to hear that our entire stock – both retail and wholesale departments – is to be sold off at much reduced prices to save us the trouble and expense of packing and removal.

Come and visit us any day next week. The sale will last 7 days only less if stocks are cleared<sup>20</sup> sooner. This is your opportunity, for reductions range from

15–30 % in all classes of goods, while certain surplus lines will be going at 50 % off list-prices.

Don't miss a bargain. Our doors open at 9 a.m. on Monday, May 20th.

Yours faithfully,

.....

**[19] Wholesaler's Special Offer of Woollen Blankets**

Dear Sirs,

A few weeks ago we were fortunate enough to have the offer of the entire stock of the Hartley Blanket Company which has now ceased to manufacture woollen products. We gratefully seized this chance and are now in a position to offer these famous woollen blankets well below market price.

This is a "once-in-a-life-time" opportunity, and we expect to clear our stock in a few days. We therefore ask you to give the enclosed special price-list your immediate attention and let us have your order at once.

All orders will be executed in strict rotation<sup>21</sup> and can only be accepted as long as stocks last.

Yours faithfully,

.....

**[20] Offer of Special Trade Discount**

Dear Sirs,

In last summer's exceptionally fine weather we were so overloaded with late orders from most of our regular customers that we were unable to keep pace with<sup>22</sup> the demand<sup>23</sup>.

While we understand our customers' fear of overstocking<sup>24</sup>, we are sure they will appreciate our position when we are suddenly flooded with urgent last-minute orders.

To encourage all customers to lay in a good opening stock this year, we are prepared to offer a special trade discount of 4 % on all orders over £500 net value received before the end of this month.

Help us by helping yourselves!

Yours faithfully,

.....

It often happens that after answering an enquiry, a firm receives no further news from their client. Very few customers have time to write and tell those who send them quotations why they do not place an order. The practice of sending a representative to call on the enquirer soon after the enquiry is answered is grow-

ing, i.e. in the more specialized trades. So is the practice of sending a “follow-up” letter.

*Here is a specimen of a good “follow-up” letter to an enquirer to whom a catalogue was sent on his first enquiry.*

[21]

**THE LOCKSHELF COMPANY LTD.**

**Castle Street  
BIRMINGHAM 6**

1st July, 20...

Dear Mr. Morton,

You wish to modernize your stock and store-rooms with the most up-to-date shelving system yet devised. That is clear because you asked for our catalogue, which was sent to you earlier in the month.

The next step lies, of course, with you. You could have a demonstration of the fitting of the “Lockshelf” system in your own store-room, or see the combined units here in our showrooms.

You could test for yourself the wonderful adaptability of our system to all storage problems, by sending us a trial order” for one 15-ft. section, which comprises three units: or if you have some special problems, you are welcome to our advice without any obligation<sup>26</sup>.

You may be sure that whichever of our services you decide to use, you will receive our immediate and personal attention.

Yours faithfully,

.....

(See also Letters No. 5, 6 and 7)

This letter is a perfect example of modern, direct style. From the beginning it wastes no words, but goes straight to the point by presenting the case in the most positive way. It goes on to offer the “prospect” a choice of steps he could take to bring ownership nearer, and ends with a quietly reassuring promise of service. Most important, perhaps, is the way in which this letter takes the “prospect’s” point of view from the beginning. This is sound technique. “You” always makes better reading than “We”.

**Compare No. 21 with the following, which is the same letter but written in the old “commercial English” style. This kind of language is to be avoided.**

[22]

Dear Sirs,

We recently had the honour of sending you a catalogue of steel-shelving units and trust that you duly received the same.

As we have not yet been favoured with your order, we venture to enquire if you have reached a decision, and should this not be the case, whether you require further information about our Lockshelf system.

We await your esteemed instructions, which shall have our careful attention.

Yours faithfully,

.....

There is nothing in this letter to re-arouse the prospect's interest in the goods offered. It is full of trite words and phrases which have been so hard-worked by so many writers for so many years that they have ceased to mean what they meant. No wonder, then, that it is a dead letter. Would it inspire you to any decision, if you were the one to whom it was addressed?

### Explanation of Reference Numbers in Letters [1–22]

<sup>1</sup> <i>ex-stock</i> :	from stock.
<sup>2</sup> <i>firm for fourteen days</i> :	available to you for 14 days only.
<sup>3</sup> <i>ousted</i> :	taken the place of.
<sup>4</sup> <i>expendable</i> :	short lived, not durable.
<sup>5</sup> <i>working to capacity</i> :	fully occupied.
<sup>6</sup> <i>to stand up to</i> :	to resist; survive; give long service.
<sup>7</sup> <i>trade terms</i> :	prices paid by the dealer.
<sup>8</sup> <i>contract supplies</i> :	large quantities ordered under contract.
<sup>9</sup> <i>the fashionable trade</i> :	business in high quality clothes.
<sup>10</sup> <i>arrange account terms</i> :	open a credit account.
<sup>11</sup> <i>prices have been cut</i> :	prices have been reduced.
<sup>12</sup> <i>putting the matter in hand</i> :	starting work on the order.
<sup>13</sup> <i>become effective</i> :	begin to operate; have effect.
<sup>14</sup> <i>to take advantage of</i> :	to use; take the opportunity.
<sup>15</sup> <i>firm for 3 days</i> :	open for 3 days only.
<sup>16</sup> <i>a "must"</i> :	something one must have.
<sup>17</sup> <i>trade discount</i> :	retailers' profit.
<sup>18</sup> <i>settlement terms</i> :	conditions of payment.
<sup>19</sup> <i>bulk purchase</i> :	buying in large quantities.
<sup>20</sup> <i>if stocks are cleared</i> :	if all goods are sold.

<sup>21</sup> <i>in strict rotation:</i>	in turn; as they are received.
<sup>22</sup> <i>to keep pace with:</i>	to produce fast enough to meet.
<sup>23</sup> <i>the demand:</i>	the number of orders.
<sup>24</sup> <i>overstocking:</i>	ordering more than wanted.
<sup>25</sup> <i>a trial order:</i>	a first order as a test.
<sup>26</sup> <i>without any obligation:</i>	free from any need to buy.

**To end this section, here is a selection of phrases for use in making routine offers and quotations:**

### **Opening Lines**

27. We have pleasure in ....
28. ... quoting as follows for ....
29. ... submitting the following quotation ....
30. ... offering you the following goods ....
31. ... enclosing our estimate for the supply of ....
32. ... sending you our latest catalogue ....
33. You will be interested (in) (to hear that) ....
34. You will find enclosed with this letter a sample of ....
35. We are pleased to (advise you) (inform you) ....
36. As a result of the favourable supply situation we are able to offer you firm, for immediate delivery ....

### **Prices: Terms**

37. Our prices are quoted ....
38. ... f.o.b. Liverpool/f.a.s. Liverpool.
39. ... c.i.f. Hamburg, c.i.f. London.
40. Our prices include packing and carriage.
41. Freight and packing cases are included in the price.
42. The price quoted includes packing in special export cases.
43. Price includes delivery to nearest railhead.
44. All prices are ex-works ....
45. Our (quotations) (prices) are subject to 2½ % discount for cash.
46. Prices are subject to variation without notice, in accordance with market fluctuations.
47. The prices quoted are net.
48. Our catalogue prices are less 25 % to bona-fide dealers.
49. For quantities of 1 gross and over, we can offer a discount of 12½ % on list prices.



50. We can quote you (50/- per cwt.) (£1.2.6 per dozen) (33/- per yard) (10/6 per sq. foot) (£3.10.0 per cwt. drum).

51. Prices for the quality you mention range from 15/- to £5.

52. Prices have (risen) (fallen) (remained steady).

53. Raw material prices have risen.

54. Owing to the slump in commodity prices we can offer you these goods ...

55. ... at below market price.

56. ... at less than cost.

57. ... at the very special price of ...

58. ... on very favourable terms.

59. ... at cost price.

60. Our terms are (net cash) (spot cash) (cash within 7 days) (cash on delivery) (cash with order).

61. Our terms are payment on invoice.

62. Our terms are (monthly) (quarterly) settlement.

63. Our terms are 33½ % discount to approved accounts, with 21 % for settlement within 15 days of date of invoice.

64. Our terms and conditions of sale as printed on our invoices must be strictly observed.

65. Our terms of payment are settlement by last day of month of receipt of our statement.

66. Payment by (Banker's Draft) (Irrevocable Letter of Credit) (Bill of Exchange) is requested. (See also Banking, Chapter 10.)

67. Payment for an initial order would be required on pro-forma invoice.

68. We should require payment by Banker's Draft on acceptance of your order.

### **Conditions and Qualifications**

69. This offer is (firm for 3 days) (subject to contract).

70. We offer these goods subject to their being unsold on receipt of your order.

71. This offer must be withdrawn if not accepted within 7 days.

72. This is a special offer and is not subject to our usual discounts.

73. Please let us have your order by Jan. 31st, as this price concession will not apply after that date.

74. Goods ordered from our old catalogue can be supplied only until stocks are exhausted.

75. This is a special offer and cannot be repeated.

76. Please note that goods supplied on approval must be returned, carriage paid, within 7 days if not required.

## Supply and Demand

77. In view of the heavy demand for this line, we advise you to order at once.
78. The exceptional demand this season has nearly cleared our stocks of ...
79. This article is in great demand.
80. Owing to the increased demand for this type of car, our stocks have run very low.
81. There is no demand here for such goods.
82. Tropicjil fruit is in good supply just now.
83. We shall be unable to obtain further supplies.
84. We should be pleased to supply you on a consignment basis.
85. As we have a good supply of these machines we can effect shipment within 5 days.
86. The model you ask for is out of production, but we can supply ... instead.
87. We can offer you a wide (range) (choice) (selection) of sizes and types from stock.
88. These goods are available immediately from stock.
89. We advise you to stock up while supplies are available.
90. We cannot promise delivery before 1st January unless your order reaches us within 7 days.
91. These Shirts can now be had in assorted colours and sizes.
92. Our comprehensive stocks enable us to execute all orders promptly and to our customers' specifications.
93. Supplies of this commodity in world markets greatly exceed the demand.

## Asking for Instructions

94. Will you kindly let us have an early decision.
95. Please send us your instructions by cable.
96. Please (wire) (cable) (telephone) your order.
97. Kindly confirm your order at the price quoted.
98. We await your instructions by return.
99. If you accept our quotation, please advise us by cable.
100. Your reply by return would be appreciated.
101. Please let us know your wishes by (Friday next) (Friday without fail).
102. Please quote Catalogue No. and colour required when you order.
103. If you let us have your instructions by midday Thursday latest we could ship your order by *s.s.* ORION, which sails on August 23rd.
104. Kindly use the enclosed order-form when you make out your order as this will facilitate prompt and accurate execution.
105. Your advertisement will appear in next Sunday's edition of "The Times", provided you let us have the text by Thursday, 5 p.m.
106. If our proposal is acceptable to you, please confirm by return.

## Concluding Sentences

107. Our whole experience is at your service. We hope you will make use of it.

108. We think we have covered every point of your enquiry. If not, please do not hesitate to write to us again. It will be a pleasure to give you an immediate reply.

109. We should appreciate the opportunity of showing you how efficiently we can serve you.

110. Words alone will not prove what we claim for our products: only a trial can do that, and a trial will convince you.

111. The enclosed catalogue will give you all the essential facts about our lines, but it cannot answer all your personal questions. It will be a pleasure for us to do that if you will write to us.

112. You may rely on us to give your requirements immediate attention.

113. We are sure that these goods will meet your requirements, and we look forward to your first order.

114. We will hold a quantity in reserve for you, as we feel sure you would not wish to miss such an opportunity.

115. We look forward to the pleasure of serving you.

116. An early reply would help us to help you.

117. If you think our offer meets your requirements, please let us have your order at an early date, as supplies are limited.

118. As we execute all orders in strict rotation, we strongly advise you to order early.

119. Our services are at your disposal.

### **Now to end this chapter, here are some sentences NOT to use:**

*A.* We hope to be honoured with your further orders.

*B.* We look forward to receiving your esteemed instructions.

*C.* We should be glad to receive any order with which you care to favour us.

*D.* Looking forward to your further favours ...

*E.* May we beg you to consider our offer ...

*F.* You will not get such an offer elsewhere.

*G.* In expectation of your reply, for which we thank you in advance ...

*H.* We accordingly look forward to your advice at your earliest convenience.

*J.* It is not our intention to rush you into a decision, but as our stocks could be exhausted by a few large orders, we would advise you in your own interest as well as ours to give us telephonic instructions, should you wish to avail yourselves of this excellent offer, which cannot be repeated.

Why are these ineffective?

*A, B, D* and *G* are old-fashioned.

*C* and *E* are not only old-fashioned, but weak.

*F* is too sure.

*H* is old phraseology, now meaningless.

*J* is fatuous. The sentence is long, does not ring true, and could be shortened by half.

### SOME VOCABULARY OF CHAPTER 3

ACCORDANCE (*n.*): “in accordance with” = in keeping with, agreement with, conformity with; “according to” is better used only in the sense “it is stated by”.

ADAPTABILITY (*n.*): ability to be used for more than one purpose; *adj.* adaptable; *v.* to adapt.

ADVICE (*n.*): (1) information (commercial use); (2) information or hints given in a friendly, helpful way.

BARGAIN (*n.*): something obtained at a price below its value; *v.* bargain = to negotiate a price.

BRAND (*n.*): kind, type, registered mark.

CONSIGNMENT (*n.*): goods in transit from seller to buyer; consignor (sender); consignee (receiver); *v.* consign. *Note*: “on a consignment basis” means the goods are sent to an agent to sell at his own discretion.

CONSUMER GOODS: articles in daily use – clothes, household goods or articles, etc.

DEMAND (*n.*): (1) a firm request; (2) the level of public requirement.

DLSPATCH (*n.*): the sending of goods.

DEMONSTRATION (*n.*): the showing of something in action; *v.* to demonstrate.

DISCOUNT (*n.*): allowance made by seller from the normal price; Trade Discount = difference between wholesale and retail price; Cash Discount = allowance for immediate payment.

HANDLING (*n.*): use, treatment, having in the hands; *v.* handle = to deal with a matter, (NOT to trade with.)

INSTRUCTION (*n.*): (1) order, command; (2) information on how to do something.

MARKET (*n.*): where goods are sold; *v.* market, put on the market.

OBLIGATION (*n.*): duty, commitment.

PATTERN (*n.*): sample of designed material-cloth, carpet, etc.

PREMISES (*n.*): building, land and property. *Note*: the word is a plural noun.

PROSPECT (*n.*): (1) a view; (2) a possible customer (colloquial).

PUBLICATION (*n.*): (1) the act of publishing, making public; (2) printed matter published.

RANGE (*n.*): selection, choice, variety.

REPLENISH (*v.*): to re-fill, replace what is consumed.

SAMPLE (*n.*): a specimen, model; *v.* sample.

SHIPMENT (*n.*): (1) placing goods on a ship; (2) a quantity of goods sent by ship; *v.* ship; tranship.

STATEMENT (*n.*): (1) something said or written; (2) extract from an account, sent as request for payment.

STOCK (*n.*): goods held in store or shop; *v.* stock (also stock-up = buy supplies; take stock = make list of stock).

SUITINGS (*n.*): cloths ready for making into suits.

TRADE (*n.*): (1) buying and selling, exchanging goods; (2) manual occupation; (3) “THE TRADE” means the dealers in a given kind of business.

WARE (*n.*): old word for “goods”, now used only in compound words such as hardware, chinaware.

### COMMERCIAL EXPRESSIONS

*terms to the Trade*: price to the dealer, i.e. the man who buys to sell again.

*not subject to discount*: no discount is allowed.

*provided*: on condition that.

*slump in prices*: heavy fall in prices.

*market fluctuations*: changes in the market prices.

### IDIOMATIC PHRASES

“*to feel at home*”: to feel comfortable and at ease.

“*over and above*”: more than; in addition to.

“*to arouse the curiosity*”: to cause interest; make curious.

“*straight to the point*”: direct; immediate.

“*makes better reading*”: is more interesting to read.

“*conditions ... must be observed*”: ... must be heeded; respected.

“*to ring true*”: to sound sincere.

### TYPES OF PRINTED MATTER SUPPLIED BY MANUFACTURERS

*Catalogue*: *Price-List*.

*Brochure*; *Booklet*: a few pages in the form of a small book.

*Leaflet*; *Folder*: usually a single page or sheet giving information about goods.

*Advertising matter*: any kind of printed matter for use by dealers, wholesalers and retailers.

(*Note*: “Prospectus” is not commonly used by manufacturers. This term is applied to the printed offer of shares in public companies, and to various kinds of offers of services, not goods.)

## EXERCISES

1. *Replace the phrases or words in brackets by the correct commercial expressions or words:*

Dear Sirs,

We thank you for your enquiry of 3rd January and are pleased to [offer a price] you the following prices for electric motors:

Model LX      £7.10.0 each      f.o.b. Hull.

We can [let you have] these motors from [reserve store] so that you can be sure of [act of bringing goods to the buyer] within 10 days. Our [price offer] is below market price for this type of motor and you will therefore understand that we cannot allow you any [price-concession] and that [payment of invoice] is required within one month of [arrival] of goods.

2. *Correct or improve the following phrases and sentences:*

- a) In reply to your enquiry from the 5th May ...
- b) Our prices understand themselves with a discount of ....
- c) We look forward to hear from you ...
- d) We like to confirm your letter from 6th July ....
- e) We have disposed over great amounts of this material and could deliver you at once.
- f) We thank your address to our common business-friend Mr. J. Smith, here, with whom we stand in connection.
- g) Your cheque over £20 for the ordered goods now has arrived.
- h) As soon as we shall get the goods we will send you informations.

3. Your firm are watch-makers. An enquiry has come from an English retail store. Write a letter to send with your price list, and quote terms.

4. Answer a foreign letter of enquiry which your firm has received following an exhibition of your sewing machines at a trade fair in Brussels.

5. Send a reply to letter No. 5.

6. Send a reply to the enquiry in sentence No. 10.

7. Write an answer to the enquiry in sentence No. 18.

8. Compose a letter for your firm, who are producers of tinned food products, to an import buyer in England. Offer your standard lines and one new product.

9. Your firm is a textile importer. Write a letter to your trade customers offering them your old season's stock at bargain prices.

10. Look at the sentences A-J. Re-write these in better English and better business style.

**CHAPTER 4**  
**SALES LETTERS AND ANNOUNCEMENTS**

**[1]                   Export Manufacturer’s Offer to Wholesale Importers**

Dear Sirs,

Reports from users all over the world confirm what we already knew before the now famous DUNYEAR Tubeless Tyre was put on the market – that it is the realization of every car-owner’s dream.

The list of shortcomings<sup>2</sup> of the ordinary tyre must be well-known to you: punctures, wall failure under sudden stress<sup>3</sup>, lack of road grip on wet or greasy surfaces – to name the chief grumbles of the ordinary motorist. What a pleasure it would be if you could offer your customer something beyond criticism in these vital qualities of road-holding and complete reliability!

We could tell you a lot more about the new DUNYEAR tyre but prefer you to read the enclosed copies of reports from racing drivers, test drivers, ordinary motorists, motor dealers and motor manufacturers.

Our terms of business are already known to you of course, but to encourage you to lay in your stock of the new tube-less DUNYEAR, we will allow a special discount of 2 % on any order received by the end of this month. A good stock will enable you to take full advantage of the advertising campaign which we intend to run in your country in April.

Your local agent is....., who will be pleased to attend to your requirements and to give you after-sales service.

Yours faithfully,

.....

**[2]                   Export Offer to Building Material Merchant**

Dear Sirs,

Great interest was aroused at the recent Building Industries Exhibition in Birmingham by the new ECONOHEAT insulating material demonstrated on our stand. Numerous enquiries have also followed the review of ECONOHEAT which appeared in your publication “The Building Report”.

In case, however, you have still not had the opportunity of testing this splendid new product, we are sending you a sufficient supply of ECONOHEAT to enable you to carry out tests on its heat-saving qualities.

Fitting ECONOHEAT in a new building is simplicity itself – it has only to be laid between the roof-joists at the rate of approximately 4 oz. per square foot.

For owners of old-type houses without central heating, ECONOHEAT is a MUST<sup>4</sup> – for all who prefer not to freeze in Winter!

With this letter we enclose full details of our export prices and terms, and are pleased to say that we can supply any quantity straight from stock. Delivery is thus guaranteed within 4 weeks, but to meet the increasing demand in your country, we are opening a depot there within a few months, so that immediate supplies will be available at all times.

We shall look forward to hearing from you.

Yours faithfully,

.....

### [3]      **Manufacturing Chemists' Letter to Wholesalers and Retailers**

Dear Sirs,

That great Englishman, Sir Winston Churchill, said in the course of one of his morale-boosting<sup>5</sup>, war-time speeches to the British people that even if the nation should survive for 1,000 years, this was “their finest hour”. And he went on to lead them from near despair to final triumph.

We can think of no fitter praise for those unsung heroes of the back-room<sup>6</sup> – our patient research chemists – than to say that after years of tireless effort they have now achieved *their* finest hour. The perfection of a means to combat one of Man's most lethal<sup>7</sup> enemies, the tetanus bacillus, is, however, something more than an hour of glory for a few – it is a new era of safety for the many.

For the first time, every home will now have ready at hand an antiseptic which is effective against all germs: a simple application of “STREPTOL” to a cut or wound of any kind, and perfect sterility is assured.

STREPTOL. That is the name we have given to this atom-age product. You will see the name in every national newspaper when our advertising campaign opens in a few weeks' time. Meanwhile you will want your supply of STREPTOL ready for the demand, which is sure to be heavy.

Full details of sizes, prices and terms are enclosed with this letter. We also enclose a post-paid order card<sup>8</sup> for your convenience, and suggest you post it to us right away.

Yours faithfully,

.....

Each of these last three letters opens with a statement of fact, although each is different from the others. The first sentence in each letter reads like the opening lines of a newspaper report and each of them almost compels the reader to read on.





And that is just the point. Of course we all *must* and *do* advertise these days; our survival depends very largely on it. What, however, is more important is *how* we advertise. Do you know the advertising media that reach the people you want to tell about *your* products? Have you time to examine all the many kinds of advertising offered to you and to compare their costs and value? Do you really know how to write the sort of advertisement that brings results? Are you sure that the pounds you put into your publicity campaign bring the maximum return?<sup>10</sup>

If your answer is “no” to any one of these questions, it will pay you to let the specialist take over this vital part of your business. You will be surprised how little it costs – in fact, much of the work done for you is quite free. Do please read the enclosed leaflet, which tells you something of what we can do for you.

The advice of our representative will cost you nothing but a phone-call. Make your call now and we’ll make ours tomorrow.

Yours faithfully,

.....

The merit of this last letter lies not only in the humorous and apt quotation with which it commences, but in the excellent way it presents its offer and its friendly, helpful tone. It is itself a first-class sample of what the writer is offering to do for his reader.

There is no fixed rule about the composition of circular letters. The main thought in writing them should be to attract attention and then to interest. A study of human nature and the particular nature of your customer will help in deciding what line to take. The general pattern of circulars which seek to sell goods or services might be something like this:

Attention-winning opening.

Market possibilities – the opportunity.

Goods or services offered.

Terms (if desired).

Strong and positive conclusion.

If nothing else, be original. There is room for personality and individuality in modern business. Above all, make a good opening sentence, whether it is quietly informative or shattering in its impact. It should really set the standard for what follows. There is a moral in the story of the young salesman who opened his letter of application for a position of sales representative like this:

“Dear Sirs,

I am the man you want.”

He got the job.

The next type of letter we have to consider is the “follow-up” letter. This means a second letter sent some little time after the offer if no reply is received to the first letter. With many firms this is a routine matter; some even have a

standard circular “follow-up” letter ready printed. It is, however, far better to send an individual letter, for this always has a more personal appeal.

Letter No. 21 in Chapter 4, is a “follow-up” after the answer to an enquiry has produced no result. Now here are some “follow-up” letters to unsolicited offers – that is, offers made by a seller to people who have not made any enquiry at all.

**[5] “Follow-up” to Letter No. 16**

Bangkok,  
27th January, 20...

Dulay Co. Ltd.,  
Cape Town.

Dear Sirs,

By now you will have received our new price-list giving details of the reductions in prices for all our Dry Batteries, which came into effect on January 1st.

Similar reductions were made in other markets, and the result has so greatly exceeded our expectations that our stocks are rapidly diminishing. While we are producing at full speed, we may be unable to keep pace with the exceptional demand, and a slight delay in dispatch may soon become unavoidable.

You have probably intended to re-order shortly; if we are right in thinking this, would you care to place your order now? A cabled reply would ensure immediate dispatch from stock.

Yours faithfully,  
.....

This letter opens with a brief reference to the original offer and avoids any hint of surprise or regret that no reply was received. It goes on to describe the risk of delay unless the order is sent promptly, and yet avoids any hint of a “warning”. In short, it sounds sincere, friendly and personal. In consequence, it must have a good chance of success.

**[6] “Follow-up” to Letter No.1**

(From Local Agent)

The Orient Tyre Co.,  
Singapore.

Dear Sirs,

You have probably received details of the generous offer made by DUNYEAR TYRES, who recently introduced their famous tubeless tyre to this market.

The advertising campaign mentioned in DUN YEAR’S letter is due to begin next week and will be very extensive. Experience shows that many enquiries and orders follow these advertisements, and, with a firm of DUNYEAR’s reputation, sales are certain to result. We strongly advise you to lay in at least a small stock in the popular sizes.

We can supply direct from our depot and are prepared to allow you up to 2 months’ credit for your first order. There is just time to get your stock before the first advertisement appears.

Yours faithfully,

.....

[7]

### **Follow-up to Letter No. 2**

Dear Sirs,

Have you had an opportunity of testing the sample of ECONOHEAT we sent you a few weeks ago? We hope so, because every report from those who have tested their samples confirms our claim about the economy in heat which ECONOHEAT provides.

With the growing awareness of English people of the need for heat-saving in homes not centrally heated, the demand for insulating material will be high in the coming winter.

Your first order can be delivered in 3 weeks – and stocks will soon be available in Great Britain.

Yours faithfully,

.....

[8]

### **Follow-up to Letter No. 3**

Dear Sirs,

As you know, there is always an immediate response from the public for a new article. The cry is always for something new and better. How true this is in the world of medicine and preventive practice<sup>11</sup>.

We know what the public response to STREPTOL is going to be like. Probably you do, too, but as we have not yet had your order-card, we think this must be due to that very real problem in our trade – so much to do and so little time!

A new order-card, stamped ready for posting, is enclosed. Fill it in now and save time later.

Yours faithfully,

.....

The last kind of circular letter we have to study is the “announcement” type of circular. Not all circulars have as their object to sell a new article. Informa-

tion on changes in a firm's goods, policy, prices, services, etc., has also to be given at times. This kind of composition is less difficult, but the writer should remember that every letter sent out by his firm can be a SALES LETTER if it is well written and creates a good impression on the reader. And by SALES LETTER is meant here a letter which helps to consolidate good relations with a customer, thus leading to further business.

Remember, therefore, the SERVICE attitude in all correspondence.

Remember, too, that a less formal manner in addressing customers who are known even only slightly to the writer, is often adopted by modern writers, as in Letter 9.

**[9] Circular Letter Notifying Opening of Showrooms**

JOHNSONS & CO. LTD.  
Electrical Appliance Importers  
LONDON, E.10

2nd May, 20...

Dear Mr. Dealer,

This is an age in which, more than ever before, customers insist on seeing goods before they buy.

As large-scale importers we are alive to<sup>12</sup> this growing demand and we fully realize that your work as a dealer is made much more difficult if you cannot show your customer the exact article or apparatus he wishes to buy.

We are therefore glad to tell you that on June 1st we are opening a depot and showroom at 927 Hoi born, London, W.C. From that date you will be able to inspect any piece of equipment you wish, from a dip-switch to a dynamo, and also take any article away with you for demonstration purposes.

A comprehensive range of spare parts<sup>13</sup> for all small motors and machines is also to be kept at the depot, as well as many accessories<sup>14</sup> – for the larger appliances<sup>15</sup>.

Our aim is to give you 100 % support in Sales and Service, so please use the showroom. On your response depends how well we can do this.

Yours sincerely,

.....

**[10] Export Manufacturer's Announcement of Price Increases  
to Foreign Buyers and Agents**

Dear Sirs,

With effect from<sup>16</sup> the 1st of next month the prices of all our products will be raised by 5 %.



GANGES, due<sup>17</sup> Hong Kong, May 11th, will sail to schedule<sup>18</sup>, but S.S. INDUS will not call at Hong Kong on May 18th. The Eastern Line's steamer "EUPHRATES" will put in at<sup>19</sup> Shanghai and Hong Kong between May 20th and May 25th.

Some delays in inward cargoes<sup>20</sup> are inevitable, but every effort is being made to clear goods now waiting in the affected ports. Outward cargoes have not yet been affected, but may suffer delay if the situation does not improve.

Kindly wire us your instructions for the holding or redirection of consignments now awaiting shipment or in transit to us.

Yours faithfully,

.....

### Explanation of Reference Numbers in Letters [1–12]

<sup>1</sup> <i>sack</i> :	dismiss.
<sup>2</sup> <i>shortcoming</i> :	defect; insufficiency; failing.
<sup>3</sup> <i>stress</i> :	strain; pressure; load.
<sup>4</sup> <i>is a MUST</i> :	is essential; indispensable.
<sup>5</sup> <i>morale boosting</i> :	inspiring.
<sup>6</sup> <i>unsung heroes of the back-room</i> :	quiet, patient laboratory workers.
<sup>7</sup> <i>lethal</i> :	deadly; fatal; dangerous.
<sup>8</sup> <i>post-paid order card</i> :	(possible only in Home Trade).
<sup>9</sup> <i>it pays to advertise</i> :	advertising brings profit.
<sup>10</sup> <i>maximum return</i> :	largest possible profit or sales.
<sup>11</sup> <i>preventive practice</i> :	disease prevention (here).
<sup>12</sup> <i>we are alive to</i> :	we know of; we are aware of.
<sup>13</sup> <i>spare parts</i> :	replacement parts.
<sup>14</sup> <i>accessories</i> :	fittings; extra parts or useful items of equipment.
<sup>15</sup> <i>appliances</i> :	domestic machines.
<sup>16</sup> <i>with effect from</i> :	on and after.
<sup>17</sup> <i>due</i> :	which should arrive at.
<sup>18</sup> <i>will sail to schedule</i> :	will leave at the time planned.
<sup>19</sup> <i>will put in at</i> :	will call at; dock at.
<sup>20</sup> <i>inward cargo</i> :	cargo coming in (import).

### SOME VOCABULARY OF CHAPTER 4

ADMINISTRATION (*n.*): management and control; *v.* administer; *adj.* administrative.

PRINTED MATTER (*n.*): printed papers sent by cheaper post.

PUBLICITY (*n.*): advertising, making a thing known.

UNSOLICITED (*adj.*): not asked for; *v.* solicit.

## EXERCISES

1. Your firm is just entering the export market. Write a circular to be sent to foreign buyers of your kind of goods.

2. Your firm has put a new and economical electric heater on the market. Write offering to supply this heater to wholesale buyers abroad.

3. Write a circular letter to foreign exporters from a large newspaper in your country in which you describe the advantages of advertising in this newspaper.

4. Write a letter to important retail buyers for a large wholesale firm dealing in office equipment. In the letter tell the buyers about your latest goods, and make a special offer.

5. Say what is wrong with this letter and re-write it in better "Sales-Letter" style:  
Dear Sirs,

We recently had the honour of sending you details of our special offer of..... As we have not yet received any reply from you we take the liberty of enquiring if you have now had the time to consider our offer. You will agree that this is an exceptional opportunity and we would advise you to take advantage of it before it is too late.

Awaiting the favour of your early reply.

Yours faithfully,

.....

6. Write a "follow-up" letter to letter No. 13, Chapter 4.

7. Write a "follow-up" letter to letter No. 14, Chapter 4.

8. Write a "follow-up" letter to letter No. 4, Chapter 5.

9. Your firm finds it necessary to raise its prices. Write advising your overseas customers, and give reason and details.

10. Write a letter to the customers of a large retail musical instrument shop. Explain that the shop is being enlarged to accommodate a new gramophone record department, and say what new services this offers the public.

11. Rewrite this letter correcting faults in the grammar:

Dear Sirs,

We inform you that after the 15th inst. we no more shall be in the position to deliver you with goods enclosed with our earlier catalogue, then these lines no more are manufactured. Therefore we beg you to be so kind to order now from our newest catalogue. To avoid it also that mistakes shall happen, may we kindly ask you to give the catalogue numbers beside your orders, what helps us to pack and deliver quick.

We look forward to serve you and remain

Yours faithfully,

.....



## CHAPTER 5

### ORDERS AND EXECUTION OF ORDERS

If the seller's offer is right, and his sales letters have caught the buyer's eye, an order may be expected to follow. The really difficult part of the business is now over and the remaining correspondence is largely routine. The wise correspondent will, however, maintain that friendly, helpful attitude of his earlier letters in all later correspondence. At all stages of a transaction he must show the buyer that his aim is to serve him well. Difficulties may arise at any time: unforeseen problems may occur and misunderstandings ensue. All these things will need action and explanation, so that the careful "turn of phrase" may be required in a letter to keep a customer in the right frame of mind. In other words, every letter written to him should be a "silent salesman"—and a lasting advertisement for the writer. It is only in formal letters of advice and instruction that a correspondent should rely on the formal phraseology.

The buyer is able to write without such careful choice of language and is therefore brief and "to the point", but the modern tendency towards an easier and more natural style in writing is also noticeable here. This may be due to the influence of the years of shortage of goods and materials, or perhaps we all realise today that courtesy costs nothing and that a friendly attitude often wins a similar response, all of which can only help trade and improve trade relations.

In this chapter, we are dealing largely with the export order, so that one or two routine matters should be dealt with before we turn to the wording of communications.

First of all, accuracy is essential in the placing of an order. An error in quoting a catalogue number, or a mistyped figure in the quantity column can cause trouble which it may be impossible to put right later. You may say that that is very elementary. It is, but such errors are known to occur; a double check is the only prudent course — and at all stages.

Then clarity is needed. The buyer must make clear to the seller exactly what he wants. Most firms will agree that there is much room for improvement here. In the export business there are also other things needed besides an accurate description of the goods. For example, method of transport, packing, delivery and insurance; possibly method of payment, if this has not been settled already. Then the buyer may require some special documents for his own use or to satisfy import regulations, etc. These must be asked for — the exporter cannot always know what the buyer requires in this respect. Large firms will most probably use an export order-form for ordering; the special requirements are printed on this form, and possibly also details of their terms and conditions of purchase.

Some of the details which may need mention on an export order are:

1. *Quality*. Clear reference to catalogue or list number; grade or class, for new materials or natural produce; colour, pattern, model or finish, for manufactured goods; and whether goods are to be inspected before shipment, or on arrival at the inward port.

2. *Quantity*. Clear statement of the number, weight, length, etc., for each item ordered; higher and lower limit, if total quantity not definite.

3. *Alternative*. Alternative goods acceptable, if exact goods required not available.

4. *Documents*. All documents required (Bill of Lading, Commercial Invoices, Consular Invoices, Insurance Policy, and special declarations) and instructions for their sending.

5. *Packing and Marking*. Full instructions.

6. *Shipping or Forwarding*. Details of handling, warehousing, route, agents, steamers, etc., as needed.

7. *Payment*. Details of settlement, where needed. Name of Bank negotiating draft – Notification to Bank, with list of documents, etc.

### **Opening Phrases**

1. We enclose our official Order No ....

2. Our Indent No. 26 is enclosed ....

3. We have pleasure in sending you an order for ....

4. Please supply the following ....

5. Thank you for your offer of July 1st, which we accept on the terms quoted.

6. Many thanks for your quotation for the supply of stationery. Please send us at once ....

7. Kindly forward through our agent, K. Jones & Co. Ltd., Southampton, the following goods ....

8. Will you please arrange early shipment of ....

9. Thank you for letting us have samples of .... We should be glad if you would send us ....

### **Referring to Quality, etc.**

10. The quality must be up to sample ....

11. Weight and colour must be as sample supplied ....

12. First-class material and workmanship are essential.

13. A medium quality would be suitable ....

14. Only fruit packed so as to be in fresh condition on arrival can be accepted.

15. Please send only pure wool. Mixtures are unsuitable.

16. We must point out that the machines must be guaranteed to be to our own specification.

17. The material must match the enclosed pattern.
18. Please supply in assorted colours: preferably 6 dozen each of red, yellow, green, blue and brown.
19. There is no market here for the higher-priced cameras. Please send only models in the medium price-range.
20. All grades of cotton (jute, tea, fibre, etc.) are acceptable, but we prefer top qualities.
21. The alcohol content must not be under 15 %.
22. We enclose a trial order. If the quality is up to our expectations, we shall send further orders in the near future.
23. The material supplied must be absolutely waterproof and we place our order subject to this guarantee.
24. We are arranging for the consignment to be inspected before shipment and must ask you to send only goods in perfect condition.
25. Send us also approx. 1 gross "seconds"; provided that these are not scratched, we can sell them.
26. All lengths supplied must be cut to the exact dimensions quoted in your offer.
27. Marks or blemishes on<sup>4</sup> the surface may make it necessary for us to reject the goods.
28. A superior finish is important: a rough appearance would be quite unacceptable.
29. The bodywork must have a matt finish inside and a high-gloss exterior.
30. The minimum quantity required is 5 ton, but we would accept up to a maximum of 8 tons if the quality is high.
31. The over-all length must not exceed 6 feet, and the total weight must not be above 3 cwt.

#### **Alternative Goods**

32. If pattern No. 63A is not available please send 64, 65 or 66A instead.
33. Please supply the nearest you have to the enclosed sample.
34. As we are out of this line, please send the nearest you have in stock.
35. We leave it to your discretion to supply a suitable substitute, should you not have what we want, but the price must not exceed 35/- per cwt.
36. If you have a similar article but of better quality, please supply it instead, provided the price is not more than 10 % higher.
37. We are prepared to pay up to £8.15.0, but only for a first-class article. Please send us details of other makes, if you cannot supply at or below this price.
38. Please supply in No. 3 Ivory or No. 4 Cream finish *if* these articles are not available in No. 2 White, as shipment must be effected by s.s. *DIOGENES*, sailing May 3rd.

## **Invoicing, Packing, Shipping, Payment**

### **Rejecting an Offer**

39. Many thanks for your offer of March 3rd. We regret that we cannot make use of it at present.

40. We thank you for your offer and will bear it in mind, should we have need of such equipment at any time.

41. Thank you for your quotation for the supply of... but we have been obliged to place our order elsewhere in this instance.

42. Many thanks for your reply to our enquiry for steel furniture. We will keep your catalogue on hand for further reference, but think your products too highly priced for this market.

43. We appreciate your offer of a reduced price, but are of the opinion that the market would not stand an article of this quality at all.

### **Cancellation, Warning of Cancellation**

44. Our indent is enclosed, but we must ask you to cancel any items which you cannot execute by Jan. 1st.

45. Please delete from the order any goods which you (cannot supply ex-stock) (cannot ship within 14 days) (cannot supply exactly to sample).

46. We must insist on the observance of our terms and conditions. If you cannot do this, we regret that we shall have to cancel the order.

47. Please supply such items as you have in stock, but treat all others as cancelled. Your immediate advice would be appreciated.

48. As you have failed to deliver within the specified time, we have no alternative but to cancel our order.

49. The recent slump in the market here makes it unavoidable for us to cancel the remainder of our order.

50. We deeply regret having to cancel our order for the two further machines, but the worsening of the trading position here gives us no option.

51. Please cancel our order No. 33 of Oct. 3rd for 25 Battery-operated sets and send us All-mains sets in substitution.

### **Prices, Discounts, etc.**

52. We agree to your price, but should like to know if you are prepared to grant us a discount of 5 % for a quantity of 2,000.

53. What special discount can you offer for orders over £5,000?

54. We enclose our order, but must point out that the falling market here will leave us little or no margin profit. We must ask you for a keener price in respect of future supplies.

55. As we have now done business with you for a year, we should appreciate quarterly settlement terms.

56. As we propose to run a series of 12 consecutive advertisements, we should like to know what discount you can allow for this.

57. We attach our order for 3 gross, but could send you much larger orders if you could see your way to bringing your price down to a level comparable with that of your competitors in this market.

### **Concluding Lines**

58. Your early attention to this order will be appreciated.

59. Please note that delivery is required by April 5<sup>th</sup> without fail.

60. If this first order is satisfactorily executed we shall place further business with you.

61. We will do our best with these goods, and if sales are satisfactory we shall make your brand one of our standard lines. Kindly advise us when the goods are dispatched.

Most of the model letters which follow in this chapter are adaptable to Home or Foreign Trade, although some are shown in the form of correspondence between English firms.

*Now here are a few letters from buyers to sellers:*

[1]

### **Order for Films**

Dear Sirs,

We have now had an opportunity of testing the sample film left by your representative recently. It has proved to be all you claim for it, and we are prepared to order the following as a stock trial order:

2 Boxes 50	Size 20	Panchromatic
1 Box 50	“ X20	Panchromatic
2 Boxes 50	“ F27	Ortho
1 Box 50	“ F28	Panchromatic

You will of course appreciate that your make is not well-known to the camera-using public, and we hope you will extend your national advertising as mentioned by your traveller.

Our order is subject to your acceptance<sup>1</sup> of our usual terms of payment, viz. 30 days after date of invoice. We refer you to A. Lewis & Co. Ltd. of this town, should you wish to make any enquiries.

Yours faithfully,

.....

[2]

**Importer's Order for Bell-Wire**

*(Reply to Letter No. 2)*

ULSTER CABLE COMPANY BELFAST

23rd April, 20...

OurRef.: Bw/2

YourRef.: E/20/4

Electrical Supplies Ltd.,  
Coventry.

Dear Sirs,

Many thanks for your prompt reply of 20th April to our enquiry for Bell-Wire.

We enclose our official order for 15,000 yards, which we understand you can supply from stock.

As indicated in our first enquiry, the quality must be up to the sample we sent you, and the weight and colour of the cotton insulation identical to that of sample. Our order is placed on this condition.

Yours faithfully,

.....

[3]

**Exporter's Order for Cloth, subject to Price Reduction**

*(Reply to Letter No.1)*

JOHN BERRY & CO. LTD.

NEWCASTLE

18th May, 20...

Your Ref.: PJB/LN/HM

Our Ref.: DLK/2/71

Oldham Mills Ltd., Oldham, Lanes.

Dear Sirs,

We thank you for your quotation of 5/-per yard for Cloth No.110.

Before placing our order, we should like to know whether you can give us a slightly better price for this material. We have in mind an order for some 2,000 yards, and as the cloth is for export to a highly competitive market, a keen price is essential. A prompt reply would be appreciated.

Yours faithfully,

.....

[4]

**Exporter's Request for Lower Price**

*(Reply to Letter No. 4)*  
W. JONES & SONS LTD.  
28 Cheapside  
LONDON, E.C.2

5th February, 20...

The Yorkshire Woollen Mills Ltd.,  
Leeds.

Dear Sirs,

We have received both your quotation of 1st February and the samples of MEN'S SUITINGS, and thank you for these.

While appreciating the good quality of your suitings we find the prices of these materials rather high for the market we wish to supply. We have also to point out that very good suitings are now available in Eastern countries from several European manufacturers, and all of these are at prices from 10 % to 15 % below yours.

We should like to place our order with you, but must ask you to consider whether you can make us a more favourable offer. As our order would be worth around £5,000 you may think it worth while to make a concession.

Yours faithfully,  
.....

[5]

**Rejection of Offer of Coffee**

*(Reply to Letter No. 12)*  
UNIVERSAL GROCERS LTD.  
LONDON, S.W.1

23rd November, 20...

Candos Coffee Co. Ltd.,  
Southampton.

Dear Sirs,

Many thanks for your offer, dated 21st November, of 1,000 lb. Brazilian Coffee.

We regret being unable to make use of this consignment as the price you ask is above the market level here for the quality in question. The coffee supplied last year from this source was not of the quality we had expected for the price quoted.

Yours faithfully,  
.....

[6]

**Dealer asks for Guaranteed Delivery Date**

*(Reply to Letter No. 6)*

L. THOMS & SON  
Hardware Merchants  
BOURNEMOUTH

31st January, 20...

Modern Plastics Ltd.,  
Portsmouth.

Dear Sirs,

Thank, you for your letter of January 12th, with which you sent us details of your PLASTIC WARE.

We have now seen samples of these goods and are prepared to give them a trial, provided you can guarantee delivery on or before March 1st. The enclosed order is given strictly on this condition, and we reserve the right of cancellation and refusal of delivery after this date.

Yours faithfully,

.....

[7]

**Manufacturer Acknowledges Order and Guarantees Delivery**

Dear Sirs,

Thank you very much for your order of March 2nd for:

5 doz. Tea Services No. 53. 3 Dinner Services No. 65. 4 gross Cups and Saucers, export seconds, white.

All these items are in stock, and we can guarantee delivery to your Liverpool warehouse well before March 15th. As requested, we will advise you of date of despatch.

We are at your service at all times.

Yours faithfully,

.....

[8]

**Manufacturer Acknowledges Order and Confirms Priority**

Dear Sir,

We were very glad to receive your order for:

2 Horizontal Drilling Machines,  
to be supplied to your own specification.

As we mentioned in our previous letter, delivery for machines made to supplied specifications is not normally possible in less than 3 months, but we should



like to help you and are giving your order priority<sup>4</sup>. You may be sure that your machines will be ready for shipment by April 1st.

We will advise you when your order is ready for collection<sup>5</sup> and shall be pleased to assist you to the best of our ability at all times.

Yours faithfully,  
.....

**[9] Further Acknowledgments of Orders**

Dear Sirs,

We thank you for your interest in our special offer of Tinned Beef, and are pleased to advise you that your order has been despatched today by Road Transport Services, Ltd.

Yours faithfully,  
.....

**[10]**

Dear Sirs,

Thank you very much for your order for:  
2 Printing Machines – Catalogue No. 79/B.

These will be dispatched immediately upon receipt of your remittance for £375, as per enclosed pro-forma invoice.

Yours faithfully,  
.....

**[11] The Sellers Promise Punctual Dispatch**

Dear Sirs,

Many thanks for your order of March 3rd, for:  
15 cwt. assorted Distempers.

It has already been put in hand and there will be no difficulty in getting the goods to you by your stipulated date.

Yours faithfully,  
.....

**Assuring the Customer of Your Attention**

62. You may rely on us to carry out your instructions in every detail.

63. Your order is receiving immediate attention and you can depend on us to effect delivery at Southampton well within your time limit.

64. We have taken special note of your packing instructions and these will be strictly observed.

65. Special instructions have been given to our dispatch department to send your orders on May 1st, June 1st and July 1st respectively. You may be sure that your wishes will be carried out.

66. We note that the goods are to be collected at our works by your forwarding agent, and we shall accordingly notify Carter & Sons when the order is ready to be called for.

67. We cannot guarantee delivery by next Friday as your order was received too late for this week's dispatch, but we are putting your goods on rail, and they will reach you more quickly than if we waited for the next van delivery.

#### **Execution of Orders**

68. The goods are nearly ready for dispatch and we should be glad to have your instructions.

69. We have not yet had precise shipping instructions and are holding your order until these arrive.

70. As you do not give any special instructions for forwarding, we are passing your order to our forwarding agents in the usual way.

71. As you need the goods so urgently we have arranged transport by road to the port. This will make shipment by s.s. DINARD possible.

72. To avoid storage charges at the port, we are holding your goods here pending arrival of your forwarding instructions.

#### **Mentioning Method of Payment**

73. Please inform us what arrangements you have made for payment. Shipment will be effected immediately we have your reply.

74. As we have not had the pleasure of doing business with you before, we enclose a copy of our invoice, and shall be glad if you will arrange payment either by Banker's Draft or by opening an irrevocable Letter of Credit in our favour. Please also state what documents you require.

75. In view of the urgent nature of your order we suggest that you arrange payment by Banker's Transfer, confirmed to us by telegraph.

76. As requested, we shall draw on you at 60 days for the amount of our invoice, one copy of which is enclosed herewith, the draft to be accepted by your bankers as arranged.

#### **Prices and Payment Queries – Replies**

77. Our terms are net. You will appreciate that our low prices make it impossible for us to grant any discount.

78. We are grateful to you for your order, but regret we cannot allow a further discount of 5 % as requested.

79. Our prices are ex-works; should you wish us to undertake shipping arrangements we will gladly do so, adding the costs involved to our draft on you.

80. We are accepting your order at the prices quoted in our letter, but cannot guarantee that they will hold good for further orders.

81. Prices of raw material have risen steeply since our quotation of May 1st, and we could now accept your order only at the rates quoted on the attached list. We await your confirmation before executing your order, but shall be pleased, to give you priority if your reply reaches us within 3 days.

[12]

**Reply to Letter No. 3**

OLDHAM MILLS LTD  
OLDHAM LANCS

20 th May, 20...

John Berry & Co. Ltd.  
Newcastle upon Tyne.

Dear Sirs,

Many thanks for your letter of 18th May, in which you ask us for a keener price for our Pattern 110.

Much as we should like to help you in the market you mention in your letter, we do not think there is room for a reduction in our quotation as we have already cut<sup>6</sup> our price in anticipation of<sup>7</sup> a substantial order. At 5/- per yard this cloth competes well with any other product of its quality on the home or foreign markets.

We are willing, however, to offer you a discount of 5 % on future orders of value £1,000 or over, and this may help you to develop your market. Meanwhile we will execute your present order with this concession, and we await your acceptance of this offer.

Yours faithfully,

.....

[13]

**Reply to Letter No. 4 (Price Reduction Refused)**

THE YORKSHIRE WOOLLEN MILLS LTD.  
LEEDS

7th February, 20...

W. Jones & Sons Ltd.,  
28 Cheapside,  
London, E.C.2.

Dear Sirs,

Many thanks for your letter of 5th February. We have now given careful consideration to your comments on our offer of MEN'S SUITINGS.

We are keen, of course, to meet your wishes and to supply you with material which will enable you to compete in Eastern markets, but regret that any reduction in the prices quoted is not possible at present. The qualities submitted are the finest available at these prices, and considerably better than those of foreign makers who supply the markets you mention.

We think you would do better to handle wool mixtures Nos. 31–50 in our pattern-book, and we are arranging for our representative to call to discuss these with you, as they are ideal for your market and the prices are right.

We will do our very best for you.

Yours faithfully,

.....

**[14] Advice of Dispatch of Export Order**

Dear Sirs,

It is with pleasure that we advise you of the dispatch of your order:

24<sup>1</sup>/<sub>2</sub> H.P. Electric Motors

which has been shipped by s.s. 'SEA FOAM', due at Bangkok on July 5th.

The motors are to your exact specifications, and are securely packed in strong wooden containers, which should stand up to<sup>8</sup> the roughest transport conditions. We are sure they will reach you in good order.

Each motor has been thoroughly tested and now carries our full guarantee. Our technical representatives in Bangkok, Messrs. de Fries, will be pleased to advise you on any point of fitting or maintenance; they also hold an adequate stock of spare parts.

In accordance with the terms of payment agreed, we have surrendered the shipping documents to the Great Oriental Bank, Ltd., who have accepted our draft for Fr. 3,750 at 60d/s.<sup>9</sup>

We thank you for the renewed expression of confidence in us which this order shows, and you may be sure that the goods now on the way to you are of the same high standard of workmanship and material as you have experienced previously. As we hope to be of service to you for many years to come, we enclose with this letter details of other electrical machines and components, all of which we think you may need at some time.

You may rely on us always to give you prompt attention.

Yours faithfully,

.....

Analyse the above letter carefully and note where it differs from old-fashioned letters of advice of despatch.

[15]

## Advice of Goods ready for Despatch

Dear Sirs,

You asked us to advise you when the goods ordered on your indent No. 35 of January 25th were ready for dispatch.

We now have the pleasure of confirming that your order is completed and awaits collection at our works. The consignment consists of 5 crates, weight 3 cwt. each.

Transport, insurance and freight are being arranged by our forwarding agent, Fa. Lederer Gebr., Hamburg, on whom you may rely for expert handling and early shipment.

As soon as we receive the statement of forwarding charges from our agents, we shall send you our invoice and the necessary documents by air mail. The amount of the invoice will be charged to the account which we now have pleasure in opening with you, and we shall draw on you quarterly in future.

We appreciate the confidence you have placed in us and assure you that our aim is to serve you well.

Yours faithfully,

.....

## Delays in Execution of Order

You will not find the acknowledging of orders and the advising of dispatch very difficult when you have studied the specimen letters and phrases given in this and other chapters. Explaining matters such as delays in dispatch, inability to supply the goods ordered, or possibly even to accept an order calls for a little more care in phrasing:

82. Much to our regret, your order has been held up at the docks by a strike of stevedores. You will appreciate that these circumstances are beyond our control.

83. Owing to delays in the delivery of raw materials, we fear we may be unable to execute your order before Jan. 23rd. Please accept our apologies for the inconvenience caused – we are working day and night to catch up with schedule.

84. A slight delay in the execution of your order will now be unavoidable, but we are giving it priority and you will not have to wait more than 3 days longer than the original delivery date. We regret this keenly and can only hope that it will not seriously inconvenience you.

85. The recent exceptional demand for this line makes it impossible to promise delivery of any further orders before June 15th.

86. We very much regret that our earliest delivery date is now January 1st, as we find it impossible to keep pace with the rush of orders this season. Will you kindly confirm your order for this date.

87. We think it fair to point out that recent changes in import quotas may cause us difficulty in executing contract orders and that some delay is inevitable.

[16]

## Delay Caused by Government Regulations

Dear Sirs,

We are very sorry indeed to have to advise you of a delay in executing your order No. ... of ....

As you may know, the Government has recently put an embargo on<sup>10</sup> the free export of certain metals to the Far East and we have to obtain a special licence<sup>11</sup> to proceed with your order. We think the delay will not be more than 2–3 weeks, and we shall give your order priority as soon as we receive authority to go ahead.<sup>12</sup> Meanwhile, please accept our apologies for the inconvenience caused.

Yours faithfully,

.....

### Refusing an Order

88. We shall be unable to accept any more orders for this item until further notice.

89. Regarding item No. 6 of your order, we regret that we do not manufacture this in stainless steel.

90. In this instance we are unable to accept your order, as we cannot match your pattern.

91. Much as we should like to do business with you, we fear we cannot turn out brushes of reasonable quality at the price you ask.

92. Supplies of raw materials are becoming difficult to obtain and we have no alternative but to decline your order.

93. As our factory is at present fully occupied with contract orders, we regret having to decline your order.

94. As we should be unable to promise delivery before next Spring, we feel we must return your order, with our apologies and best thanks.

95. We have a waiting list of several hundred for these machines and can give no guarantee of delivery this year.

96. Production difficulties force us to decline further orders for this model for the time being.

97. The political situation has caused supplies of bristle to “dry up” entirely, and we are forced to discontinue the manufacture of these pure bristle goods.

98. There is no demand for material of the type you submit as a sample, and we shall not manufacture further supplies.

99. Any alteration in design would mean re-setting our machines, and the cost of this would be prohibitive unless you could place an order for some 5,000.

100. It would be impossible for us to supply this small quantity in wrappers of varying design and colour, without considerably raising the prices.

101. The small quantity you require would not be possible to produce at an economic figure.

102. While thanking you for your order, we have to explain that we supply only to authorized dealers in each town, and at present we are not considering increasing the number of dealers in your area.

103. We are at present supplying only to wholesalers, and therefore refer you to Messrs ..., who would be pleased to supply your needs.

104. We are obliged to you for your order, which we have passed to our agents, Messrs. Smith & Co., Cape Town, for attention.

[17]

**Refusing an Order**

*(Manufacturer Unable to Supply to Specification)*

Dear Sirs,

We thank you very much for the order contained in your letter of December 20th.

After carefully considering it, however, we have come to the conclusion that it would be better for you to approach another manufacturer in this instance. To machine to the limits required in your specification would require the setting up of special equipment at our works, and this would not only be impossible before September but would seriously interrupt our normal production.

We are really sorry not to be more helpful, but hope that you will understand our position. Do let us have other enquiries at any time, as we shall be only too pleased to meet you if it is within our power.

Yours faithfully,

.....

[18]

**Refusal to Supply on Buyer's Terms**

Dear Sirs,

We are very grateful to you for your Indent No. 32 for 10,000 boxes of paper fasteners.

To our regret, we are unable to accept your order at the price requested: £15 per 1,000. You will find on referring to our previous correspondence (June 21st last) that we gave you our lowest price for this quantity as £17 per 1,000. Since then, prices have tended to rise rather than fall, and our profit margin does not warrant any concession by way of quantity reduction or discount.

We should, of course, be glad to fulfil your order if you will confirm at £17 per 1,000, settlement at 30 days.

Yours faithfully,

.....

## Refusals – Closing Sentences

105. As soon as we are in a position to supply this line we will get in touch with you again.

106. Our difficulties are only temporary and we shall welcome your enquiries in the future.

107. We hope you will understand the circumstances which compel us to decline your order this time, and that you will allow us to be of service to you in the near future.

108. We are extending our works and installing new plant, so that we shall not again have to refuse orders at short notice.

109. Of course we will advise you as soon as we are able to supply these goods again.

110. You know you can rely on us to supply you again as soon as the situation improves.

111. We have never let you down before, and hope you will continue to send us your special problems.

### Explanation of Reference Numbers in Letters [1–18]

<sup>1</sup> <i>is subject to your acceptance:</i>	is given on condition that you accept
<sup>2</sup> <i>up to the sample:</i>	as good as the sample.
<sup>3</sup> <i>a keen price:</i>	a competitive price.
<sup>4</sup> <i>priority:</i>	very early attention.
<sup>5</sup> <i>ready for collection:</i>	ready at the works.
<sup>6</sup> <i>cut:</i>	reduced.
<sup>7</sup> <i>in anticipation of:</i>	as we are expecting.
<sup>8</sup> <i>Stand up to:</i>	survive; be strong enough for.
<sup>9</sup> <i>60 d/s:</i>	60 days after sight (see Payments, Chapter 10).
<sup>10</sup> <i>put an embargo on:</i>	stopped; prohibited.
<sup>11</sup> <i>special licence:</i>	written Government permission.
<sup>12</sup> <i>to go ahead:</i>	go on; continue; proceed.

### Substitutes and counter offers

Of course, it is not always necessary to refuse an order. A sensible firm will only do so in cases where either they simply cannot supply anything like the required goods or, for their own good reasons, they do not want the business.

If they receive an order for something they cannot supply, there are two courses open to them:



- (1) send a substitute,
- (2) make a counter-offer.

Sending a substitute carries the risk that the buyer may be annoyed or even refuse it (in international trade it is also a violation of commercial practice). The whole thing is a matter of judgement. With a regular customer one may be reasonably safe in sending the nearest one has to what he wants (i.e. a substitute).

In other cases the question of the urgency of the customer's need may help the seller to decide whether to send a substitute, make a counter-offer or regretfully decline the order. A counter-offer is an offer of other goods or services which are not precisely what the customer asks for. The seller may make a counter-offer rather than risk sending a substitute. If he makes a counter-offer, the seller is following sound business practice. Let us compare him with a shop assistant. A lady enters a hosier's shop and asks for a pair of "B" brand silk stockings. Now the saleswoman knows that her employer does not stock "B" brand but that he has a good selection of "A" brand, which are of superior quality and only slightly higher in price. She will therefore reply: "We stock "A" brand now, Madam, because nearly everyone who has tried them finds them so much more attractive for the few pence difference in price. Here is a pair. Don't you think they are lovely?"

This is a "counter-offer" in both senses of the word! It may win the customer, but in any case it is more likely to succeed than an answer like, "I am sorry but we don't stock "B" brand, Madam. Can I show you some other makes?" That is negative talk and the sales assistant might just as well tell the customer to go to the shop across the road – a competitor.

Of course, there are limits to how far one can go in making counter-offers, and the desire to satisfy a customer must be as much in the seller's mind as the desire to get the sale. If the customer shows clearly that he knows what he wants, it may not be so easy to convince him.

Here, however, is how one exporter puts his counter-offer:

**[19] Exporter Unable to Supply a Previous Year's Model  
of a Well-known Camera: Offers a Newer Model**

Dear Sirs,

It was a pleasure to receive your order for 300 Model C "Reflex" Cameras and to hear of your success in disposing of the last consignment. As we advised you at the time of your last purchase, this type of camera, with its large view-finder, has established itself firmly in public favour, and you cannot go wrong in stocking it.

While sales in all countries have been good, there has been a persistent demand for a lens of larger aperture than the f6.3, which was fitted as standard on the Model C last year. On careful examination of this demand we came to the conclusion that the average camera-user of today wants an instrument with which he can do serious picture-making. We have therefore produced a new version of our famous camera – the Model D, which is fitted with an f4.5 lens.

Model “D” has replaced “C”, and at a price of DM 52 net to the trade, represents the finest value on the market for cameras of this type. We think you will agree that the difference in price, viz. DM 10, between this and the old model is very small for the amazing difference in performance which is now possible. It has received an enthusiastic welcome here already.

Our new publicity campaign is due to begin in a few weeks and the “D” Reflex will be advertised extensively in national newspapers in your country as well as in technical magazines. Your stock will reach you in good time for the commencement of our campaign, so we should be glad if you would confirm the order for 300 of Model “D” in place of the discontinued Model “C”.

We shall be happy to grant you an extra 5 % discount for 300, and can promise you immediate despatch. Once again we say you cannot go wrong with a Reflex. Always at your service,

Yours faithfully,

.....

**[20] Of course, the writer of the above letter could have put the matter in another way. Look at this example of INEFFECTIVE WRITING:**

Dear Sirs,

We beg to acknowledge receipt of your valued order of June 3rd for 300 Model C Reflex Cameras.

We regret to inform you, however, that this model is no longer in production and has been replaced by our new Model D.

The new model has an f4.5 lens instead of the lower power f6.3, as fitted to the old model, and in view of this we have had to raise the price from DM 42 to DM 52 net to the trade. We think the new price is very reasonable and the extra cost more than justified.

Please let us know if you still wish us to send you 300 as originally ordered. Hoping for the favour of an early reply, we remain

Yours faithfully,

.....

Believe it or not, there are still people who write letters like No. 21. What is more surprising is that they are still in business.

You, the reader of this book, should be able to see where No. 20 scores, and where No. 21 fails.

The writer of No. 20 does not apologise for being unable to supply what the customer asks for – why should he? His firm has produced something better and they are convinced that the public wants it, so he tells his customer exactly that, and gives his reasons positively and convincingly. Then he does not attempt to apologise for the higher price: instead he points out what better work the user will be able to do with the new model, for the sake of a few Marks.

Notice, too, the first paragraph. It opens with an expression of pleasure and proceeds quickly to congratulate the customer on his success and to remind him of the sound advice that he was given. This theme is repeated in the last line of the letter, together with a special offer of an extra discount, thus “closing the sale” strongly. The reference to the advertising campaign leads up to this powerful “close” and the whole letter leaves no doubt in the buyer’s mind that the supplier knows what he is talking about.

Finally it is no accident that the letter reads smoothly and convincingly. It does not consist of time-worn clichés out of an ancient book of commercial correspondence. It is a planned and polished piece of composition. Art has its place in Commerce, you see.

## [21]                                    **Counter Offer of Silk at a Higher Price**

Dear Sirs,

Very many thanks for your letter of yesterday, enclosing your order for 1,000 yards of “Willow” Pattern silk cloth.

In turning to us for a supply of this famous line, you evidently realise that if such an article is to be had at all, we are the people to supply it. We appreciate your interest, and should have liked to be able to supply your order from stock as we did years ago.

However, times and tastes change. The “Willow” Pattern is now out of fashion, and in common with other manufacturers we have so little demand for it that we have ceased to produce it.

We think, however, that your customers would like our new material “Rayon Porcellan”, a sample of which we have pleasure in sending you with this letter. This material has all the good qualities of the old “Willow” Pattern and is very much smarter in appearance, without being so vivid in colour as many modern silks and rayons.

The price is 10/6 per yard or £26 per 50-yard piece, f.o.b. Liverpool. Prices for all silk fabrics have increased considerably in the past year and it is no longer possible to supply a really good material at the figure you name. As you know, we supply only first-class and guaranteed fabrics.

A full selection of our silk patterns is also being sent you by parcel post. All of these are selling well in your country and we can safely recommend them to you. We can ship your order within a week of hearing from you.

Yours faithfully,

.....

[22]

### Negative Writing

COMPARE LETTER 22 WITH THE NEXT LETTER,  
WHICH IS AN EXAMPLE OF HOW NOT TO WRITE:

Dear Sirs,

Thank you for your letter of 31st ult. We regret being unable to execute your order for Willow Pattern silk cloth as per pattern sent and which we return herewith.

This silk has gone right out of fashion and we have not had an enquiry for it for years. It is now impossible to supply it as it is no longer manufactured. Enclosed please find a sample of silk which is very similar in appearance, and unless you are compelled to have the exact thing, we can confidently recommend this as a good substitute. It is beautiful in design and colour, and you would find it wears well.

The price is 9/6 per yard less usual discounts, which is a recommendation itself. We hope you will let us send you this silk in place of the one required, which you will have the greatest difficulty in obtaining.

It is impossible to supply anything so cheap as the price you mention in your letter.

Yours faithfully,

.....

### To end this chapter here is a further selection of sentences to use in making counter-offers or sending substitutes:

112. We cannot supply exactly to your order as ...
113. ... our stock is completely exhausted.
114. ... these designs are out of fashion.
115. ... we do not stock the sizes required.
116. ... these colours are no longer available.
117. We can offer you instead ....
118. We recommend you to buy a synthetic material such as ...
119. Quality 15X is equally (hard wearing) (waterproof) (damp-resisting) (acid-proof) (attractive) (serviceable).
120. It is no longer possible to obtain supplies of this material, but the very similar article X is in good supply.

121. We strongly advise you to accept catalogue No. 32, as the model you selected is no longer obtainable.

122. We could not guarantee to keep within the price – limit set by you and must ask you for a little latitude in this respect.

123. Our price was quoted for orders of £1,000 and over, and we must ask you to increase your order to this figure if you wish to profit by the lower price.

124. As our prices apply only for quantities of 1 dozen, we have sent you 12 of each, and trust that this will meet with your approval.

125. We have had to increase our prices since you last ordered.

126. We have been compelled to raise our prices by 10 % owing to ...

127. ... increased labour costs.

128. ... the rise in raw material prices.

129. ... heavier import duties on raw materials.

130. ... rising freight and transport costs.

131. If your market will stand an extra 2/- per bottle we can offer you ....

132. If you can raise your order to 1,000 we can offer you a price of Fr. 2,30 each.

### Substitutes

133. We have substituted surface No. 5 (Smooth Lustre) for No. 4 (Half Lustre), as the latter is no longer available in cream.

134. As your order is marked URGENT, we have sent you type XX, which is the nearest we can supply at present. We hope you will approve.

135. Following several complaints, we have withdrawn these chemicals from stock and are substituting with **AL** Brand in your consignment.

136. As prices are low in the London market, we sent your fruit to Bristol, where a price nearer that hoped for by you was realised.

137. We can obtain the knives at the price you want only with celluloid handles. Please wire us immediately if you wish us to purchase these.

138. We should like your confirmation before supplying so large a quantity in the alternative designs now proposed.

139. As size  $2\frac{1}{2} \times 3\frac{1}{4}$  is no longer manufactured, we are sending  $2\frac{1}{2} \times 3\frac{1}{2}$  as a substitute.

140. We cannot quite match the finish of your sample, but are sending you our nearest.

### SOME VOCABULARY OF CHAPTER 5

ALTERNATIVE (*n.*): another possibility.

CONTENT (*n.*): proportion, percentage.

CONTENTIS (*pl. n.*): what is contained in something.

CONTRACT (*n.*): binding agreement.  
 DECLARATION (*n.*): open admission or statement of fact.  
 EXTEND (*v.*): make longer or larger; *n.* extension; *adj.* extensive.  
 GRADE (*n.*): class, quality.  
 INDENT (*n.*): order, one of a series from a regular customer, an order to buying agents; *v.* indent (for).  
 MATCH (*v.*): be similar to, harmonise with.  
 NEGOTIATION (*n.*): business dealings with someone.  
 NOTIFICATION (*n.*): formal information; *v.* notify.  
 OBLIGED (*adj.*): (1) compelled, forced; (2) grateful, owing thanks.  
 OBSERVANCE (*n.*): compliance with; obeying.  
 OPTION (*n.*): choice, first offer.  
 PRODUCE (*n.*): natural substance – fruit, butter, wheat; *v.* produce; producer (person).  
 RATE (*n.*): (1) a fixed level or scale of charges; (2) speed; (3) local tax.  
 REFERENCE (*n.*): (1) allusion; (2) written report on one's character and record;  
*v.* refer (to).  
 SECONDS (*n.*): goods of second or rather inferior quality.  
 SLUMP (*n.*): rapid fall.  
 STIPULATE (*v.*): make a condition.

### COMMERCIAL PHRASES

*Inward Port*: port of arrival or importing.  
*a keener price*: a more competitive price (lower).  
*instructions strictly observed*: instructions exactly carried out.  
*catch up with schedule*: to bring work up to date (not in arrears).  
*keep pace with the rush of orders*: to execute all orders in good time, although orders are numerous.  
*prices have tended to rise*: a slight upward movement in prices.  
*turn out*: manufacture, produce.

### IDIOMATIC PHRASES

*in the right frame of mind*: contented: in good mood.  
*(accuracy) is called for*: is necessary: is required.  
*to bear in mind*: not to forget or overlook.  
*in this instance*: in this case: this time only.  
*to see your way to*: to find yourself able, willing to.  
*(I leave)... to your discretion*: ... to your judgement.  
*as good as his word*: will do what he promises.  
*for the time being*: temporarily: till further notice.

## EXERCISES

1. Write a letter to an export manufacturer of some article with which you are familiar. Enclose an order and state your requirements regarding quality, appearance and delivery.

2. The Government of your country has now removed an embargo on the importation of cameras. Write a letter to a foreign camera manufacturer and order a selection of cameras. Mention terms and delivery.

3. Write an answer to letter No. 1 of this chapter.

4. Send a suitable reply to letter No. 2 of this chapter.

5. Send a suitable reply to letter No. 6 of this chapter.

6. *Connect the following notes into a complete letter:*

thanks for order – goods despatched s.s. IONA – due 3rd February – invoice enclosed; goods carefully selected – acked crates – safe arrival – excellent value – hope good sales; fine reputation, workmanship and material – high sales everywhere – best at their price – await news arrival – rely on us – at your service.

7. Your firm has received a first order from an overseas buyer; the goods are machine tools. Write a letter of acknowledgement and promise delivery by a certain date.

8. *Re-write this old-fashioned letter in modern style:*

Dear Sir,

Please accept our best thanks for your esteemed order of the 31st ult., receipt of which we beg to acknowledge.

Assuring you of careful execution and trusting to be favoured with your further orders,

Yours faithfully,

.....

9. An order has been received from an overseas buyer. He does not mention payment or give any instructions about delivery. Write a suitable reply.

10. You have received an order for a brand of tinned meat which you no longer export. Answer this letter.

11. Your firm has received an order for optical products, based *oh* an old price-list. Prices have since been increased by 10 %. Write a reply.

12. Acknowledge an order for cotton textiles received from abroad and explain why a slight delay in execution will be unavoidable.

13. Write a letter to a firm which has often supplied your firm with tinned food products. Say in the letter why you have to refuse their, latest offer.

14. Re-write letter No. 21 in more attractive style: use your own ideas – do not copy letter No. 20.

15. Your firm has despatched goods ordered by a buying agent and has sent substitutes for several items. Write and explain this to the agent.

16. You have received an order for a printing machine; your firm has recently sold the last one in stock and cannot supply in less than 3 months, but you have another machine at a higher price in stock, (a) Write a suitable letter to your customer, (b) Write the customer's answer refusing this offer.

17. Reply to letter No. 22. Place a trial order and ask for early delivery.

## **CHAPTER 6**

### **PACKING AND DESPATCH**

Anyone who has ever tried to pack a Christmas parcel and who has known the frustration that this seemingly simple operation can bring with it will agree that this, too, is an art. So badly is packing often done that by the time the parcel reaches its destination it may be reduced to a shapeless mass by the not very gentle handling it has received on its journey. Only really "healthy" parcels come through the ordeal of transport unscathed.

Packing a suitcase for a journey is a similar operation. How often the suits, on being unpacked, look as if the traveller has slept in them!

The real art of packing is to get the contents into a nice, compact shape that will stay that way during the roughest journey, and wrap the lot with a good strong cover of some kind. Somewhere between the thin brown paper parcel that tears open at the first touch and the heavy box that gets there all right but costs more in postage than the contents are worth, lies the happy medium that makes the whole thing practical.

This, on a large scale, is the problem that faces the despatch department of every firm, especially the export firm. The buyer has a right to expect that his goods will reach him in perfect condition, and the seller has to pack them in such a way that they will do so. Nothing is more infuriating to a buyer than to find his goods damaged, or part missing on arrival: and nothing is more likely to lose a customer. In the export trade serious delays may result, causing the customer great loss. It is because of these dangers that large export firms have established a special department for export-packing, and the whole question is under regular-review. New packing materials are being evolved which are light and strong, and new methods being found to ensure the safe transport of heavier goods. Many export firms employ a specialist export packer or forwarding agent to do this packing for them.

The general plan in all packing is to make the goods secure for the kind of journey they have to make, but to keep the package as small and light as pos-



sible. Transport costs on land usually depend on the weight, but on the sea the size of the package is also important.

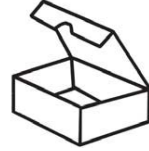
For correspondence, you will find the following list of specialised terms useful:

### A. PACKING CONTAINERS

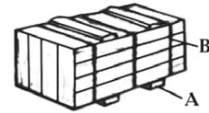
*Bag.* May be made of strong paper, linen, canvas, rubber, etc.

*Sack.* A large bag. Usually made of jute.

*Carton.* Light but strong cardboard, or fibreboard. Double lids and bottoms, fixed by glue, adhesive tape, metal bands or wire staples. Sometimes a bundle of several cartons is made up into one package, held by metal bands.



*Case.* Strong container made of wood. For extra strength these may have “battens” (see “A” in diagram). For extra strength, but less weight, thinner wood may be used, but metal bands (B) or wires passed around the case. The inside of the case may be “lined” with various materials, e.g. damp resisting paper, tin-foil, etc., to prevent damage by water, air, or insects.



*Box.* A small case, but may be of wood, cardboard or metal, and may have a folding (hinged) lid.

*Crate.* This is a case, but one not fully enclosed. It has a bottom and a frame, sometimes open at the top. Crates are often built for the particular thing they have to carry. Machinery packed in crates needs a special bottom (a “skid”) to facilitate handling.



*Drum.* Cylindrical-shaped containers for carrying liquids, chemicals, paint, etc. Usually made of metal. Certain dry chemicals (non-inflammable) or powders are sometimes packed in wood or cardboard drums.



*Barrel.* A wooden drum. Capacity 25/60 gallons; “tight” barrels are for carrying liquids; “slack” barrels only for dry contents. Hoops (H) strengthen the barrels.

*Cask.* A very large barrel.

*Hogshead.* A very large barrel (over 100 gallons).

*Keg.* A small barrel.

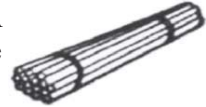
*Bale.* A package of soft goods (e.g. cotton, wool, sheepskin) tightly pressed together and wrapped in a protective material. Usual size 30 × 15 × 15 in. May be strengthened by metal bands.



*Can (or Tin).* A small metal container; such as small quantities of paint, oil, or certain foodstuffs are packed in.

*Carboy.* A very large glass container protected in a metal or wicker cage with soft packing between glass and cage; used for chemicals.

*Bundle.* Miscellaneous goods packed without a container. A number of small cartons etc. fixed together could be called a bundle.



These descriptions should help you understand what a buyer means when he gives his instructions for packing, as many export buyers do.

## B. TERMS USED IN CONNECTION WITH DISPATCH AND TRANSPORT OF GOODS

1. Van; Truck; Lorry (road delivery vehicles).
2. Canal; Waterway; overland; Rail or Railway; Road.
3. to load; unload; to discharge; Load; Lorry-load; Shipload, etc.
4. to transport; Transport; Carriage; Cartage; Freight; Charges; Dues.
5. to pack; to stack; to stow; Porter; Stevedore; Carter.
6. to despatch; to consign; to send.
7. Weight; Bulk; Mass; Dimensions; Capacity; Volume; Space; gross weight; net weight.
8. Crane; Lifting gear; Derrick; Hook; Chain; Tackle; Sling.
9. Barge; Tug; Lighter; to tow; in tow; on tow; Towage.
10. bolted; screwed; nailed; battened; cleated; locked; braced.
11. Wrapping; Padding; Filling material; Covering material; Lining; waterproof; airtight; sealed; insulated.

## C. SPECIMEN SENTENCES: INSTRUCTION AND INFORMATION ON PACKING, ETC.

### Containers

#### *Supplier's Information to Customer*

1. The 1 lb. size tins of paint will be supplied in strong cardboard cartons, each containing 48 tins. Gross weight  $\frac{1}{2}$ cwt. The 2 lb. size will be packed in cartons of 24, also of gross weight  $\frac{1}{2}$  cwt.

2. All powders are wrapped in polythene bags and packed in tins, the lids of which are sealed with adhesive tape.

3. Fibreboard boxes are used to reduce freight. These boxes are not returnable.

4. We supply sulphate crystals in  $\frac{1}{2}$ cwt. and 1 cwt. sacksof impregnated jute, so that contamination during transport is unlikely.

5. All bags have an inner waterproof lining.
6. We supply these machines in specially designed crates. If not returned to us within 3 weeks, the crates are charged to you at £5 each.
7. All export bicycles are wrapped in strong waterproof material at the port and packed in pairs in light-weight crates.
8. A special crate with reinforced bottom will be needed for the transport of such a large machine, and both padding and bolting down will be essential. The cost would be in the region of £20 plus total freight charges of £25.
9. To save freight we suggest packing in a crate with reinforced base, and overall waterproof wrapping. A solid case as proposed by you would be uneconomical.
10. Export crates for goods of the type you name are completely enclosed by plywood, and firmly battened.
11. Partial boarding of the crate will save freight and give ample protection to the contents.
12. Export orders are put up in strong cases, cleated and wire-strapped. Solid packing and stuffing inside the cases gives protection from vibration and jarring.
13. A light case reinforced by battens would meet your requirements and be much cheaper than a solid wooden case, as the former would be non-returnable.
14. Carbon tetrachloride is supplied in 5 cwt. drums. The drums are of steel, with double hooping as reinforcement.
15. These products are available in strong metal drums of 1, 2, 5, 10 and 20 gallons.
16. The most economical size for you would be our 4 ½ gallon Carboy. Carboys may be retained by you without charge for 2 months.
17. All preparations, chemicals, etc., are supplied in stout fibre drums of ½ cwt. capacity, and wrapped in sealed polythene bags.
18. Pitch and Tar are delivered in wooden barrels of capacity 50 gallons.
19. We will pack the material in bales of size approx. 5 feet length and 8 feet girth. The protective canvas will be provided with ears to facilitate lifting.
20. When the various items of your order are complete in our warehouse we will pack them into bundles of suitable size for shipment.
21. Your poles will leave here in bundles of 61, wrapped in sacking and firmly clamped by wire bands.

*Customer's Instructions to Supplier*

22. We do not object to packing in cartons, provided the flaps are glued down and the cartons secured by metal bands.
23. Please limit the weight of any one carton to 30 lb. and metal-strap all cartons in stacks of 4.

24. If cartons are used, please supply each chemical in strong polythene bags to ensure protection from damp.

25. Please sort the smaller metal parts in canvas bags before packing in the crate.

26. Please wrap each item separately in grease-paper.

27. Crates must not exceed an overall length of 8 feet.

28. The bottom and back of the crate must be strongly boarded.

29. Packing in sturdy wooden cases is essential. Cases must be nailed, battened and secured by overall metal strapping.

30. Valves and all delicate parts are to be wrapped in soft material and firmly packed in cardboard boxes. These in turn are to be packed in cases in such a manner that movement inside the cases is impossible.

31. Cases must have an inner lining of stout, damp-resisting paper.

32. The packets must be made up in piles of suitable size before being given their air-tight tinfoil cover, and then packed in cases. The cases must be cleated and battened so as to eliminate the risk of damage by pressure.

33. Please cut vent-holes in the cases to minimise condensation.

34. Overall measurements of each case must not exceed  $4' \times 2' \times 2'$ .

35. Please supply 4 Carboys, heavily padded and packed in a single crate.

36. Please make our order up into bales of about 2 cwt., covered with water-proof fabric and strapped vertically and horizontally with metal bands.

### **General Instructions from Customer to Supplier**

37. When packing, please take into account that the boxes are likely to receive rough handling at this end and must be able to withstand transport over very bad roads.

38. We give you on the attached sheet full details regarding packing and marking. These must be strictly observed.

39. The greatest care must be given to packing and crating, as any damage in transit would cause us heavy loss.

40. Please convey the finished goods by your own transport to our forwarding agent's warehouse, where they will be repacked for shipment.

41. When packing is complete, please notify our agents, Messrs ....

42. Please use normal export containers unless you receive special instructions from our agents.

43. As the goods will probably be subjected to a thorough customs examination, the cases should be of a type which can be easily made fast again after opening.

44. Tanks must be completely drained of fuel before the vehicles are crated, and all oil removed from sumps.

45. All polished parts of the machine are to be wrapped and generously padded to avoid scratching and knocking against the container.

46. Rope or metal handles should be fixed to the boxes to facilitate carrying. No grip-holes must be left in the boxes.

### **Dispatch**

47. See also Shipping and Forwarding.

48. We are pleased to advise you that your order No. 32 has been dispatched, packed in 121-cwt. cases, in accordance with your instructions.

49. As requested, we have included a packing note with your goods, and have pleasure in enclosing a further copy of the note herewith.

50. Your order for shipment per S.S. DOVER CASTLE on 3rd March was collected yesterday by your forwarding agent.

51. We have the pleasure of informing you that your order is now ready for dispatch, and we await your instructions.

52. Your goods were dispatched this morning, carriage forward as requested.

53. In view of the urgency of the order, we have dispatched it today by passenger train, so that the goods should reach you tomorrow.

54. We enclose our pro-forma invoice, on settlement of which your order will be dispatched without delay.

55. We have today executed that part of your order which we could supply from stock. The remainder may be subject to a delay of three to six weeks. Our invoice for the goods dispatched is enclosed.

56. Your order has been dispatched by road transport to avoid risks of frequent handling.

57. The enclosed invoice shows a charge of £1 each for carboys. The amount involved will be credited to you on receipt of the returned empties.

58. Our packing charge includes 5/- for the drum, which sum will be credited on return.

59. Please return empties, carriage forward, to our depot.

60. Cartons are not charged and are not returnable.

### **Marking**

There are 3 principal types of marking which may have to be done on export packages:

The consignees own distinctive marks.

Any official mark required by authorities.

Special directions or warnings.

In addition, weights and dimensions may be required.

Good clear marking is essential if the goods are not to go astray, and for this reason marks are usually made by paint, inks or dyes through a metal stencil. Wooden cases are sometimes marked by burned impressions in the wood itself.

Under (1) we have the shippers or importers' own marks, which are registered and so serve as identification. These marks are as important to the many people engaged in shipping as the address on an envelope is to the postman. They include the name of the port of destination.

Under (2) we have special marks demanded by the country of export or import. Some countries require the name of the country of origin of the goods to be marked on every package, and weights and dimensions may also be required.

Under (3) we have those special instructions regarding manner of handling, loading, lifting, etc., and various warnings both for the owner's and the carrier's benefit.

### Specimens of Marks

(1)

K	R	<u>LTV</u>	X	X
	Durban	Brisbane		Singapore

(2)

<u>FOREIGN</u>	<u>PRODUCE OF SOUTH AFRICA</u>	
Net weight	220 lb (100 kilos)	Dimensions
Gross weight	275 lb. (125 kilos)	30 × 36 × 66 in
Tare	190 lb	2' 6 × 3' 0 × 5' 6'

(3)

THIS SIDE UP	TOP
FRAGILE	KEEP DRY
STOW AWAY FROM HEAT	ACID – WITH CARE
USE NO HOOKS	OPEN THIS END
TO BE KEPT COOL	DO NOT STOW ON DECK
DO NOT DROP	INFLAMMABLE
GLASS WITH CARE	LIFT HERE
PERISHABLE	HANDLE WITH CARE

## Marking Instructions

Please mark all cases XL Cape Town and send to our agents' warehouse at Funchal.

All boxes are to be marked as usual, but please number them consecutively from No. 11.

All marks other than our own and the name of country of origin to be removed from the crates before shipment.

Kindly stencil our shipping marks in letters 4 inches high, and give gross and net weight on each box.

We attach a list of marks and numbers for the various packages. Please give great care to clear and correct marking.

Supplier's Confirmation of Execution.

Your instructions as to marking have been accurately carried out and the goods packed with all the care of our experienced despatch staff.

We are pleased to confirm that your instructions regarding packing and marking have been accurately executed by our forwarding agents in London.

## SOME VOCABULARY OF CHAPTER 6

FACILITATE (*v.*): to make easier.

MEDIUM (*n.*): half-way position, neutral between extremes ("happy medium").

ORDEAL (*n.*): unpleasant or difficult experience.

SECURE (*adj.*): safe, not in danger; *v.* secure.

UNSCATHED (*adj.*): uninjured, undamaged, unmarked.

## EXERCISES

1. Write a letter for your firm to an English engineering firm, ordering a special machine. Give packing and marking instructions.

2. Send an order to a Swiss manufacturer of optical instruments, giving full packing instructions.

3. Describe how your firm wants its order for textiles packed. The goods are for export to a tropical country.

4. Answer an enquiry for industrial chemicals, quoting prices of various containers, sizes, and method of packing.

5. A cycle manufacturer has just dispatched some bicycles and accessories to an overseas customer. Write the manufacturer's letter to the customer, telling the customer how the goods have been packed and marked, and how dispatch has been effected.

## CHAPTER 7

# INVOICING, ACCOUNTING AND SETTLEMENT OF ACCOUNTS

Accounting, Banking and Payments are subjects which have a vocabulary of their own and their own peculiar phraseology. When you have mastered this vocabulary and phraseology you will not have any great difficulty in writing the letters connected with them, for the principles of Accounting and Banking are almost universal. In this chapter we shall study only the correspondence connected with invoicing, accounting (i.e. book-keeping), terms of payment and simple payments.

When the customer's order is received by the manufacturer it is acknowledged by letter or post-card (see Chapter 6). It is then "passed" for execution – by the Sales Manager or his department – and the work of packing the order can begin; or, in the case of goods not in stock, the order is sent to the factory for manufacture. In either case, there is "paper-work" to be done by the office of the manufacturer, as many of his departments (Sales, Accounts, Dispatch, etc.) must have details of the order. Much time and work is saved by the modern practice of using one kind of printed form for this purpose, copies in different colours being sent to the different departments. Details of customer's name, goods ordered, order number, terms and any special instructions will be typed on this form, with space left for the price of the various items ordered. In this way, the accounts department can also use one of these copies as the INVOICE, or make out as many copies as are needed for a shipping order.

The INVOICE is an important document in the Export Trade, as copies may be required by Banks, Export/Import Agents, Shipping Companies, Customs authorities, and Consulates. It is therefore one of the Shipping Documents, and as there are other types of invoices, this one is called the Commercial Invoice.

The invoice will be sent to the customer by post, or through an agent or through a bank (see Banking, Chapter 10). In the case of single or isolated transactions, payment is then demanded, either before delivery or on delivery of the goods. This method of payment is called "payment on invoice".

Where, however, the buyer has an open account with the seller, the latter will not want "Payment on invoice". Instead he keeps a record of all invoices sent out to his customer and then, once a month (or once a quarter-year) he will send an account of all the goods despatched and payments received during this period. This document is called the "Statement" (i.e. Statement of Account – see specimen on page 128) and the customer knows that he now has to pay. This is called "Payment on Statement".

*Note:* a "pro-forma" invoice is a detailed statement of costs which is sent to a buyer for information, and which must be paid before the goods are delivered.



## METHODS OF PAYMENT IN FOREIGN TRADE

Accounts may be paid by means of:

- (a) *International Money Order*: for small private transactions.
- (b) *Banker's Transfer*: direct transfer from buyer's to seller's bank.
- (c) *Bill of Exchange* ...
- (d) *Letter of Credit* ....

### Sending the Invoice or Statement

1. We enclose invoice amounting to £235.10.6, covering the first consignment per s.s. NOVA SCOTIA.

2. The enclosed invoice in triplicate covers goods sent against your order No...

3. On receipt of your remittance for DM 1150 as per enclosed invoice we will release your order to the forwarders.

4. We enclose pro-forma invoice as requested; all costs to Durban are included in it.

5. A copy of the invoice is enclosed. The shipping documents will be handed to you by the SAS Bank against settlement of the amount shown.

6. With this letter we are sending you a statement for January invoices totalling £235.

7. Our quarterly statement is enclosed, and the usual  $2\frac{1}{2}\%$  discount may be deducted if payment is effected by the last day of this month.

8. We have pleasure in enclosing our statement of account for all transactions up to 24th March. Please check the entries and if you find them correct, kindly carry forward the total of £ ... to the April account.

9. Will you please let us have your cheque for the amount of the enclosed statement.

10. The balance of £100 left uncleared by your September payment has been brought forward to the enclosed statement for October and we should appreciate early settlement of the total amount now due.

11. Attached to this letter you will find our statement showing a balance of Fr. 2,523: we are drawing on you for this amount.

### Notifying Payment of Account

12. Your statement of our account for the last quarter has been received and found correct. We have instructed our bank to remit the amount of £2,136.11.8 for the credit of your account at Bank, London.

13. We are glad to advise you that your statement of our account as at June 30th corresponds with our books and we shall be pleased to accept your Bill of Exchange for this amount.

14. We have arranged payment through the PZX Bank in London of the sum of £1,000 ....

15. ... in settlement of your invoice No. 000.

16. ... which please credit to our account.

17. ... which clears our account, after allowing for discount at  $2\frac{1}{2}\%$ .

18. ... which balances our account after taking into consideration Credit Note No. 000.

19. ... in part payment of your last statement.

20. ... in full settlement of your invoice.

21. ... as the first instalment under our agreement.

22. ... as a deposit against our order No. 000.

23. We have today instructed our Bank, the YZY Corporation, to remit the amount due by telegraph. Please acknowledge receipt.

24. The sum of £1,135 remitted yesterday through the XXX Bank clears our account up to December 1st. The balance will be sent on or before December 31st.

## **ERRORS AND DISAGREEMENTS IN ACCOUNTS**

[1]

### **Error in Totalling Invoice**

Dear Sirs,

With reference to your invoice No. 21026 of July 3rd, we have to point out that you have made an error in your total. We calculate the correct figure at £237.14.6, not £247.14.6 as given by you.

Our cheque for the former amount is enclosed and we should be obliged if you would amend the invoice or pass the necessary credit.

Yours faithfully,

.....

[2]

### **Error in Extending an Item on Invoice**

Dear Sirs,

We thank you for prompt delivery of our order No. 212 of May 3rd, and are pleased to report that the goods arrived in good condition.

Your invoice has now been received, and on checking this we find that you have made a mistake in the extension of item No. 3, 15 chairs at £3.7.6. You have extended this as £54.0.0, whereas the correct figure is £50.12.6. Please let us have your Credit Note for the difference.

Yours faithfully,

.....

**[3] Disagreement on Goods Sent and Charged**

Ref.: Our Indent No. 00265  
Your Invoice No. 2345

Dear Sirs,

The various items supplied against the above Indent have now been checked and we regret to inform you that there is a discrepancy<sup>1</sup> between the goods sent and the amount invoiced.

Item No. 5 of our indent called for 10 × 6 Men's Poplin Shirts, size L, and this quantity was in fact received. We noticed that your packing note showed 12 × 6 Shirts against this item, and now we find that your invoice shows this quantity, too.

Will you kindly look into the matter and let us have your credit for the difference in due course.

Yours faithfully,

.....

**[4] Incorrect Discount in Statement**

Dear Sirs,

Your Statement of Account for the December quarter has been found in order but we think you have made an error in the special discount shown. In your letter of September 15th last you agreed to allow us 5 % extra on quarterly transactions exceeding £1,000 in value. The amount of the statement in question is £1,106, but you have shown discount at only 2½ %.

Will you kindly adjust this, after which we shall be pleased to pass the account for payment.

Yours faithfully,

.....

**[5] Discrepancies in Statement**

Dear Sirs,

We have received your statement for December 1960 and must point out certain discrepancies in your entries:

(1) Dec. 5th. You debit us £55.7.6 against Invoice No. 31752, but we have no record of such an Invoice in our files, nor can we trace any packing note for goods that might explain this item.

(2) Dec. 19th. Invoice No. 32101 for £31.10.0. This item is charged twice; as you will see, you have made a similar debit dated Dec. 29th.

(3) Your final entry is 10/6 carriage<sup>2</sup> added to your entry for Invoice No. 33711. We take it that this charge is made because the order in question is under

£10 in value. While agreeing that you are entitled to make this charge, we think that the volume of business done with you in December should warrant<sup>3</sup> a free delivery in this case.

Will you please let us have your comments.

Yours faithfully,

.....

**[6] Customer Queries<sup>4</sup> Credits**

Dear Sirs,

Your quarterly statement arrived a few days ago and shows a balance in your favour of £527.8.0.

We have to draw your attention to two credit items which you do not show on this statement; firstly, an amount of £1.17.10 due to us in accordance with your Credit Note A124 of May17th, and secondly, an amount of £5.17.6 due to us for empty crates and carboys returned to you on April 30th.

We have: never had any Credit Note for the second of these two items, although we wrote to you on June 5th asking for credit.

Under these circumstances we are deducting a total of £7.15.4 from the amount of your statement and are today instructing our bank to remit the sum of £519.12.8 in full settlement.

Yours faithfully,

.....

**[7] Seller's Reply to Letter No. 5 (Discrepancies)**

Dear Sirs,

Many thanks for your letter of ... in which you raise queries concerning your current statement. We have examined our records carefully and have discovered that Invoice No. 31752 of December 5th was charged to you in error and we enclose our Credit Note to the amount of £55.7.6 to adjust the matter.

We are very sorry indeed that you have been troubled and we ask your indulgence.<sup>5</sup>

Regarding your second query, we regret that the entry for December 29th was given against Invoice No. 32101. This should read No. 32701, which invoice was also for the amount of £31.10.0. We think you will find that you did, in fact, receive these two lots of goods against your orders No. 37 and No. 55.

Finally, concerning the delivery charge of 10/6 for your order No. 60, this was quite properly made by our accounts department under standing regulations. However, we appreciate your business and are quite agreeable to waiving<sup>6</sup> the charge. Our further Credit Note in adjustment<sup>7</sup> is enclosed.

We apologise for the inconvenience caused and look forward to doing further business with you.

Yours faithfully,

.....

**[8] Seller Complains of Short Payment**

Dear Sirs,

We thank you for your remittance for £117.3.7 received today by our bankers. Our official receipt is enclosed.

The amount of the statement in question is £157.3.7 and as you make no mention of this in your recent communications we are wondering if this is a clerical error<sup>8</sup> on your part.

Perhaps you would remit the balance of £40 in the course of the next few days.

Yours faithfully,

.....

**[9] Seller Rejects Discount Request**

Dear Sirs,

...We thank you for your letter of in which you draw our attention to an apparent error in the discount we have calculated on your quarterly statement dated December 31st.

Through an oversight, no accompanying letter went out with your statement, although it had been our intention to send one. The position is that the discount of 5 % agreed on orders over £1,000 was granted on condition that no balance was outstanding<sup>9</sup> from previous accounts. At the time of writing there is a balance of £300 due from our last account rendered, and under the circumstances we can only offer the normal 2 1/2 % discount.

You will appreciate that while we are anxious to give every assistance, we are only able to make discount concessions if accounts are cleared before the expiry of the time allowed.

Yours faithfully,

.....

**[10] Seller Queries Buyer's Deductions from Remittance**

Dear Sirs,

Thank you for your cheque for £302.1.5 which payment you make against our statement of 5th January 20..., amounting to £325.12.0.

We note, however, that you have deducted the amount of £7.5.0 in respect of empty crates and containers, which you say you put on rail for return on Jan. 15th.

Further you have deducted the amount of £16.5.7 which you claim as 2½% discount on £325.12.0. This is an error, for you have calculated at 5%, not 2½%.

With regard to the empties, you will appreciate that we may not receive these for some time, and cannot allow credit for them till they are actually here. Our usual procedure in such cases is to send customers a credit note.

It is also incorrect to calculate discount before deducting credits, as no discount can be allowed on the value of returned empties.

The correct position of the account is therefore:

To Amt. of Statement	£235 12 0		
		By remittance 25 Jan. 20....	£302 1 5
		By discount 2½% on £318.7.0	7 19 2
	£325 12 0		£310 0 7

As you will see, this leaves a balance of £15.11.5, part of which is accounted for by the returned empties.

We are agreeable to your including this amount with your next payment, less any credits received meanwhile, and hope you will accept this proposal.

Yours faithfully,

.....

### EXCHANGE, ADJUSTMENTS, ETC.

#### [11] Accounts Department Letter Adjusting Charges to Customer

Dear Sirs,

We apologise for the inconvenience caused by the delivery to you of 2 consignments of Bromide Developer which have been shipped to Messrs. J. H. B. of D ... Please accept our thanks for agreeing to keep the heavier of these two packages for your own account, to save freight; also for forwarding the smaller package to Messrs. J. H. B.

To adjust your account we are debiting you with £11.2.3 in respect of the Bromide you have decided to keep, and crediting you with the sum of 15 shillings, which we understand was the freight charge paid by you for the forwarding of the package to Messrs. J. H. B.

The matter is now correctly adjusted and we appreciate your co-operation.

Yours faithfully,

.....

**[12] Adjustment of Charges Covering an Exchange**

Dear Sirs,

We attach our Credit Note for goods which you returned and which were supplied against your order No. 050. We understand that you wish to have Pattern No. 000 in place of the returned items, and your instructions are receiving our attention.

The amount of £1.1.6 is being debited to your account for freight on the returned goods, as you sent these carriage forward; the cost of returning goods for exchange must, of course, be borne by the customer.

Will you please also let us know whether the replacement goods I are to be sent at once, or whether we should include them in your monthly delivery. If we send specially, we shall have to charge the freight to you.

Yours faithfully,

.....

**VARYING THE TERMS OF PAYMENT**

**[13] Customer Asks for Open Account Terms**

Dear Sirs,

We have today arranged payment of your Invoice No. 000 for goods received per S.S. GOLD COAST on 24th April. The material arrived in good condition and found a ready sale.

As we have now done business with you for a year on the basis of payment on invoice, we should like to ask you to grant us open account terms, with quarterly settlement. Our two other main suppliers Messrs ... and ... have recently agreed to supply us on these terms.

Yours faithfully,

.....

**[14] Customer Asks for Monthly Account Terms**

Dear Sirs,

We have now been doing business with you for nearly a year and are pleased to say that we are more than satisfied with the goods you have supplied.

In the coming year we shall probably place regular orders with you and our present method of payment by Letter of Credit will become inconvenient. We should also find a short credit of advantage to our trading capacity.

We accordingly ask you to supply us on monthly account terms, payment against statement within 30 days. You may refer to Messrs ... and Messrs ... with whom we have credit accounts.

Yours faithfully,

.....

[15]

**Supplier Agrees to Account Terms**

*Reply to Letter No. 14.*

Dear Sirs,

Many thanks for your letter of ... in which you ask us to place you on monthly account terms.

We are pleased to hear that you propose to increase your business with us and are quite willing to comply with your request. The new arrangement will operate immediately.

We look forward to serving you and are delighted to hear that you are satisfied with the goods we have supplied.

Yours faithfully,

.....

**EXTENSION OF CREDIT**

[16]

**Customer Asks for Time to Pay**

Dear Sirs,

Your quarterly statement reached us yesterday and has been found correct.

As you know, we have always settled your account promptly and regret very much that we now find it necessary to ask you if you will allow us an extra few weeks in which to clear the current liability<sup>10</sup>.

Our difficulties are temporary and have been caused by the failure of the early fruit crop here, on which many of our customers are dependent. We are confident of being able to settle in full within 6–8 weeks.

We shall appreciate it as a helpful gesture if you can grant us this concession.

Yours faithfully,

.....

If the supplier in the above case were in the habit of drawing a Bill of Exchange (see “Banking”) on his customer for the amount of the account, the above letter would be worded something like this:

[17]

Dear Sirs,

We thank you for your letter of ... containing quarterly statement and your sight Bill for the amount of £ ...

As you know, we have always accepted your drafts immediately and regret very much that we are now compelled to ask you if you will draw on us at 60 d/s<sup>11</sup> for this present account. The cause of our temporary difficulty is that most of





wise customer will advise his supplier of any such situation and try to get some concession from him. If he does not, and an account becomes overdue, the seller has the task of asking for payment.

As in the Home Trade, it is usual to make the first request for payment brief and polite. After all, the matter may be an oversight, and the simple act of sending a copy of the account with a remark such as “Overdue – please settle” or “Kindly remit” may be all that is necessary. Alternatively, a cable may be sent. This saves time, gives a sense of urgency to the matter, and has in many cases proved effective. (Specimens of such cables will be found in Chapter 14 Telegrams.)

If, however, a firm decides to send a letter requesting payment, the style or tone of the letter will depend on the kind of customer for whom it is intended; how long overdue; whether customer has previously allowed accounts to become overdue; how valuable the business is, etc.

A “first” request will usually be friendly in tone, be accompanied by a copy of the account, and show neither annoyance nor hint of doubt about the customer’s intention to pay.

### **Opening Lines to a “First” Letter of Request for Payment**

25. May we draw your attention to our Statement dated July 10th for the amount of £ ..., settlement of which was due by July 31st.

26. Will you kindly let us have your draft in settlement of Invoice No. ... of ...

27. We regret that no advice of payment has yet been received from our Bankers for the consignment per S.S. ... which you received on ...

28. Our quarterly statement was sent to you by airmail on ..., but as we have received no advice of payment we enclose a copy of the account and should be glad if you would arrange early settlement.

### **[19] A “First” Letter to a Previously Regular Payer**

Dear Sirs,

As we have always received your payments punctually, we are puzzled to have had neither remittance nor report from you in connection with our current statement of April 7th.

We think you may not have received our letter containing the statement, as settlement is now 4 weeks overdue. We are accordingly enclosing a copy of the account to the amount of £ ... and you will no doubt give it your prior attention.

Yours faithfully,

.....

**[20] A “First” Letter to a New Credit Account Customer**

Dear Sirs,

Under our agreement, payment for individual orders sent to you is due 2 months from date of invoice.

The consignment of watch springs sent you by air freight on June 15th was invoiced to you on June 16th and payment was accordingly due on August 16th.

No doubt it is through an oversight on your part that settlement is now 3 weeks overdue and we look forward to receiving your remittance in the course of a few days.

May we ask you for prompt clearance of all invoiced accounts, as we can only supply at our agreed prices if this is done.

Yours faithfully,

.....

**[21] Customer makes Part-Payment only after receiving “Reminder” Letter**

Dear Sirs,

We regret that you have had to remind us of your account which was due for payment on the 31st of July. It had been our intention to clear this before now, but the seasonal trade depression here has resulted in extremely slow payment of our own customers’ accounts. This has caused us temporary embarrassment.

The sum of £ ... has today been sent to you by Bank draft, and we ask you to accept this on account. A further sum will follow in 2–3 weeks and we shall clear the balance outstanding by the end of September.

We are very sorry to keep you waiting, but hope you will realise that we are doing our best under difficult circumstances.

Yours faithfully,

.....

If no reply to a “first” request is received within a reasonable period, the seller may begin to have genuine doubts about the customer’s intentions or his ability to pay, and he may feel inclined to make enquiries through an agency or call on his Bankers to assist in obtaining payment. It is prudent, however, to send a second and even third letter before taking action which may cost money and create ill-will. Just how many such letters should be sent and what tone to adopt in their phrasing will depend on individual circumstances. For the purpose of this chapter we will draw the line at three letters. Here are suggestions for a “second” appeal.

[22]

We regret very much that you have not replied to our letter of asking you to clear the amount of £ ... outstanding against invoice No. 000. Kindly inform us if there are any reasonable grounds for your non-payment, or alternatively advise us of what arrangements you are making for settlement.

[23]

On April 1st we sent you our statement showing a balance due of £ ... This sum should have been paid by April 30th, but, receiving no remittance, we wrote to you again on May 25th, enclosing a copy of the statement. As we are still without any reply from you, we regret to say that we must hold your order No. 1111 until we have your payment or an explanation of your delay in replying to our letters.

[24]

No reply appears to have been received to our letter of ... asking for clearance of the balance of your account. We are quite sure that you have some good reason for your failure to pay this sum within the agreed time, but regret very much that you have not informed us of it. Whatever the reason, however, we must remind you that our terms are 30 days net. We expect your reply by airmail or cable.

[25]

Since sending you a reminder on October 31st, we have not pressed you for settlement of our September Statement because on the whole your payments have been fairly satisfactory since we granted you open account terms. Please do not make it necessary for us to revise our terms of business by withholding payment any longer. We look forward to receiving your immediate draft.

[26]

When, we placed you on "open account" terms it was agreed between us that settlement should be made within 30 days of date of statement. Your payments have not always been made in accordance with our agreement and your present balance of £215.3.6 is 2 months overdue. It is impossible for us to continue supplying you unless you meet your obligations promptly and we now have to ask you to confirm by cable that you have arranged for payment.

[27]

Dear Sirs,

It is our wish to serve you promptly and with first-class goods. So far, we think we have done this, for your orders have come in regularly and we have had no complaints from you.

We should like to continue providing you with this service, but you also have your part to play in making this possible, which is to settle our accounts within the stipulated time. Unfortunately your response to our appeal has not been very helpful.

Send us your remittance at once please, and make further service possible.

Yours faithfully,

.....

*The third letter* will have to show that the writer cannot and will not wait longer for his money and that he now intends to take some action to enforce payment. Just what action will depend on individual circumstances. A bank's help may be requested; a debt-collecting agency, a trade association, a solicitor, or even a government official may be asked to act.

29. No replies to our letters of ... and ... having been received, we shall have no option but to take immediate legal action to recover the amount due to us unless your payment is received within 7 days.

30. We regret that as we cannot get any satisfactory reply from you regarding settlement of our account we shall have to refer the matter to the .... Trade Association in your town, failing news from you within 3 days.

31. It is impossible to keep this account open any longer and we are taking measures to obtain payment through legal channels.

32. We have given you every opportunity of discharging your debt but have had no evidence of your willingness to honour your obligations. We are therefore instructing solicitors in your town to take the necessary action to enforce payment.

**[28]**

Dear Sirs,

All our attempts to induce you to clear your indebtedness to us have been ignored, and we are quite unable to understand why you have not even replied to our letters.

We think we have shown reasonable patience and consideration, but we can do so no longer and must now reluctantly take steps to obtain payment at law.

As you must yourselves appreciate, your own credit and reputation are certain to suffer by our action but we regret that there is no alternative. If, however, you make an immediate payment to Bank of the full amount due, we will suspend action against you.

Yours faithfully,

.....

## MISCELLANEOUS PHRASES AND SENTENCES ON ACCOUNTING

### Debit, Credit, Balance

33. Please credit us with this amount.
34. Kindly place these funds to the credit of our account.
35. Your account is £ ... in credit.
36. There is now a debit balance of £ ...
37. This payment balances our account to date.
38. There is an outstanding balance of £ ...
39. We are opening a credit of £ ... in your favour.
40. There is a balance of \$ ... to your credit.
41. Please apply these funds to clear our account, and carry the balance forward to 20 ...

### Charge, Charges

42. You may charge this item to us.
43. We are charging your account with the balance.
44. Our charge for this service is ...
45. This item represents charges for costs involved.
46. Transport and Dock charges are included.
47. We make no charge for this item.
48. You sent us three cases but charged for four.
49. There is no charge for cardboard cartons.
50. Any incidental costs are chargeable to us.
51. We are sure that this is an overcharge.
52. We regret having undercharged for item XX.
53. This payment discharges our liability.

### Enter, Entries

54. Please enter this item in your records.
55. After entering these credits we find our figures agree with yours.
56. After making these entries we can confirm your total.
57. Kindly make similar entries in your books.
58. On checking your statement we find that you have missed a credit entry for £ ... on Jan. 3rd.

(Note in the above examples that the words *Debit*, *Credit*, and *Charge* can be used both as nouns and verbs. The same is possible with *Invoice*. This free use of nouns as verbs is a feature of English Commercial Correspondence.)

## Books, Audit

59. Our books are due for audit.
60. These are the auditor's figures.
61. Please clear this amount at once ....
62. ... as our books have to be balanced on 31st December,
63. ... as we close our books on ....
64. ... as we wish to close our books.
65. We shall audit the accounts on ....
66. The annual audit will be made on ....

*Note the following verbs used in Book-keeping*

correct, rectify, adjust (= put right); agree, correspond, concur (= be in agreement); calculate, reckon, estimate, figure (= to work out); check (= examine); (do not use "control"), extend.

*Also these arithmetical verbs:* add; subtract (or deduct); multiply; divide.

*Note the following titles*

Accountant; Auditor; Cashier; Book-keeper; Ledger-clerk.

## OPENING A NEW ACCOUNT – CREDIT STATUS

Any buyer who finds he is likely to make regular or periodic purchases from a particular seller will almost certainly ask for open account terms, i.e. he wishes to be supplied without payment for each order separately at time of delivery. He may want to pay monthly or quarterly (i.e. 3-monthly). In other words, he wants CREDIT from his supplier just as his own customers will probably want some credit from him. Credit is the life-blood of trade. Modern Commerce has been built up on it and it has in recent years penetrated to the retail or "small" buyer to such an extent that today many people spend half their income on credit buying, and large Credit Finance Companies have sprung up to finance this kind of spending.

In International Trade, credit is of even greater importance than in the Home Trade, partly because of the "time-lag" between the placing of the order and delivery of the goods. It is not only buyers who intend to place regular orders who will want credit terms, but also buyers who may want to place a single – but very large – order. Very often the Banks will cover the credits required, and this is dealt with in Chapter 10. In the present chapter we shall deal only with credit given by the seller himself.

Let us suppose a seller has received a request for account terms. The seller needs to know immediately what kind of reputation the buyer has, approximately the size of his business, how he pays his accounts and even something about

his trade activities, before the seller can calculate how much credit he can grant. This level of credit is called “Credit Standing” or “Credit Status”.

The seller can obtain information from (a) References given by the buyer, (b) his Bank, (c) various Trade Associations and (d) Inquiry Agencies.

In writing letters asking for information of this kind, the writer must remember that the whole matter is CONFIDENTIAL and that in the cases of (b) and (c), the giving of information is a favour on the part of the givers. Letters should therefore be polite, appreciative, give assurance of confidential treatment and enclose a stamped envelope for the reply (or an International Postal Reply Coupon for use abroad).

**[29] Seller’s Enquiry to Reference given by Buyers**

CONFIDENTIAL

Dear Sirs,

We have had a request from Messrs. J. L. Dyer & Co. of Port Elizabeth S.A. for supplies of our products on open account terms. They have given your name as a reference, saying they have traded with you for the past 5 years.

It would be appreciated as a very great favour if you would kindly let us know in confidence whether you have found Messrs. Dyer & Co. reliable in their dealings and prompt in settling their accounts. As we understand that their requirements may be to the amount of £1,000 monthly, we should be grateful to you for an opinion on their ability to meet a liability of this size.

Any other information which you could supply would be very welcome, and would of course be treated as strictly confidential.

Yours faithfully,

.....

**[30] Seller’s Letter to Trade Association**

Dear Sirs,

We have been referred to you for information on their Credit Standing by Messrs. D. Lyle & Co. of your town. We have been asked by this firm to supply goods of value £750 against their first order.

We should be very grateful to you for any information you can give us about their activities and the scope of their transactions, as we hear that they may place further and larger orders. In particular we should like to know whether you think we should be taking a fair risk in granting a £750 credit in respect of



this first order, and up to what amount you think we could go with safety in the future.

We thank you for your courtesy and assure you of strict confidence.

Yours faithfully,

.....

(Large firms often print a special form setting out questions which the giver of information is asked to answer. This is an excellent plan, for it saves the information-giver's time and is therefore fairly sure of a prompt response.)

### [31] **Seller's Letter to his Bank asking for Information**

The Manager

...Bank Ltd.

Dear Sir,

... I am thinking of granting credit terms to Messrs ... of ... of whom I have only slight knowledge gained during a few months of trading on a cash basis.

If you can find out anything about their financial and credit standing, I shall be very grateful to you. They give me only their bankers The ... Bank Ltd. of ... as a reference, and they estimate their monthly orders at about £500.

I hope that you will be able to assist me.

Yours faithfully,

.....

### **Some Phrases for Credit Status Enquiry Letters**

67. Your name was given us by ....
68. We are indebted to Messrs ... for your name.
69. Messrs ... have referred us to you for information concerning ....
70. We have been asked to give credit of ....
71. The firm whose name is written on the attached slip ....
72. (Can you please) (Will you kindly) give us information regarding ....
73. ... their credit status.
74. ... their activities and financial standing.
75. .. their reputation and credit-worthiness.
76. ... their ability to meet a credit of ....
77. Do you think they should be good for £ ... ?
78. Would you consider a credit of £ ... a reasonable risk?
79. Have you any reason to doubt their credit-worthiness?
80. Are they reputed to meet their liabilities promptly?



We have been doing business with them for just over 5 years on quarterly account terms and can say that their obligations to us have been punctually met<sup>13</sup> at all times. Although their credit with us has never reached the level mentioned in your letter we should have no hesitation in granting them this amount, if asked.

This information is given without responsibility<sup>14</sup>, of course.

Yours faithfully,  
.....

**[33] Favourable Reply to Letter No. 30**

Your Ref.: BB/AA

Dear Sirs,

The following facts are at your disposal regarding the firm mentioned in your enquiry of ...

Established in 1935 as Import/Export Dealers, they now have a sound business with a high turnover. They own good premises and have an office staff of 30.

Local enquiries reveal that their annual purchases of certain classes of goods exceed £10,000. Their directors are well-known locally and are of good repute.

Our opinion is that the credit you name could safely be granted: the figure given above in respect of other credit transactions may act as a guide to you in fixing your credit level.

We hope this information will be of assistance to you.

Yours faithfully,  
.....

**[34] Favourable Reply from a Bank to Letter No. 31**

Dear Sirs,

...With reference to your enquiry of ... concerning the firm named on the enclosed slip, we can advise you that they are old established dealers of the highest repute and standing, and are considered safe for the credit you mention.

This information is for your own use only and is given without responsibility.

Yours faithfully,  
.....

**[35] Unfavourable Reply from a Bank to Letter No. 31**

Dear Sirs,

Replying to your enquiry DD/CC of ... we regret to say that we cannot give information in this case. We would advise you to act with caution.

Yours faithfully,  
.....

[36]

**Unfavourable Reply from Enquiry Agency**

Your enquiry: AL/17.

Dear Sirs,

We have completed our enquiries concerning the firm mentioned in your letter of ... and must advise you to consider carefully the credit you give in this case.

In the past 2 years this Company has been the defendant in 2 court cases involving claims for non-payment of sums due, although payment was subsequently made in each instance.

... Overbuying<sup>15</sup> would appear to be a fault in this firm, whose registered capital (1958) was £750. As a result, most of their suppliers give them very short credit or supply only on a cash basis.

This information is strictly confidential and is given without responsibility on our part.

Yours faithfully,

.....

[37]

**Unfavourable Reply from Business Reference**

Dear Sirs,

... We regret we are unable to help you very much with regard to the firm mentioned in your letter of ...

It is true that we did business with them during the period 1958–59, but the amount involved was not large and accounts were not always satisfactorily kept<sup>16</sup>.

This is, of course, in strict confidence.

Yours faithfully,

.....

**PHRASES FOR ANSWERING CREDIT ENQUIRIES**

- 92. The firm (you name) (named in your letter) (mentioned) ....
- 93. ... are reputed to be sound.
- 94. ... have a high standing.
- 95. ... enjoy the respect and confidence of ....
- 96. ... have a sound and prosperous business.
- 97. ... are considered worthy of credit.
- 98. ... have an excellent record.
- 99. Messrs. XXX ...
- 100. ... have done business with us for ... years.
- 101. ... are good customers of ours.
- 102. ... have been known to us for ... years.

103. ... are a well established and reliable firm.
104. ... have an old established connection ....
105. ... are people of integrity.
106. We think a credit of £500 a fair risk.
107. A credit of £1,000 would be justified.
108. We are of opinion that you would run no undue risk in granting them quarterly account terms.
109. We should not hesitate to allow them the credit asked.
110. Monthly terms with a credit limit of £500 would appear to be reasonable.
111. They should be safe for almost any amount.
112. We advise caution in granting credit terms.
113. In view of their position, credit of £ ... would be risky.
114. Credit should be restricted to one month.
115. We advise against exceeding a credit of £200.
116. A credit of £1,000 would be a great risk.
117. Long credit would involve you in serious risk.
118. They are a firm of good repute and have large financial reserves.
119. Their financial standing is very strong.
120. They have the capital to back this expansion.
121. Their credit status is very high.
122. They are known to be heavily committed and have overrun their reserves. Caution is advisable.
123. They are being pressed by several creditors and their position is precarious.
124. Their reputation is good, but they appear to have over-traded recently.
125. They suffered heavy loss in the ... bankruptcy case and recovery is uncertain.
126. They are inexperienced in this business and extreme caution is advised in granting credit.
127. We would rather not express an opinion of this firm.
128. We are unable to recommend them.
129. Our experience of this firm does not warrant our giving you a favourable report.
130. We do not know enough about them to give satisfactory answers to your questions.
131. They are slow to settle their accounts.
132. They often defer payment of their accounts until a second reminder is sent to them.
133. Their record does not give grounds for confidence.

## Explanation of Reference numbers of Letters [1–37]

<sup>1</sup> <i>discrepancy</i> :	error; disagreement.
<sup>2</sup> <i>carriage</i> :	freight; cost of transport.
<sup>3</sup> <i>warrant</i> :	justify; entitle us to.
<sup>4</sup> <i>to query</i> :	to question; raise a question.
<sup>5</sup> <i>indulgence</i> :	understanding; forgiveness.
<sup>6</sup> <i>to waive</i> :	to cancel; overlook.
<sup>7</sup> <i>in adjustment</i> :	to put the matter right.
<sup>8</sup> <i>clerical error</i> :	office error.
<sup>9</sup> <i>outstanding</i> :	unpaid.
<sup>10</sup> <i>current liability</i> :	present debt; last account.
<sup>11</sup> 60 d/s:	60 days after sight.
<sup>12</sup> <i>meet</i> :	pay.
<sup>13</sup> <i>punctually met</i> :	paid when due.
<sup>14</sup> <i>without responsibility</i> :	no responsibility can be accepted.
<sup>15</sup> <i>overbuying</i> :	buying more than they can pay for.
<sup>16</sup> <i>kept</i> :	(in this case) paid promptly.

## EXERCISES

1. Send a short letter for an export firm to a foreign customer, enclosing quarterly statement.

2. Send an order for goods your firm requires from a foreign supplier and ask for pro-forma invoice.

3. A customer of your firm left a balance of £50 on his last payment. Send a new monthly statement and ask for clearance.

4. Send an order for textiles to an English manufacturer with whom you have not yet done business and say how you propose to pay.

5. Your firm, an export dealer, receives an order from a new customer who does not say how he proposes to pay for the goods. Write a suitable reply.

6. Your firm has received a quarterly statement containing an item of which you have no record. Write a letter asking for an explanation.

7. Write a letter in which you ask your suppliers for an extra  $2\frac{1}{2}$  % discount on an order for 10,000 tins of meat extract. Write also the supplier's letter (a) granting, and (b) refusing this request.

8. Because of temporary financial difficulties you are unable to settle the account of one of your suppliers. Write asking for a 2-months' extension of credit. Write also the supplier's reply.

9. Your firm has a foreign customer whose business they value highly: the customer usually settles his account by Banker's Draft, but has failed to pay the

latest account and has not given your firm any explanation; payment is now 6 weeks overdue. Write a tactful letter.

10. Send a suitable letter to an overseas buyer of your firm's products, in which you express your firm's total dissatisfaction with the manner in which he is settling his accounts. Earlier letters have been ignored by the buyer.

11. You have been asked by an export firm in your country to give a reference for a foreign buyer with whom you are doing business. You are not completely satisfied with this buyer's account. Answer the enquiry.

12. Write a letter for your firm, an importer of glass and chinaware, to a foreign manufacturer from whom you wish to buy on quarterly account terms. Give details of your firm and your requirements, and offer references.

## CHAPTER 8

### SHIPPING AND FORWARDING

Great Britain, being an island, is more concerned with transport *by sea* than in other ways. Transport *by air* is, however, increasing in scope and is the best method for certain types of exports and imports, though its limitations are obvious.

There is now an extensive carrying of goods *by rail* to the Continent of Europe and vessels have been built to take the whole train; these are called "ferries", and the great advantage is, of course, that frequent loading and unloading of the cargo is avoided.

The latest development is the transport of loaded lorries by ferry, in the same way that privately owned motorcars are taken across the sea, so that transport *by road* is being extended beyond Britain.

Special wagons are used for the train-ferry service by all the countries concerned; they are covered or open. There are also insulated refrigerator wagons and tanks for bulk liquids.

This type of transport has had the effect of greatly encouraging the use of the "container", also called "lift-van". British Railways containers of various types are available for shipment by steamer services too, and transport in containers is a "door-to-door"<sup>1</sup> service. It will be seen that the word "container" is also used for something quite different from the box, tin or other type of packaging mentioned in the chapter on Packing; it is in fact a most elastic name for packing.

Transport by train-ferry is possible only between certain European countries and Britain, so that most goods go by ship. Furthermore, except when transport is by air, goods must be carried by ship from and to English-speaking countries such as the U.S.A., Canada, Australia, and most other countries in the world.

The business of carriage *by sea* is complicated; over the centuries all kinds of regulations have been made. It is not the purpose of this book to go into details about these but only to explain what it is necessary to mention in correspondence.

Much of the letter-writing concerning transport is between firms in the same country: the sellers make arrangements with shipping or forwarding agents, or direct with ship-owners or carriers, and when buyers, on their side, have to arrange for the collection of goods they also instruct shipping and forwarding agents and carriers in their own country. These shipping and forwarding agents will write to similar firms in other countries and our examples will be concerned with such correspondence. Nevertheless many firms prefer to reduce their expenses by dealing direct with forwarding agents in the country of their customers or suppliers.

When the goods have been dispatched the sellers write to inform their buyers accordingly; this letter is called the *Advice of Dispatch*.

## DOCUMENTS

As soon as the goods leave the possession of the sellers (or senders who may be agents of the sellers or of the buyers), documents must be obtained from the various intermediate people who handle the consignment on its way to the buyers (or receivers of the goods acting either for buyers or sellers). In other words someone must be responsible. If the goods are lodged in a warehouse, then a receipt is given by the warehousemen, and if the warehouse is at the docks such a receipt is usually called *Wharfinger's Receipt* or *Dock Receipt*.

Shipping and Forwarding Agents are often also the Export Packers, and consignments are dispatched by road or rail to them, or the agents may collect the packages from the exporters' premises. The responsibility for obtaining documents rests with these agents unless some other arrangement is made. If an agent handles a shipment the shipowners will hand over the Bill of Lading to the agent only.

Agents usually supply a form for *Shipping Instructions*, which the exporters fill up. A *Shipping Note* is sent to the Superintendent of the Docks, giving particulars of the cargo to be shipped, and there is with it a duplicate marked "Receipt", which is signed by or for the Superintendent. Then the shipowners send to the shippers or their agents a *freight account*, which states how much is due from the shippers to the shipowners and is, in fact, the invoice for freight. Freight is calculated according to the measurement or weight (sometimes on the value); the weight is usually marked (stencilled) on the outside of the cases or other packing. Another form of receipt used in shipping cargo, when it is deliv-



ered direct to the ship and not to any warehouse, is called the *Mate's Receipt*, it is a document of title<sup>4</sup> but is used temporarily until the Bill of Lading is ready.

Transport by inland waterways is used especially for heavy, bulk cargoes, when cheapness is more important than speed; it is very popular in Europe, where there are wide and deep rivers, such as the Rhine, and many miles of canals. In Britain it is more limited, but many rivers, like the Thames have long estuaries, with factories along the banks, and here water transport is much used. The goods are carried in lighters (barges), the owners of which are called lightermen, and the charge made for transport by lighter is called lighterage.

*Consignment Note* or *Waybill* is the form of receipt and evidence of contract used by road, rail and air carriers. When the details of the shipment have been filled in, a copy is given to the senders, the carriers keep their own copy and a third copy is handed to the receivers when the goods are delivered. This document is non-negotiable, that is to say it cannot pass on the right to the goods, whereas the document used for sea transport can be used to pass on the right to the goods. This document is called *Bill of Lading* (abbreviation generally in use is B/L), and it is a rather long and complicated affair, using legal language that is sometimes archaic but is very well understood in the business of shipping. The B/L is a receipt from the shipowners, giving details of the particular shipment and conditions under which they accept it; the B/L is evidence of this contract. (See page 168) of this chapter on which is reproduced the front page of a Bill of Lading. The full conditions of shipment which constitute the contract appear on the back of the form and are not reproduced here.)

We must now mention another important document, which is not a receipt for goods warehoused or in transit but is the account of what the buyers have purchased and what they must pay; this is the *Invoice*. The final account, made out when the goods have been dispatched, is usually called the *Commercial Invoice*, to distinguish it from the *pro-forma invoice* (see Chapter 8), and from the *consular invoice*, which is a certificate given by the Consul of the buyers' country in the sellers' country. (Invoices are also used for non-commercial purposes.) In the sending of goods by rail and air, where there is no Bill of Lading, the Invoice becomes the important document in the matter of payment through banks.

The Bill of Lading, Invoice and the Insurance document (policy or certificate) are called "*Shipping Documents*". With these are sometimes included other documents required by the buyers, usually connected with the question of duty to be paid on the imported goods. Such documents are the consular invoice (mentioned above), certificate of origin, certificate of value, of weight, etc. To reduce the number of documents to be sent to the buyers, special invoice forms can be obtained with these certificates printed on the back.

## Customs Documents

In the matter of exports from Britain there are very few forms to be completed; in some cases there is an Export License to be obtained, and there may be a limitation of value. In the case of imports, however, the forms are many and various.

## Bank of England Documents

These are connected with the very strict control exercised by the British government over currency exchange, although there has been a gradual relaxing of the restrictions. British importers and exporters obtain these documents through their own banks.

## Correspondence

Sellers – or buyers, according to which side is undertaking the arrangements for transport – require to know how much it will cost to ship the goods. If they deal regularly in shipments of certain goods to certain countries they will know the usual freight rates, but these change from time to time so they may enquire first what the current rates are.

Shipowners who run a regular service of vessels usually belong to a *Conference*. This is a committee representing the owners of ships, usually grouped geographically, which fixes the freight rates, to avoid undue competition among its members.

Shipowners issue *sailing cards* to regular shippers, giving particulars of loading and sailing dates of vessels. When sailings are not frequent, or there is much cargo to be carried, space has to be reserved in advance.

### [1] Enquiries for Freight Rates

Dear Sirs,

Will you kindly quote us the present freight rate for cased CYCLES, for shipment from LONDON to MALTA.

At the same time perhaps you will inform us of the frequency of your sailings and the approximate length of the voyage.

Yours faithfully,

.....

### [2]

Dear Sirs,

We have for shipment from Middlesborough to Bombay 400 tons of Steel Railway Sleepers<sup>5</sup>.

The cargo must be shipped in 4 parcels<sup>6</sup> each of 100 tons, at monthly intervals.

We shall be glad if you will quote us your freight rate, should you be interested in this business.

Yours faithfully,

.....

[3]

Dear Sirs,

We have for shipment to Beirut: 3 cases Textile Machinery parts, and in accordance with the terms of the Letter of Credit the goods must be shipped by January 15th latest.

Please advise us whether your S.S. MORNING STAR will be able to meet this requirement.

Yours faithfully,

.....

**[4] Replies from Shipping Agents or Shipowners to Enquiries**

*Letter No. 1 to 3.*

Dear Sirs,

In reply to your letter of December 4th, our present rate of freight for cased CYCLES for shipment from London to Malta is ... shillings per 20 cwt. or 40 cubic feet, at steamer's option<sup>7</sup>.

We maintain sailings at intervals of approximately 12 days, and as, Malta is the first port of discharge the length of the voyage' is about 8 days. We enclose our sailing card for M/V MORECOMBE, loading at the West India Docks, also our Shipping Instructions form, which please complete and return as soon as possible.

Yours faithfully,

.....

[5]

Dear Sirs,

We thank you for your letter of November 10th and are pleased to inform you that our freight rate for STEEL SLEEPERS U.K./Bombay, is ... shillings per 20 cwt.

Our vessels normally load only from West Coast ports, however, and we do not consider that parcels of 100 tons are sufficient inducement to load direct from Middlesborough. We are quite prepared to make a direct call for minimum quantities of 200 tons, and look forward to hearing from you whether your shipping arrangements could be adjusted accordingly.

Yours faithfully,

.....

[6]

Dear Sirs,

In reply to your letter of 12th December, our S/S MORNING STAR is receiving general cargo from January 12th to 18th inclusive, and is expected to commence loading<sup>8</sup> on 14th. Provided that there are no undue delays we see no reason why your goods should not be on board by 15th, although this cannot be guaranteed. We suggest that the 3 cases should be delivered to the ship on the opening date and we will do our utmost to comply with your request.

Yours faithfully,

.....

[7]

**Advice note**

*Shipping Instructions sent to Shipping Company*

Dear Sirs,

We thank you for your letter of 5th December, also for the sailing card enclosed and the shipping instructions form.

We note that your M/V MORECOMBE is receiving cargo for Malta on the 10th of this month, and we will arrange for the CYCLES to be delivered at the West India Docks, London.

Your shipping instructions form, duly completed, is enclosed.

Yours faithfully,

.....

When all arrangements have been made for the shipment of the goods, and the senders have received the relative documents, they write to inform the buyers that the order has been executed and the goods are on the way. This letter is called *Advice of Despatch*. It may be on a printed form, like the shipping instructions, with details typed in; or it may be a typed letter; or – as a further method – a short letter may be typed enclosing a printed form with the details of the consignment filled in.

In Chapter 6 in the Execution of Orders, we have an example of such a letter. Here is a further one:

[8]

**Your Order No. 2231/C of Nov. 30, 20...**

Dear Sirs,

Further to your above-mentioned order, we are pleased to inform you that the CYCLES have now been despatched as arranged.

Packing: in ... cases ... Cycles to a case.

Marking and Numbering: F B C in square MALTA, 1–12 incl. Particulars of weight and measurement are given on the enclosed sheet.

Shipment: by M/V MORECOMBE, ... Line, which sailed from West India Docks, London, on December 16th, scheduled to arrive at Malta on December 24th.

Clean, shipped on board Bs/L in complete set, together with Commercial Invoice and Insurance certificate, both in triplicate, have been handed to Barclays Bank, ..., with sight draft for £215, in accordance with the terms of the Letter of Credit opened with them. This sum has duly been paid by Barclays Bank.

We shall be pleased to hear in due course that the consignment has arrived safely and in good order.

Yours faithfully,

.....

The above letter is concerned with a C.I.F. Contract, whereby the senders arrange to transport the consignment to the docks, have it loaded on to the ship, and to pay the freight to the port of destination in the receivers' country. The senders also insure the goods until they arrive at this stated port. All this is included in the quotation made by the sellers.

The handing of the documents to a bank is a very convenient arrangement as banks can be trusted in these days to carry out whatever instructions are given by their customers, and they work in harmony with other banks all over the world so that the whole transaction can be carried through smoothly for everyone concerned; if the sellers part with the goods before they are paid they can be sure that they will receive the money, and if the buyers pay before they receive the goods they, in their turn, can be sure that they will receive the goods they have paid for. The whole procedure of *payment against documents*, as well as other methods of payment, is dealt with in Chapter 10 on Banking and Payments.

Here is another advice of despatch of goods. In this case the documents have been sent direct and not through a bank:

[9]

**Your Order No. 9281 – per  
S/S EASTERN STAR, ... Line**

Dear Sirs,

The goods of the above order have now been shipped by the named vessel, sailing tomorrow from the Port of London to Sydney.

We are waiting for the Bs/L from the shipowners and they will be airmailed to you on consecutive airmail days, with the invoice and insurance certificate, in accordance with our usual procedure.

Yours faithfully,

.....

### **EXPLANATION OF TERMS IN B/L RELATING TO SHIPMENT OF GOODS**

The *Bill of Lading* is known as “*shipped*” or “*shipped on board*” when the consignment has actually been loaded on to a certain ship, which is named in the document. Another document exists known as a “*received bill of lading*”, which acknowledges receipt by the shipowners of goods not yet on any vessel. “Shipped” bills are usually required in the transactions involving payment through a bank. The term “*clean B/L*” means that the shipowners, having carefully examined the cargo, accept it for delivery in “the like good order and condition”. The contrary is known as a “*dirty*”, “*unclean*”, “*foul* or “*claused*” Bill (because a “*clause*” has been added to it by the shipowners, stating that they have found something unsatisfactory in the condition of the consignment).

Furthermore, the B/L can indicate that the goods are to be delivered to a named person or firm, or that they can be delivered “unto Order”; these words indicate that the document has been made into a negotiable title and the right to collect the goods has been passed on. In this case the B/L is endorsed (signed on the back) by the senders; there are different forms of endorsement and a “blank endorsement” means that no restrictions have been made by the shippers concerning the passing on of the right. (This term “to order” is also used in bills of exchange and cheques.)

The wording “*freight prepaid*” on the B/L indicates that the shipowners have received payment of the freight for the carriage of the goods; this is particularly required when the quotation is C.I.F. or C & F. and includes the freight, which is in fact paid by the buyers, though not direct.

### **AIR TRANSPORT**

As already stated on page 165, the document used for transport, by air is, as by rail and road, called a Consignment Note. The two big British air carriers, B.E.A. and B.O.A.C, provide forms that can be filled in by the senders of goods, and the air corporations will complete the formalities. An example of such a form is given.

In the example letters given so far we have dealt with shipment by sea; in the following lists there are phrases suitable for other methods of transport.

## **GENERAL TRANSPORT**

### **Enquiries for Freight Rates and Loading Dates**

1. Please quote your inclusive rates on the following (cargo) (consignment), (parcel).
2. Please let us know the present freight rates on ...
3. Please advise us of the current rates of freight on
4. We shall be glad to know time of transit and frequency of sailings, and whether cargo space must be reserved; if so, please send us the necessary application forms.
5. Please advise us of the loading dates.
6. Please let us know on which day the ship closes for cargo<sup>9</sup>.
7. We shall be glad to know (your lowest rates for large shipments) (your groupage rates<sup>10</sup> for small consignments).
8. We shall be pleased to have your current tariffs.
9. We have received an order for the shipment of machines and spare parts, from Birmingham to Paris by first opportunity, and shall appreciate an all-in rate including collection from works, Birmingham, and delivery to station, Paris.
10. Please let us know the difference in cost between transport by train-ferry via Dover/Dunkerque and road – ship – road via Newhaven/Dieppe. If there is any likelihood of delay we would prefer to have goods carried by road and ship, and not depend on the railway.
11. We are prepared to pay the G.V.<sup>11</sup> rate by train-ferry if absolutely necessary, to avoid delay.
12. F.O.B. charges are to our a/c; all other charges (will be paid by the consignee) (are to be debited to the consignee).
13. According to the terms of the contract the shipment is to be effected by the 10th June and we must have the Bs/L by the 15th at the latest.
14. Shipped, clean Bs/L, in a set of 3, are to be made out “to order”, and are required by 25/10/..., for delivery to the ... Bank, under the terms of a Letter of Credit.
15. In view of the fragile nature of the goods we require them to be forwarded by air, and we shall therefore be glad to know the lowest rates.

### **Replies to Enquiries for Freight Rates**

16. In reply to your letter of 10th August, the rates we can quote you are as follows:
  17. Weekly sailings are available from ... to ... every Wednesday.
- Our rates are subject to alteration without previous notice, except in the case of special contract.

18. We can offer you a substantial rebate for regular shipments.
19. We can ship your consignment by (m/v) (s/s) ... closing for cargo on August 18th.
20. The closing date for cargo by s/s PRIMAVERA is ....
21. The M/V MERCURY will be loading cargo from ... to ...
22. We thank you for your enquiry of November 8th and attach our quotation for the packing as required. As you know, freight will depend on the size and weight of the (cases) (packages).
23. We enclose our Shipping Instructions form and shall be glad if you will fill this in and return it to us, together with a copy of the invoice, for Customs clearance abroad; we will then undertake all formalities on your behalf, in accordance with our usual conditions.

### **Sellers' or Agents' Inquiry for Shipping Instructions**

24. The goods of your Order No ... are packed and ready for despatch, and we shall be pleased if you will fill up, sign and return the attached instructions form as soon as possible.
25. Please advise us whether you wish to have the goods sent by the train-ferry or by ship to Rouen and thence by lighter? The Paris/London Line will have a vessel sailing from the Port of London on the ...

### **Shipping Instructions Sent**

26. Will you please collect from the (ABM) (a/m) (u/m)<sup>12</sup> address and arrange suitable land transport to London, for shipment by a steamer of the ... Line.
27. Instructions have been given to the manufacturers to forward to you by rail, carriage paid, the u/m consignment:
28. We; enclose commercial invoice in triplicate; also certificate; of origin ....
29. We require 2 sets of Shipped, clean Bs/L, consigned to your Paris (branch) (agents).
30. The consignees hold Import Licence No ....
31. We have consigned to the Superintendent, Nine Elms Goods Station, London, to your order, per road motor, the following goods:
32. We thank you for your letter of October 20th and we now return your Shipping Instructions form duly completed, with 2 copies of Commercial Invoice attached. Certificate of origin is printed on the back of the Invoice and has been filled in.
33. The tractors are to be delivered by lighter to F.A.S. s/s ORIENT, Port of London.



34. The goods are to be shipped by first available vessel to Antwerp for transshipment to Rhine lighters, and we shall be glad if you will make the necessary arrangements for this on a “through” Bill of Lading.

35. As the cargo is to be transhipped at ... we shall require Through Bs/L.

36. To avoid undue risk of breakage we should like to have the carboys sent by train-ferry.

37. We would advise shipping by special tank.

38. The four casks of ... have been dispatched by road motor, consigned to the Superintendent, Colonial Wharf, Wapping, London, E., to your order.

39. All charges are payable by us and the Bs/L are to be marked “freight prepaid”.

### **Shipping Agents acknowledge Shipping Instructions**

40. Your instructions have been noted and we will collect the parcel for dispatch by next available opportunity overland.

41. We thank you for your letter enclosing Routing Order<sup>12</sup>, which we are submitting to the suppliers today.

42. A Waybill, giving full particulars, will be sent to you as soon as the consignment is ready for dispatch by B.E.A

43. We have delivered to ..., Agents for the ... Line, the goods of your order No ..., according to the enclosed copy invoice. We are advised that a vessel will sail on Wednesday so that the consignment should reach you within a week from that day.

### **[10] Shipping Agents advise Arrival of Ship and Consignment**

... As Brokers for the Line, we are writing to advise you that on board the M/V MONTEFIORE, due this Port on February 6th, there are for your account the following goods: and in order that we may effect Customs Clearance and dispatch we should be obliged if you would let us have Bill of Lading, duly endorsed, together with a letter addressed to H.M. Customs & Excise, authorising us to act on your behalf.

At the same time please advise us to what address you wish us to dispatch the cases.

### **[11]**

We have received your letter of the 1st February, enclosing the Bill of Lading in connection with the consignment on board the M/V MONTEFIORE, which vessel is due on 6/2/...

On arrival of the (goods) (ship) we will do what is necessary to have the cases promptly dealt with and delivered to your address.

We note that the Customs letter is to follow.

### **SHIPPING & FORWARDING AGENTS AND EXPORT PACKERS OFFER THEIR SERVICES**

44. We collect your goods to be packed, by any method required for transport by sea, air, rail or road. We arrange shipments to any part of the world and will undertake all formalities on your behalf, clearing all documents and obtaining bills of lading.

45. We have connections throughout the world and as a result of our wide experience we can advise you on suitable packing and method of transport for any country to which you desire to export.

46. We can quote you for any type of packing – fragile articles or heavy machinery.

47. The enclosed folder will show you the type of precision packing in which we specialise.

48. Our plant is equipped to handle any type of bulky product, and we provide all the necessary internal fitments, bracing members and cushioning to avoid shock.

49. You can save both time and money by letting us handle all Shipping and Customs formalities for you.

50. Our enclosed brochure will give you details of the varied services we can render and we are able to offer special reductions' for large shipments. On the other hand we can quote very favourable groupage rates.

[12]

### **TRANSHIPMENT**

#### **Letter to Forwarding Agency Transshipment**

Dear Sirs,

Messrs. Paulino of Milan have given us your name and address and have told us you are their correspondent at Piraeus.

We are facing the necessity of shipping, from Piraeus to Bern (Switzerland), the goods detailed below, which are actually in transit at Piraeus.

Messrs. Paulino have informed us that the shipping documents for this transaction should be prepared at your end, and we would therefore ask you to be so kind as to tell us what you can do in order to get the documents ready for shipment, and what you need from us.

Please note that our agents in Athens are: John Dianides & Company, and that the Bank entrusted with the documents is the office of the National Bank of Greece, Plato St., Athens.

We look forward to hearing from you very soon on this subject, and we thank you in advance.

Yours faithfully,

.....

(Details of Invoice  
concerning goods and  
ship given here)

### **COMPLAINTS CONCERNED WITH THE SHIPMENT OF GOODS**

It may happen that there is some delay or mistake on the part of the shipping and forwarding agents or the shipowners (not the fault of the sellers), and here are examples of the resulting correspondence, with a list of phrases that would be used.

#### **[13] Complaint from the Shippers to the Shipowners**

Dear Sirs,

Information has just been received from our consignees that two of the four parcels shipped to Bombay by your S/S ..., in February/March (B/L 19), have not been delivered.

We are hereby notifying you that we reserve our right to claim on you for the shortage, should it be confirmed.

Yours faithfully,

.....

#### **[14] Reply from the Shipowners**

Dear Sirs,

In reply to your letter of Mar. 11, 20.., we have today received information from our agents in Colombo that the two parcels referred to in your letter were overcarried and landed at that port. We are making arrangements to have the goods returned to Bombay by the first available opportunity<sup>14</sup>.

Please accept our apologies for the delay in delivery and the trouble this may have caused to your consignees.

Yours faithfully,

.....

### **Complaints to Shipping and Forwarding Agents**

51. Referring to our letter of 25th October and your acknowledgment dated ..., we are surprised that we have heard nothing further from you concerning the shipment of this order.

52. Concerning the despatch of a consignment of TEA from Colombo, per s.s. AURELIA, we regret that we are still without any news of this shipment although we were informed that the ship would sail early this month.

53. We impressed on you the need for urgency and we must ask you to cable by return and tell us what the position is.

54. You promised to have the Bs/L delivered to our bankers by the 20th of this month at the latest, but in reply to our cable the bankers inform us that they have received nothing yet.

55. With reference to our forwarding instructions of 22.11.19..., according to which the goods of our Order No. ... were to have been sent by train-ferry via Harwich on 30.11.19... we were surprised to be told at the station that the wagons had arrived but contained nothing consigned to us. Will you please look into the matter at once and let us know what has happened to this consignment.

### **The Shipping and Forwarding Agents Reply**

56. As soon as we received your letter this morning we telephoned the office of the steamship line to find out the cause of the delay. It appears that the ship developed engine trouble and had to put into port for repairs, but as these were slight the delay was not serious, and the vessel is now on her way. We are informed that she should arrive at ... tomorrow or the next day.

57. We confirm our cable of today, a copy of which we attach. We have only just heard that a lightning strike<sup>15</sup> of dockers held up the departure of the ship, but the strike has been settled and the vessel should sail tomorrow, although a short delay is unavoidable owing to congestion at the docks.

58. The ship was damaged in the severe storm of the last few days and had to put into the port of ... for repairs. We are informed that the cargo has been transhipped to M/V BAR AM ATH A, which is expected to dock at ... on 16th August.

59. We will cable you as soon as we have further news.

60. As we knew the delay would only be short we did not cable.

61. We cabled you accordingly, but your letter had evidently already been posted.

62. You should have received our telegram by now; it must have crossed with your letter.

63. We have been in touch with the railway authorities and they told us that, by an unfortunate mistake, the wagon containing your consignment was put in

the wrong siding. We are glad to say that it has already been sent off, by the train-ferry via Harwich/Zeebrugge, and should reach you within the next two to three days.

64. The train appears to have been delayed at the frontier; we are trying to find out what the position is, but would suggest that you should make enquiries also at your end, as you may be able to get earlier information.

65. This confirms our cable of yesterday, as per copy attached, whereby we informed you that the cargo on M.V. CONNEMARA suffered damage through a fire that broke out in one of the holds. Fortunately the cases of your order were not burnt, but as the packing became thoroughly damp with water from the fire-hoses we shall not let these cases go forward.

We are accordingly preparing a complete replacement of the contents and will dispatch new cases by the earliest possible opportunity; we are hoping to have them on board the M.V. MACNAMARA, of the same Line, which is due to sail from Rio de Janeiro on 16th March.

66. We greatly regret the delay, which has been *due to circumstances beyond our control*<sup>16</sup>.

*Note:* The last two sections of sentences 52–67 could equally well be used in letters exchanged between actual buyers and sellers of goods, on the matter of such delays. If the senders know there will be a delay they should, of course, notify the receivers at once; it is usual to do this by telegram – or telephone – with a confirmation by letter.

### Explanations of reference numbers

- <sup>1</sup> *door-to-door service:* the Railway Authority arranges to collect the container from the senders' premises and deliver to the premises of the receivers.
- <sup>2</sup> *wharfinger:* the owner or person in charge of a wharf.
- <sup>3</sup> *mate:* the first officer of a ship, next in rank to the Master or Captain.
- <sup>4</sup> *document of title:* a document that represents the goods or money and gives the right or title to the goods or money.
- <sup>5</sup> *sleepers:* the supports for railway lines, placed at regular intervals at right angles to the rails.
- <sup>6</sup> *parcel:* in commercial language this does not always mean goods wrapped up in paper but indicates one particular "lot".

- <sup>7</sup> *per 20 cwt. or 40 cubic feet at steamer's option:* the shipowners can choose whether to charge freight on the weight or measurement; 40 cubic feet is taken as equivalent to 20 cwt. (or 1 ton).
- <sup>8</sup> *commence loading:* loading dates are given by shipowners so that the cargo can be assembled at the docks in good time.
- <sup>9</sup> *closes for cargo:* a date is also given when the shipowners will accept no further cargo for that particular ship.
- <sup>10</sup> *groupage rates:* small consignments are sometimes "grouped" together in one bill of lading; this is usually done by forwarding agents.
- <sup>11</sup> *G.V. (grande vitesse):* the French term, in general use in Europe, for *fast goods*; P. V. (*petite vitesse*) indicates ordinary goods traffic. If no distinction is made in the rapidity of transport the term used is V.U. (*vitesse unique*).
- <sup>12</sup> *a/m, u/m:* recognised abbreviations in routine communications for "above-mentioned" and "under-mentioned".
- <sup>13</sup> *routing order:* instructions concerning the "route" by which the consignment is to be sent: Dover/Dunkerque or Newhaven/Dieppe, etc.
- <sup>14</sup> *"by first ... opportunity":* this is an expression used in shipping and means the first opportunity to ship the goods by a suitable vessel.
- <sup>15</sup> *"lightning strike":* when the workers come out "on strike" without previous notice.
- <sup>16</sup> *circumstances beyond our control:* events over which the senders have no control; these are.

## CHARTERING OF SHIPS

This is another branch of the shipment of goods; it is a specialised line but as far as correspondence is concerned we do not need to go into great detail, and the following is an outline of this side of the shipping business.

When the senders of goods have very large shipments to make, and especially when *bulk cargoes*<sup>1</sup> are concerned, it may be of greater advantage to them to have a whole ship at their disposal. They do not have to buy the ship but can

hire it and this is called “chartering”. (The same word is also used for the hiring of a freight plane for the transport of merchandise.)

Some very large organisations have their own fleet of ships, especially when their raw material has to be shipped regularly from another part of the world; this is also the case when they specialise in one type of commodity, such as oil.

The *chartering of ships* is usually done through the intermediary of brokers, and in London there is a special centre called *The Baltic Exchange*<sup>2</sup> where the brokers operate, in much the same way as stock and share brokers on a Stock Exchange.

*Ship brokers* have an expert knowledge of rises and falls in rates for chartered ships, and the trends of the market. This is a very competitive business and there are no conferences to fix rates as in the case of the “Line” companies, indeed the *tramp*<sup>3</sup> rates fluctuate very rapidly, according to supply and demand. The tramp market may be compared with the liner trade in much the same way as one can compare the cost of raw materials with a finished product; for example, the price of raw sugar varies almost daily whereas the price of a packet of manufactured sugar remains constant until the raw price becomes so high or so low that the retail price of sugar has to be altered.

The contract between the shipowner and the “charterer” (that is the merchant who hires the ship) is called the *Charter Party*, and it is, understandably, a long and rather complicated document. To facilitate cable communication, code names were devised to indicate the type of trade concerned and the part of the world it related to. For example: “BALTCON” for Baltic & White Sea Conference Coal Charter. (These code names are listed in any book of shipping terms.)

A *charter party* may be for the carriage of goods from one specified port to another, and is known as a *voyage charter*, or it may cover a period of time and is known as a *time charter*. In the case of a voyage charter there is, on the back of the charter party, a form of the bill of lading, to cover the shipment of the cargo. In some cases the charterers may not need the complete space in the vessel and may agree to carry cargo also for other shippers.

It is obvious that certain cargoes, such as oil and coal require special vessels for their transport (see glossary). Grain in bulk is carried in ships that can be loaded and unloaded by special apparatus – pouring the grain into the holds of the ship and sucking it out for unloading, which avoids the lengthy process of loading and unloading sacks (though this is still done sometimes).

Much of the business of chartering is done regularly by cable. The following are examples of the type of letters that would be required.

[15]

**From Charterers to Brokers**

We are able to secure an order for: 2,000 tons Coal and Coke mixed, shipment Grimsby/Abo early next month. Please advise us of the lowest rate for a suitable fixture<sup>4</sup>.

[16]

**The Broker's Reply**

We thank you for your letter of 15th March, and confirm our cable of today reading as follows :

MV SCANDINAVIAN READY TO LOAD EARLY APRIL FULL CARGO AT 25 SHILLINGS GRIMSBY ABO PLEASE CONFIRM CHARTERING IMMEDIATELY

On receipt of your instructions we shall be pleased to go ahead with the fixture.

[17]

**From Charterers to Brokers**

We have entered into a contract for the supply of Motor Vehicles and Parts, over the next six months, to West Africa and shall be glad to know if you can fix us a time charter for a suitable vessel.

The question of speed must be considered as the ship should be able to make 3 voyages in the time, allowing ... days for loading and unloading on each voyage.

In view of the general slackness of the market at the moment we hope that you can get us a really good offer.

[18]

**Reply from the Brokers**

In confirmation of our cable to you today, a copy of which we enclose, we are pleased to say we have found what we think should be a very suitable vessel for your purpose: the M/V MERCURY, cargo capacity ... tons, average speed ... knots.

She is, perhaps, a little larger than you require but the owners are prepared to consider a special rate for a time charter.

MERCURY has just completed a charter and can therefore be at Liverpool dock and ready to load by the end of next week.

We hope this fixture will suit you, and as soon as we receive your confirmation we will prepare the Charter Party.

There is also a considerable business in the buying and selling of ships; the following letter is an example of such transactions.



[19]

### **Offer of Ship for Sale (from Ship Brokers)**

We are pleased to advise you that we can now secure for sale the modern motor vessel HANOVERIAN, of which we enclose details.

The owners' ideas are about £. ..., on the basis of fairly prompt inspection and delivery U.K./CONT. port, but we would try for something less.

For your guidance, the vessel is now discharging at Plymouth docks, where she will be lying until September 27. Prospective buyers may therefore inspect her in this port if they are prepared to decide immediately.

The owners are willing to give first-class buyers' deferred terms of payment provided satisfactory guarantees are forthcoming.

We shall be pleased to hear if the vessel is of interest to you and we will then give you any further information you require.

### **SHIP AGENTS**

Ship Agents – that is to say agents connected solely with ships, not forwarding agents – may offer their services for the loading and unloading of ships; the following is an example of this type of letter.

[20]

### **Offer of Services from Ship Agents**

We see from Lloyd's List that your M/V ORION is expected to discharge at this port about the middle of next month, and we are writing to offer you our services as agents.

Our firm has had considerable experience, having been established here for 30 years, and we are acting as agents to all Anglo-Saxon chartered vessels calling at this port. We are also agents to a large number of European owners, as you will see from the enclosed list.

You can rely on us to secure your vessel a quick turn round<sup>5</sup>, and we might also mention that we can deal with all matters concerning crews, in accordance with ... Articles<sup>6</sup>.

Should you decide to let us have the agency we are sure that you would be fully satisfied with the results.

### **Explanations of Reference Numbers**

- <sup>1</sup> *bulk cargo*: this means that the goods do not require packing; such cargoes are usually coal, timber, oil, wheat, etc.

- <sup>2</sup> *the Baltic Exchange*: is so called because it started as a market for all kinds of produce from Baltic ports, which trade was extended to ships, insurance and aircraft.
- <sup>3</sup> *tramp (trampship)*: this is a vessel that does not operate on a fixed route as a “liner” does. Probably derived from the name of a man who went about the country (tramped) working wherever there was work to be done.
- <sup>4</sup> *fixture*: particularly used in connection with chartering.
- <sup>5</sup> *turn round*: as applied to a ship is the unloading, reloading and carrying out of the necessary formalities before the ship can sail again.
- <sup>6</sup> *accordance with ... Articles*: this refers to the regulations laid down by different countries concerning the crews of their ships.

## GLOSSARY OF TRANSPORT TERMS

### Cost

*carriage*: the word is used for inland transport and freight.

*cartage*: short distance carriage.

*charges*: the price for services; also expenses, costs.

*drawback*: an allowance granted by the Customs on reexport of goods on which duty was paid on importation.

*dues*: charges made by port authorities: dock dues, port dues.

*duty*: the tax levied on the import of goods.

*entry*: a word used by the Customs, referring to the particulars *entered* in a book; can be either *entry in* or *entry out*.

*freight*: the word is used for cost of transport *both inland and foreign*, also to mean the goods transported; freight train, air freight. *Deadfreight* is the cost of space booked but not used.

*lighterage*: charge made for transporting goods by lighter, or barge.

*portorage*: cost of hand transport, by porter.

*primage*: is now used to mean a type of bonus to shippers.

*tariff*: the word used for a list of charges.

### Documents

*delivery order*: a document from the owner, or holder, of the goods requesting the release of goods held under warrant.

*dock warranty warehouse warrant*: these are receipts issued for cargo deposited at dock warehouses.

*tally*: the record or list of cargo loaded or discharged; it is checked by a *tally clerk*, therefore *to tally* means to be correct.

### Names Used for Various Kinds of Vessel

*coaster*: a ship on the coastal trade only.

*collier*: a ship that carries only coal and coke.

*craft*: any kind of ship but usually means a small vessel.

*launch*: a small vessel for river and harbour transport; *to launch* is to float a newly-built ship for the first time.

*lighter*: used in shipping for *barges*: cargo-carrying vessels on rivers and canals; *lighterman* is the name for the owner of lighters or the man in charge of a lighter.

*motor-ship*: a vessel driven by a motor (see abbreviations, M/S and M/V—Chapter 3).

*steamer, steamship*: a vessel driven by steam power.

*tanker*: a ship that carries bulk liquids, chiefly oil; the name is used also for road and rail vehicles that carry oil and bulk liquids.

*tug*: a small but powerful vessel that is used for *towing* other ships, either large or small (the word used as a verb means *to pull hard*).

### Dock Terms

*berth*: a place at the quay, jetty or dockside where the ship may load, discharge or lie; the verb is *to berth*.

*bonded warehouse*: a store where goods are kept until the duty has been paid.

*bunkers*: the parts of the ship reserved for carrying the fuel needed; if the fuel is oil the name is *oil tanks*.

*crane, derrick*: names used for lifting machinery in docks and on ships; also *hoist* and *tackle*.

*granaries*: stores for grain, especially used in connection with the discharge from grain-carrying ships.

*lock*: a construction used for altering the level of the water in a dock, river or canal; it is also the space so controlled.

*quay*: the dockside where ships berth and goods are loaded or discharged. *shed,*

*store*: the building where the goods are kept (stored) before loading or after discharge; *transit shed* for goods to be transported to another place,

*refrigerator store* for the storage of perishable goods.

*wharf, wharves*: another name for a quay or quays, also including shed or sheds, etc. *Wharfage* is the charge for storing.

## Chartering Terms

*demurrage*: the money paid to the shipowner if the charterer delays the sailing of the vessel.

*dispatch money*: a bonus to the charterer for loading or unloading in less time than has been stipulated.

*lay days*: days allowed for the loading and discharging of a ship.

*knot*: the speed of a ship, calculated as 1 nautical mile per hour.

*tonnage*: (1) calculated as 100 cubic feet per ton to measure the ship's capacity, as (a) *gross tonnage*, and (b) *net registered tonnage* (N.R.T.)

being the ship's cargo-carrying capacity; (2) also used to mean all the ships belonging to a country.

## Names of Firms and Men Connected with Transport

*common carriers*: firms or organisations that undertake to carry goods for the general public.

*hauliers, haulage firms*: contractors undertaking the transport of heavy goods by road.

*ship chandlers*: suppliers of all the requirements of ships.

*stevedores*: (1) contractors who arrange for the labour to load and discharge ships; (2) the men who actually do the work of loading and unloading, etc. (*Dockers* are all workers at docks.)

## Vehicles Used on the Roads and Railways

*containers; lorries; tankers; trailers; trucks; vans; wagons.*

## Air

*airliner; passenger plane; freight plane.*

## LIABILITY OF TRANSPORT AND INSURANCE

The Bills of Lading, Waybills and Insurance Policies contain many clauses concerning the contract of carriage and "excepted perils". There are four recognised headings under which most of them are grouped, stating the circumstances in which the carriers are not to be held liable:

*Act of God*: natural perils that are beyond the control of man: earthquakes, storms, hurricanes, etc.

*Queen's enemies*: losses that are due to enemy action; under this heading there are many subheadings.

*Inherent, vice*: the capacity in the goods themselves of deterioration, as in: fruit, fish, meat, etc.

*Negligence*: the neglect of the shipper to pack suitably and sufficiently, or to notify shipowners and other carriers of the need for special care.

## EXERCISES

1. Write to a firm of shipping agents in England and ask them to quote you for the collection of some cases of tools from a firm in Birmingham, and the shipment to your nearest port.

2. As a firm of forwarding agents you have been asked to advise on the forwarding of a consignment of bicycles. Write a suitable letter and ask by what route the bicycles are to be sent; give your advice on the matter.

3. You have been asked to arrange for a consignment of goods by train-ferry; reply to the letter and point out that the consignment must be over 1 ton in weight. Advise alternative routes.

4. Write to the office of British European Airways and ask for particulars of freight, insurance, etc., on a consignment of watches and clocks.

5. Write a letter to your customers informing them what arrangements you have made for the transport of a consignment of chemicals. Your customers may be in America or other country outside Europe.

6. Confirm a telegram you have sent to customers, in which you stated there was a delay in the sailing of the ship; say what you are doing to hasten the dispatch of the consignment.

7. Write to a firm of shipping agents and ask them to take charge of a consignment you have shipped to an overseas country; say who will take delivery of the goods.

8. Write to ship brokers and ask them to charter a ship for the loading of a cargo of fertilisers; give them necessary particulars about port and time.

9. Write a letter from ship brokers, concerning the shipment of goods to Canada and pointing out the need for speed because of the probable closing of certain ports through ice.

10. As ship brokers, write to customers who may be interested in the purchase of a vessel; give such particulars as may be necessary.

## CHAPTER 9

### BANKING AND PAYMENTS IN FOREIGN TRADE

The purpose of this chapter is not to give a full description of Banking and the many activities of a bank. It is to outline the principal services rendered by banks and to give the reader the vocabulary and phraseology which is essential for correspondence and for the understanding of the various documents and forms in use in matters relating to payments.

The unique position of banks in the world of commerce, the complete integrity necessary for their operation, the dignity and aloofness which are essential to some of their functions – all these things combine to make dealing with them a serious and formal matter.

Their strict code of business conduct and the confidential nature of their business, no less than (in Britain, at least) the severe appearance of their buildings and offices seem to have a direct effect on their attitude to their customers – and is, of course, reflected in their correspondence. We may therefore expect to find a survival of the old commercial language of the nineteenth century in their letters, and in fact, we do: this survival has indeed an advantage, viz., that through long acceptance, the phraseology is clear enough in meaning to all who have to deal with banking correspondence.

However, a bank has this in common with all other businesses – it has something to sell. That something is its services, and it is becoming increasingly evident that banks are now entering into the spirit of modern commercial practice by “humanising” their public relations and by competing openly with other banks for new business. In Great Britain we now see banks advertising for new accounts among the smaller savers, and loan facilities are also openly advertised. Correspondence is taking on a fresh appearance to match this new development; the time-honoured vocabulary remains, but the phrasing allows a little warmth to creep into the cold words.

The main functions of the Banks are:

1. To accept and hold deposits.
2. To honour drafts made on them.
3. To grant loans.

In carrying out these functions, banks may give services, such as keeping customers’ accounts, obtaining and giving information, transferring funds for payments or investments, handling foreign currency transactions, issuing Letters of Credit, acting as trustees, executors and guarantors, guarding documents and valuables, and in Foreign Trade, collecting payments, discounting Bills of Exchange and financing export merchants.

#### A SHORT EXPLANATION OF SOME BANKING TERMS

*Current Account:* The account into which a client pays his trading receipts and on which he draws his cheques.

*Deposit Account:* Surplus funds from the current account are held in this, and receive interest.

*Interest:* The charge or profit due for lending money.

*Loan:* Money lent (*v.* lend, borrow; *n.* lender, borrower).

*Cheque*: An order in writing from a person to his bank to pay on demand a certain sum to a named person.

*Bill of Exchange*: An order in writing from one person to a bank or to another person, to pay on demand or at a given date, a certain sum to the person named in the bill.

*Letter of Credit (Commercial)*: An arrangement with a bank by means of which a buyer guarantees payment to a seller on fulfilment by the seller of certain agreed conditions. The instruction must be in writing and if marked “irrevocable”, it cannot be cancelled.

*Draft*: This really means a document used to “draw” money from some source, but sometimes it is used to refer to the money itself. A Bill of Exchange is often referred to in a letter as ‘the draft’.

*Banker’s Draft*: A draft or cheque drawn by one bank on another.

*Banker’s Transfer*: Transfer of money from the bank account of a debtor to the bank account of his creditor by order of the debtor.

*Overdraft*: A debit balance on a bank customer’s current account. This may be authorised by the bank.

*Security*: A document of value given as cover for a loan. (Collateral security – additional or supporting cover).

*Trustee*: Person appointed to protect the interests and property of a person unable to do so for himself.

*Executor*: Person appointed to carry out the wishes of another person deceased.

## CORRESPONDENCE WITH BANKS

The private nature of much of the business done with banks reduces correspondence with them chiefly to routine matters, format instructions, advice and requests for information. Much of this, too, is done by special forms. Confidential matters are usually dealt with in interviews between bank managers and their clients, a practice actively encouraged by British banks.

The following phrases and sentences are those commonly used in connection with routine correspondence.

### Opening an Account

1. Please open a current account for us in the name of John Smith & Co. We enclose specimen signatures of the partners, either of whom may sign cheques on our behalf. Will you kindly open our No. 1 Account with £750 and place £250 to our credit in a No. 2 account.

2. To open the account we enclose a cheque on the XYZ Bank for £ ...

3. Kindly open the account in my name. I am instructing my bankers, ... to transfer the equivalent of S. Fr ... for this purpose.

4. Please advise us of the present interest rate on deposit accounts and approximately what balance you require us to keep on our current account to eliminate charges.

### **Payment Instructions**

5. Please transfer £100 to the Westland Bank Ltd., Bournemouth, to the credit of Clark & Sons Ltd., debiting our No. 1 account.

6. Kindly effect the following payments for us.

7. Please transfer the sterling equivalent of DM 1250 to Postscheckkont Hamburg XXX in favour of Gebrüder Mueller, Hamburg, Hohestr. 1122. This sum represents payment for costs incurred by that firm on our behalf.

8. Please pay to the XYZ Banking Corporation on the 15th of each month and till further notice, the sum of £ .... for the account of John Brown.

9. With effect from 1st January will you please discontinue payments to the Great Eastern Bank authorised in our letter of June 1st last.

10. Referring to the instructions regarding payment to J. J. Hooper Ltd., and contained in our letter of April 3rd, 1959, we now wish you to cancel these.

11. Kindly cancel the credit opened in favour of Miss ... as alternative arrangements have been made.

12. Please withhold payment of £500 deposit to Messrs ... as the purchase of the equipment concerned may not now be made. We will advise you of any developments.

13. We ask you to stop payment of our cheque No ... drawn on September 23rd in favour of Johnson Bros., until further notice.

14. Please suspend payment of our cheque No ... drawn in favour of Messrs. Pink & Brown, as it appears to have been lost in the post.

15. Accounting and Special Instructions

16. Thank you for your advice of receipt of £235 from The XXX Banking Corporation on behalf of Mr. Jacques. This item should have been credited to our No. 2 account and we shall be glad if you will make the necessary transfer.

17. With reference to Sheet No. 15 of your statement of our current account, we have no record of the cheque No. 1111 for which you show a debit of £101.10.6. Will you kindly examine this entry or send the cheque for our inspection.

18. Kindly give us details of your credit entries for £23.10.7 and £123.17.6 on June 2nd and June 5th respectively, items for which we have received no credit advice from you.

19. Will you please inform us what services are covered by your entry "Special Charges" dated January 1st.



20. We are pleased to say that our records now agree with your statement.

21. Kindly credit all sums received under £25 to our No. 2 account. Please also transfer £500 from our current account to deposit account.

22. Please purchase at best possible rate the following foreign currency, and debit to our current account.

**[1] Bank Customer requests an Overdraft**

The Manager,  
Southland Bank Ltd.

Dear Sir,

Further to our interview of yesterday, I request your permission to overdraw my account up to a limit of £1,000 between January 1st and August 1st, 20...

As explained to you yesterday I have to meet during this period certain capital costs incurred in the expansion of my business. The benefit of this expansion will not be felt till around June 30th, when considerable sums will be due to me from home and overseas customers. As security, share certificates worth £500 will be deposited with you and a Life Endowment policy for £300 will be assigned to you.

I look forward to an early reply.

Yours faithfully,  
J. THOMAS

**[2] Bank's Reply to request for an Overdraft**

Dear Mr. Thomas,

I have given your letter careful consideration and agree to grant you an overdraft of £1,000 available till August 1st, 20..., subject to the usual proviso<sup>1</sup> that there is no change in the position as at present existing.

Will you please therefore let me have the securities mentioned in your letter; it will be in order for you meanwhile to anticipate<sup>2</sup> the overdraft.

Interest will be charged at 6 1/2 % and will be calculated on the daily balances. I rely on you to clear the outstanding balance by August 1st, and I trust you will be successful in expanding your trade.

Yours sincerely,  
D. L. ROSE  
*Manager*

**PAYMENTS IN FOREIGN TRADE**

Paying for goods supplied in the Home Trade is a fairly simple matter. Payment is made either in advance or within a reasonably short period after delivery. There is little time lost in correspondence and in delivery, as a result of

which most suppliers can afford to give the required short credit of one month usual in home trading.

Payment follows by cheque (U.K.) or by draft, and the whole transaction is speedily concluded. If a buyer fails to pay, legal action is reasonably quick and payment can be enforced. Even so, the granting of credit brings its own problems, and as modern trade lives on credit, this always needs careful handling.

These problems are magnified many times in foreign trade. Much time is unavoidably lost in correspondence, despatch and delivery. Who is to bear this loss? Must the seller wait perhaps 6 months for his money – or shall the buyer pay several months before he even sees his goods? Further, in a case of non-payment, a seller will be involved in expensive legal action and possibly total loss. On top of all this, payment by cheque is not practicable, as a cheque is payable in the country of origin and its use is time-wasting to say the least.

It is here that banks play a vital part. Their services to exporters and importers include:

- (1) Handling of shipping documents.
- (2) Collection of payments.
- (3) Observance of buyers' conditions of purchase.
- (4) Discounting Bills of Exchange.
- (5) Loans to exporters.
- (6) Acting as agents for foreign banks and their customers.

By means of these services banks not only see to it that justice is done to both buyer and seller, but that the time-lag<sup>3</sup> between order and delivery is overcome without loss to either party. These services have to be paid for, but are not expensive and are almost indispensable – the bank comes into every transaction at some stage or another.

Payments in Foreign Trade may be made by

- (1) Banker's Transfer.
- (2) Bill of Exchange.
- (3) Letter of Credit.

Also, as in the Home Trade, payment may be made

- (a) in advance;
- (b) on open account.

Payment in advance might be helpful to a buyer in urgent need, or where the buyer is unknown to the seller, or in the case of a single isolated transaction. The actual method of payment in such cases would probably be by Banker's Draft or Banker's Transfer.

Open account terms would be granted by a seller to a buyer of unquestioned standing or to a customer in whom he has complete confidence, e.g. regular buyers, agents or distributors. Payment might then be made quarterly by Bill of Exchange or Banker's Transfer.

### THE BANKER'S TRANSFER

This is a simple transference of money from the bank account of a buyer in his own country to the bank account of the seller in the seller's country. It is merely necessary for the buyer or a debtor to send a letter of instruction to his bank – or use a special form. The transfer is carried out at current rates of exchange. Such transfers are, of course, subject to any currency control regulations of the countries concerned. This transaction is simple and quick and can be speeded up by cabled instructions if desired.

### THE BILL OF EXCHANGE (B/E)

The full story of the Bill of Exchange is too long for inclusion in this book and the reader should study it in one of the many admirable works in the English language on Commercial Practice.

In brief, the Bill is an order in writing from a Creditor to a Debtor to pay on demand or on a named date a certain sum of money to a person named on the Bill, or to his order. The Bill is drawn by the Creditor on the Debtor, and is sent to the Debtor (or his agent) for the latter to pay or "accept" (i.e. to acknowledge the debt). The Debtor "accepts" by signing his name on the face (i.e. front) of the Bill, together with the date. The Bill now becomes legally binding, and the acceptor must meet it on or before the due date.

The Creditor (the "Drawer") can order the Debtor (the "Drawee") to pay the money to any bank named by him on the bill. The Drawee, in accepting the bill, can add the name of the bank which he wishes to pay the bill. In this case, the bill stays with the Drawer's bank till due for payment, when it will be presented to the paying bank for settlement. Such a bill is said to be "domiciled" with the holding bank.

An important feature of the Bill of Exchange is that it is "negotiable", which means that it can be used by the holder to pay debts of his own, or in other words, he can "negotiate" it. To do this, the holder must "endorse" it, i.e. sign his name on the back of the bill before passing it on to the new holder.

Other ways in which the holder can use a bill are:

1. Sell it to a bank, who will pay face value, less interest: this is called "discounting" a bill.
2. Leave it with a bank as security for a loan.

It is this free negotiability of the Bill which makes it a practical means of payment in Foreign Trade. Of course, its successful operation depends on confidence and trust. Each individual firm's standing and reputation is known and taken into account in handling bills.

The advantages of the Bill will be clear to a student who understands something of modern commerce; perhaps the two chief assets are: (1) it simplifies the financing of export and import trade; (2) it saves innumerable individual money transactions, or "movements" of currency.

Failure to meet a bill on the due date would result in total discredit for the drawee, and legal action can follow. An unpaid bill is said to be "dishonoured", and the drawer can "protest" it, which clears the way for him to "prosecute" (i.e. take legal action against) the drawee. (See end of this chapter for special terminology.)

### **THE LETTER OF CREDIT (L/C)**

Perhaps the most generally used method of payment in the Export Trade today is the Letter of Credit. It is ideal for individual transactions or for a series, makes trade with unknown buyers easy, gives protection to both seller and buyer and overcomes the "credit gap" (i.e. the time-payment loss between order and delivery).

A Letter of Credit starts with the buyer. He instructs his bank to "issue" the L/C for the amount of the purchase and in favour of the seller. This is usually done by special printed form. The instruction, or form, contains full details of the transaction as agreed between buyer and seller. The buyer's bank sends these instructions to its agent (i.e. a bank co-operating with it) in the seller's country. On receiving these instructions, the agent bank "confirms" the credit to the seller (i.e. writes to advise the seller that the money is available to him at this bank). The seller can now execute the buyer's order, knowing that when he has done so, the money will be paid at once by the agent bank. The buyer is equally secure, because the agent bank will pay on his behalf only if the conditions of the transaction are fully carried out by the seller. For this reason, great care and accuracy are needed in giving the original instructions.

It is not essential that a L/C be paid to the seller immediately upon execution of the order. If agreed between seller and buyer, the arrangement could be for the agent bank to accept a B/E drawn by the seller on the agent bank. This gives the buyer credit and is, of course, absolutely safe for the seller, who can discount the bill for ready cash if he needs it.

From these outlines of the methods used in financing Foreign Trade, the student will realise the vital part played by banks; without them, modern trade

could not exist. Their services are paid for by their “charges” and these are kept low by the “security” they normally require against the risks they take.

*Note:* American importers often open the Letter of Credit at an American bank. This bank then confirms the credit to the foreign seller and requests him to draw on them for the amount of the invoice, and to send them all documents required by the buyer.

## CORRESPONDENCE BETWEEN BUYERS AND SELLERS

### **Bills: (1) The Buyer writes to the Seller**

23. Please draw on us for the amount of your invoice and attach the documents listed below to your draft.

Explanation of reference numbers on the form:

(1) *Indemnity*: release from liability. (*Note:* Indemnity clauses are not reproduced in the above form.)

(2) *Correspondents*: the buyer’s agent (if any) in seller’s country.

(3) *Beneficiary*: the seller.

(4) The amount to be paid is given here.

24. We propose to pay by Bill of Exchange at 30 d/s, documents against acceptance. Please confirm if this is acceptable to you.

25. You may draw on our London agents, Messrs ... at 60 d/s for the amount of your invoice. Our agents have been instructed accordingly and advised of the terms of our agreement.

26. We have received your letter and invoice dated 3<sup>rd</sup> January and are willing to accept your draft for the amount involved, payable at 60 days’ sight.

27. Our bankers in Hamburg, Die Handelsbank, will accept your draft on them on our behalf.

28. We agree to accept the goods in 3 shipments and you may draw on us at 90 days from date of dispatch in the case of each shipment.

29. Kindly send us 2 Bills of Lading by separate posts, together with your draft at 60 days for acceptance.

30. Our acceptances will be honoured at ... Bank on presentation.

31. Your draft of 25th April has been accepted and will be given our protection<sup>4</sup>.

32. Your draft on us for £250 in favour of J. J. Brown has been accepted, but will you please note that such drafts should be advised in future.

33. In view of the low level of prices ruling here we ask you to limit your drafts on us to 60 % of the amount you expect us to obtain for your consignments, or we shall be unable to meet these drafts.

34. I regret very much to say that I find myself unable to meet this bill, due on December 1st, and I feel sure you will appreciate the difficulty in which I am placed. If you will kindly accept £300 cash and draw a further bill on me at 2 months for the balance of £150 plus interest at 6 %, I shall be most grateful to you and would guarantee to honour it on presentation.

35. We are surprised to find that you have drawn on us for the last shipment, as we advised you in our letter of 11th February that we could handle these goods on a consignment basis<sup>5</sup> only. Please note that we have accordingly declined to accept your bill in this instance.

36. Your draft for the shipment by s.s. CALCUTTA was presented yesterday and duly met. We should now like to ask you if you are willing to supply us in future on 60 d/s, D/A terms, as other suppliers in your country are already allowing us this credit.

37. The goods arrived in excellent condition and we are fully satisfied with them. If you can guarantee to repeat this quality we shall place large orders with you, and in this case we shall require open account terms. Please let us know if you are prepared to grant us this, with settlement by Banker's Transfer within 30 days of date of your quarterly statement.

38. In reply to your letter of ... in which you say that our acceptance No. 1210 of June 22nd appears to have been lost in a plane crash, we are willing to accept a copy of this provided you indemnify us against liability in the event of the finding of the original.

### **Bills: (2) The Seller writes to the Buyer**

39. In accordance with our (terms of payment) (agreement) we have drawn on you at 30 days, sight for the amount of the enclosed invoice.

40. Your proposal to pay by draft is acceptable to us and we shall accordingly draw on you at 2 months from date of shipment of your order.

41. As arranged, we are attaching our sight draft on you for £310 to the shipping documents and are handing them to our bank for forwarding to you.

42. We note that you wish us to draw on your London agents for the amount of our invoice. This is acceptable to us and we shall forward them our draft for attention as soon as the goods are ready for shipment.

43. We have pleasure in advising you that your order No ... was despatched per s.s. RANJI on April 20th and you should receive the goods within 3 weeks. Our draft on you at 60 d/s in favour of R. A. Mason will be presented to you by the Great Oriental Bank, Shanghai, and we ask you to give it your protection.

44. We are pleased to confirm that each shipment will be separately charged and that we shall draw on you under advice<sup>6</sup> for the invoice amounts.

45. We apologise for our failure to advise you that we had drawn on you. This was due to a misunderstanding and we shall take care to avoid any recurrence.

46. In view of the recent price fluctuations in your market we shall not draw on you till we have your first reports on the prices you are obtaining for these goods.

47. We are quite willing to put your account on a 60 d/s D/A basis and will make this effective from January 1st.

48. Your request for open account terms has been considered and we are pleased to grant this facility. We would, however, prefer to draw a sight bill on you quarterly in favour of the Export Bank of Australia, and we hope this will be agreeable to you.

49. Much to our surprise, our draft on you dated 11th May and due 1st July was returned dishonoured yesterday by our bank. Having received no communication from you at any time since the dispatch of the goods covered by this draft, we must ask you for an immediate explanation. Meanwhile we are requesting our bank to re-present the draft.

**Bills: (3) Letters to and from the Bank**  
*Seller – To his Bank*

50. We enclose our sight draft on Messrs. Ajax & Co. Ltd. of Cape Town and attach Bill of Lading to evidence shipment, and other documents as listed below. Will you please deliver these documents to Messrs. Ajax against payment of the draft, and credit our account No. 1 with the amount received.

51. Will you please forward the enclosed sight draft on Messrs. ... to The Regal Banking Co. of Toronto, Canada, with instructions to surrender the attached documents on payment of our bill.

52. Kindly instruct your correspondent in Zurich to release the documents to the drawee only on settlement of our sight draft for £ ...

53. Please credit our No. 2 account with the proceeds<sup>7</sup> after deducting your charges.

54. Please note that all charges are for the account of the drawee.

55. Kindly advise us of the amount of your charges, for inclusion in our draft.

56. Please surrender the enclosed documents to our customer on acceptance of the attached draft on him at 60 days for £750.

57. The invoice and documents covering a shipment of steel tubing for The Union Construction Co., Bombay, are enclosed. Our draft for £972 on this firm, due at 3 months is also enclosed, and we ask you to present this for acceptance against surrender of documents and to collect the amount due at maturity.

58. Please present the bill for acceptance and then discount it at the current rate, for the credit of our account.

59. Our export trade in nylon tubes and piping is increasing rapidly and we are no longer able to finance this trade ourselves. Are you willing to advance us up to 70 % of the value of our overseas orders on production of the Invoice and Bill of Lading? Our drafts on our customers would be passed to you with the documents, of course. We should appreciate details of your services and charges in this branch of business.

60. We enclose various acceptances as listed below. Kindly present them for payment at due date and credit the proceeds to our account.

61. We enclose a sight draft for \$10,000 to your order on The Aluminium Fittings Corporation of Pittsburgh. Please make the following payments to our various American creditors against this draft:

62. Please give us details of your collection charges for drafts on European and South American import merchants.

#### ***Seller – To Foreign Bank***

63. Messrs. J. & A. Lotham of 53 High Street, Liverpool, have asked us to draw on you at 2 months for S. Fr. 50,200 in respect of a shipment of textiles as per invoice attached. Our draft for this amount is enclosed together with the shipping documents. Will you please accept the draft and return it to us, at the same time handing the documents to Messrs. Lotham.

64. Our agents in New York will shortly be handing you the shipping documents covering a consignment of books. Will you please release these documents to Messrs ..... against their payment of the attached sight draft on them for \$3,000. Please hold the funds pending disposal instructions.

#### ***Buyer – To his Bank***

65. The following drafts will shortly be presented to you by foreign drawers. Please accept them on my behalf and meet them at maturity to the debit of my No. 2 account. Your charges are for the account of the drawers.

66. I enclose accepted bill drawn on me by Fa. Antonio and should be glad to receive the documents covering the goods in question.

67. Please note that we have domiciled the following acceptances with you: Will you kindly honour them at due date and advise us it time of payment.

68. Can you please make arrangements with a bank in West Berlin for the payment of our Eastern European suppliers' drafts on us? Your advice on the necessary formalities would be appreciated.





then notifies the credit to their branch in London. Meanwhile, The Aluminium Alloy Co. Ltd. receives the order and acknowledges it:

[4] **The Aluminium Alloy Co. Ltd.**  
BIRMINGHAM

10th August, 20...

The Jameson Construction Co. Ltd.  
Durban, S.A.

Dear Sirs,

We are very pleased to have your order and are able to confirm that all the items required are in stock. It is a pleasure to have the opportunity of supplying you and we are quite sure you will be satisfied both with the quality of our goods and our service.

Your choice of method of payment is quite acceptable to us, and we note that this will be by Irrevocable Letter of Credit for a sum not exceeding £625, valid till September 15th. On receiving confirmation of this credit from The General Bank of South Africa, London, we will make up your order and await dispatch instructions from your agent.

We assure you that this order and all further orders shall have our immediate attention.

Yours faithfully,  
THE ALUMINIUM ALLOY CO. LTD.

A copy of the form used by The Jameson Construction Co. is meanwhile sent by the branch of The General Bank of South Africa in Durban to the London branch of this bank to authorise the opening of the credit.

The next step is, of course, for the London branch of The General Bank of South Africa to advise The Aluminium Alloy Co. that the credit is available (i.e. to “confirm” the credit). Here again, a form may be used. If, however, advice is by letter it would read something like this:

[5] **The General Bank of South Africa**  
LONDON

16th August, 20...

The Aluminium Alloy Co. Ltd., Birmingham.

Dear Sirs,

We have received instructions from The General Bank of South Africa, Durban, to open an Irrevocable Letter of Credit for £625 in your favour and valid till September 15th, 20...



70. Please open a credit of £2,000 in favour of the Atlantic Trading Co., available to them at 30 d/s in respect of 3 shipments of leather goods as specified on attached sheet. The beneficiaries are to draw on you for each shipment as these are effected, and the documents required are Bills of Lading (2), Commercial Invoices (5), Insurance Policy, Consular Invoice and Certificate of Origin in respect of each shipment.

71. Kindly see that the Insurance Policy gives the full cover asked for in our letter, before accepting the draft.

72. The forwarding agent's receipt will be acceptable as evidence of shipment in this case and payment may be made on production of this document by the beneficiary.

73. It will be in order to extend the validity of the L/C until 31st December.

74. As we have placed a further order with our suppliers will you please increase the credit to £1,250 in accordance with attached instructions.

### Explanation of Reference Numbers

<sup>1</sup> <i>proviso</i> :	condition.
<sup>2</sup> <i>anticipate</i> :	begin to use.
<sup>3</sup> <i>time-lag</i> :	delay; loss of time.
<sup>4</sup> <i>given our protection</i> :	honoured on presentation.
<sup>5</sup> <i>a consignment basis</i> :	without fixed prices.
<sup>6</sup> <i>under advice</i> :	drawee is to be notified.
<sup>7</sup> <i>proceeds</i> :	results of sale; money collected.

### TERMINOLOGY OF DRAFTS

*acceptance*: (1) an "accepted" bill; (2) the act of accepting. *agent*: any person who acts, under authority, for another person.

*beneficiary*: the person benefiting by a draft. "*clean*" *B/E*: a Bill of Exchange without documents. "*clean*" *B/L*: a Bill of Lading for goods in good condition

*commission*: a charge made on percentage basis for services.

*copies*: reproductions of a document.

*correspondent*: sometimes this term is used for a bank which acts as an agent for another bank.

*days of grace*: 3 days extra in which to settle a time bill.

*defaulter*: a person who fails to pay a debt.

*documentary draft*: a B/E attached to shipping documents.

*domiciliation*: the depositing of a bill by a drawee with a bank for payment when due (v. to domicile).

*drawer/ee*: a drawer is the person who draws a bill; a drawee is the person drawn upon.

*due date*: date by which a bill must be paid.

*dues*: another word for money due for services.

*endorse (to)*: to sign a document (cheque, bill) passing rights in it to another person.

*evidence (to)*: to prove; to show proof.

*expire (to)*: to come to an end; to be no longer valid.

*extend (to)*: to make a document valid for a longer period.

*honour (to)*: (1) to pay a bill when due; (2) to fulfill an obligation or meet a liability (*neg.* dishonour).

*indemnify (to)*: to compensate a person or free him from liability. *irrevocable credit*: a credit which cannot be cancelled.

*letter of hypothecation*: letter given by exporter to a bank when money is lent against goods shipped; it gives the bank a right of possession of the goods in emergency.

*negotiate (to)*: to sell, or to discount a bill.

*payer/ee*: *payer* – one who pays; *payee* – one who receives. *present (to)*: to send a B/E to the drawee for payment (*Note*: *re-present* – to present again; do not confuse with *represent*); *n.* presentation.

*proceeds*: money received from a sale (*Note*: plural only). *prosecute (to)*: to take legal action against a person when law is transgressed.

*protection*: (“give our bill your protection”) = please pay when due.

*protest (to)*: to notify publicly the non-payment of a B/E so that legal action may be taken.

*re-imburse (to)*: to pay back money given out by a person on one’s behalf. *remit (to)*: to send money.

*renew (to)*: to issue again; extend; make valid again.

*security*: documents or valuables given as cover for loan. *stamp duty*: tax payable on certain documents (U.K.).

*sue (to)*: to take legal action for non-payment.

*surrender (to)*: to hand over, or give up, documents.

*traveller’s L/C*: L/C on which a traveller may draw.

*valid (adj.)*: effective; in order; having force (*neg.* invalid; *n.* validity).

“*value received*”: words on a British B/E indicating that goods have been received by drawee for the amount of the bill.

## EXERCISES

1. Write a letter for a Nigerian importer of hardware, in which you order goods from a British manufacturer's catalogue. Say how you wish to pay, as your firm has not yet done business with the seller.

2. Send a letter to a firm in an English-speaking country asking them to supply you with goods on better terms of payment. At present you are accepting drafts at 30 days.

3. You are asked by your employers, a Swiss export company, to write a letter to an English buyer who complains that he does not want to pay against bills drawn in Swiss francs. Offer the buyer either (a) sterling prices, or (b) payment by Letter of Credit payable in Zurich for each order at an agreed rate of exchange.

4. An overseas firm has asked you to supply them with goods to the value of £450. They suggest that you draw on them at 60 DBS for the amount of your invoice. Write a tactful letter explaining that you can only do this against an irrevocable Letter of Credit confirmed by your bank.

5. A foreign customer has been buying from your firm for a year and has honoured your sight drafts on presentation. He now asks for open account terms with quarterly settlement by B/E. Write two letters, one agreeing to his request and one asking for an irrevocable Letter of Credit covering the amount of his quarterly requirements.

6. Answer an enquiry from a British firm who want to know what methods of payment your firm are prepared to accept.

7. A foreign supplier has drawn a 60 days' bill on you through your bank, and has failed to notify you of the draft, although you had warned him that you would not accept drafts without advice. Write giving your bank suitable instructions, and also send a letter to the drawer of the bill.

8. Send a letter to an English bank enclosing an acceptance from an English importer, and asking the bank to make certain payments to English firms on your behalf against this acceptance.

9. Write to your banker asking him to advance 70 % of the value of a consignment of goods you have just exported to a foreign customer.

10. Send a letter to your firm's bank, enclosing shipping documents and a 90 d/s draft on your foreign customer. Ask them to obtain acceptance and then to discount the bill.

11. Your firm's representative in an English-speaking country has sent you an order and advises you that payment will be by irrevocable L/C. Reply to the

customer. Write also the customer's letter confirming the order and making payment arrangements.

Your bank informs you that a 60 d/s bill drawn by you on a foreign customer has been dishonoured without any explanation. Write to the customer and also give your bank instructions.

## CHAPTER 10

### INSURANCE

Insurance has become a vast subject and now enters into almost every activity of man. The idea of insurance is to obtain some indemnity in the event of any happening that may cause loss of money; insurance is *against risk*. Dancers insure their legs, singers their voices, musicians their hands. It is possible in these days to insure against almost any eventuality that may cause loss of one kind or another.

A somewhat different kind of insurance provides for money to be paid to a person at a certain age as an income, or as a "lump sum", or to be paid to his or her "heirs" on that person's death. This is life insurance and is the kind now usually known in Britain as "assurance".

It is not possible in this book to go into the various forms of insurance for persons, and we will concern ourselves with the insurance of goods.

All sensible business men now insure goods for the full amount of their value; not to do so would be no real economy. Insurance value is calculated as: cost of goods – amount of freight + insurance premium + a percentage of the total sum to represent a reasonable profit for the seller.

While the goods are in a warehouse or store the insurance usually covers the risk of fire or burglary; other risks may also be covered. As soon as the goods are "in transit" they are insured against the same risks, that is while they are being moved from one place to another. "Warehoused or in transit" means that the goods are covered by the insurance whether they are in a warehouse or are in process of being moved.

The usual procedure now is for the manufacturer or merchant to insure "against all risks" (this is a type of *W.A. CLAUSE*, that is to say "with average"); the insurance organizations then do all that is necessary.

The word "average" as used in *INSURANCE* means "damage" (it is derived from the French word "avarie"). "With average" means that the insurers pay

claims for partial losses, whereas “free of particular average” (F.P.A.) means that partial losses are not covered by the insurance.

*Particular Average* means partial loss or damage accidentally caused to the ship or to a particular lot of goods. Particular average must be borne by the owners of the property suffering the loss, and is distinct from General Average, which is distributed over the whole ship, freight and cargo. If, for example, some of the cased cycles, the subject of Letter No. 1, become corroded by seawater a particular average loss has occurred.

*General Average* means any extraordinary loss, damage or expenditure incurred for the purpose of preserving all the interests imperilled: the ship, the cargo and the freight; these are said to form a “common adventure”. A General Average sacrifice is when cargo has to be “jettisoned”, that means thrown into the sea, to lighten the ship; when cargo is damaged by water used to put out a fire; the cost of towing a ship into port for repair, etc. General Average is, in fact, the application of the principle: “that which is sacrificed for all is borne in proportion by all interested in the adventure”. It is older than insurance.

*The York-Antwerp Rules*: as there was some conflict between the law of one maritime country and another, concerning General Average, a code was drawn up called the York-Antwerp Rules, and this is amended from time to time.

## INSURERS

*Insurers* is the name given to the people who undertake to indemnify the *insured* – that is to say the owners of the goods, whether sellers or buyers, who pay what is called a *premium* to the insurers.

The insurers are also called *underwriters*, and are said to *underwrite* the proportion of the indemnification they are prepared to bear. (The word originated with the insurer’s signature under – now usually beside – the proportion he agreed to pay.)

The insurers are either companies, like other business firms, or they belong to the famous organization of Lloyd’s. This is a very old society that started in London in the eighteenth century; the members operate as individuals and their liability cannot be limited. (See note on page 152 for the history of Lloyd’s.)

## DOCUMENTS USED IN INSURANCE

*The policy* is the principal document and is the instrument embodying the contract, but as the policy may cover a certain period of time, or many shipments of goods, another document is used called the *certificate*. This is issued for each shipment that is made, the particulars of the consignment are entered on a *declaration form* and the insurance agents issue the certificate to the senders on behalf of the insurers.



The policy may be known as a “*floating policy*”, that is to say, it covers a large quantity of goods for a fairly long period, usually a year, or it covers goods up to a large sum of money, and such a policy is represented by certificates for each separate consignment.

There is also a procedure of insurance often used now, known as “*open cover*”, by which there is a rather general arrangement between the insurer and the insured, that the latter will have all consignments insured by the former.

A *cover note* is a small document issued by the insurance agents to their customers, to tell them that their goods are insured, and to give proof of this until the policy is ready.

The *premium* is the name given to the sum of money paid by the firm insuring its goods, and it is quoted as a percentage. In Britain the rate is quoted as so many shillings for every £100 value: 5s. % is 5s. premium for £100 of merchandise covered. As an example, British Railways quote for goods and merchandise of every description, with certain exceptions, % of value  $5/9 = 5s. 9d.$ , and for certain easily damaged goods:  $24/9 = 24s. 9d.$  or £1.4.9 %.

## OVERSEAS TRANSPORT

### By Rail

British Railways will see to the insurance of the consignments, whether carried by their train-ferrys or by train and B.R. vessel; the consignors can deal direct with the Railway Authority as they would with Shipping and Forwarding Agents, who will also see to all insurance formalities.

“British Railways are prepared to effect comprehensive insurance on merchandise . by all services from sending point in Great Britain to destination on the Continent and Channel Islands and vice versa.”

The senders endorse the consignment notes at the time of forwarding with the words “Insurance required for £ ...”, which amount should represent, as nearly as possible, the gross value of the goods.

The insurances provide cover against all risks and every risk and all damage or loss, however caused, but excluding delay and inherent vice\* of the goods, at an inclusive premium.

“War Risk” is always an extra to the ordinary “All Risks” policies.

### By Air

Here again the air transport organizations and in particular the State corporations, such as British European Airways Corporation, will undertake to arrange insurance for consignors. This is indicated on the contract form of B.E.A. The consignment is insured under an open policy against all risks of physical loss or damage but again excepting those of war risks, etc.

Generally speaking insurance for all these different forms of transport is the business of the same insurance companies and Lloyd's. In fact the airlines effect insurance with marine insurance underwriters, and individual shippers can cover their consignments independently in the same way.

### By Sea

Here the most complicated form of insurance comes into operation, called *Marine Insurance*, which covers ships and their cargoes.

*Marine Insurance* is very old and in the course of time has collected some rather strange terminology and a large number of conditions.

### CORRESPONDENCE

The senders of the shipment of cycles from London to Malta would communicate with their insurance agents and ask for a rate of insurance – that is to say, the premium they will have to pay.

#### [1] Enquiry for Insurance Rate:

Dear Sirs,

Will you please quote us a rate for the insurance against All Risks of a shipment of:

... cases of CYCLES, from London to Malta, by vessel of the ... Line; value £ ...

The insurance is to be warehouse to warehouse, as from the 15th | April.

Yours faithfully,

.....

When they have been informed of the rate of insurance on the shipment, the senders will instruct the insurance agents *to effect* the insurance.

If the senders have a Floating Policy in existence the basic rites will probably have been agreed and they need no therefore ask for a rate, unless it is for a special consignment outside the agreed schedule.

#### Senders' Instructions to Insurance Agents to effect Insurance

#### [2]

Dear Sirs,

We confirm our telegraphic instructions, as per copy enclosed, and shall be glad if you will *cover us* accordingly, against All Risks, warehouse to warehouse, to the value of £ ..., on:

... cased CYCLES

London to Malta, by M/V "MORECOMBE" ... Line.

The certificate must be in our hands by the 17th at the latest, for presentation with the other documents to the bank with which a Letter of Credit has been opened.

We shall be pleased to have your early acknowledgment.

Yours faithfully,

.....

### **Instructions to Insurance Agents**

1. Please (insure for us) (insure us) on the following: ...
2. Please (cover for us) (cover us on) the goods detailed below: ...
3. Please hold us covered (for) (on) the cargo listed on the attached sheet.
4. The goods are lying at 3 Shed, Royal Docks, London, for shipment to Hamburg (by M/V MERCURY, ... Line) (by first available vessel to Hamburg).
5. The cargo is to be insured ("warehouse to warehouse") (warehoused or in transit) (against All Risks).
6. This consignment is to be covered under our "open cover" terms.
7. We wish to renew our Floating Policy No. 56879 on the same terms as before, to cover consignments of Textile Machinery to West African ports. At the same time please let us have a supply of Declaration forms.
8. We shall have several shipments of Cement over the next 6 months to West African ports and shall be glad to know your lowest rates f.p.a. The average quantity of each shipment will be about ... tons, valued ...
9. We enclose two declaration forms, duly completed, for shipments of General Merchandise to Sydney and Melbourne respectively. As this will nearly exhaust the amount of the cover under our Policy No. 97539 we shall be glad if you will renew this for a further £10,000.
10. We leave the insurance arrangements to you but we wish to have the goods covered against All Risks. The premium is to be charged to the consignees, together with all expenses of forwarding, and will be paid by them on presentation of the documents by your agents in ...

### **Replies from Insurance Agents**

12. We thank you for your instructions to arrange the shipment of ... We take it that you wish us to insure this cargo against the usual risks, for the value of the goods plus freight. Unless we hear from you to the contrary we shall arrange this.
13. We will effect insurance against All Risks, as requested, charging premium and freight to the consignees.

14. We note that you wish to renew the Floating Policy No. 56879 W.A. covering Textile Machinery to West African ports, on the same terms; we presume you wish again to have cover up to £15,000.

15. We thank you for your enquiry concerning the shipment of several consignments of Cement to West African ports, for which we can quote you as follows: ... We presume the Cement will be packed in stout paper bags.

16. Owing to the fact that these bags are frequently dropped into the water during the unloading in African ports, the Insurers have raised the premium to ... %. We are therefore of the opinion that it would be to your advantage to have W.A. cover instead of F.P.A. The rate for W.A. would be ... %.

### INSURANCE CLAIMS

As soon as the ultimate purchasers receive delivery of the consignment, or collect it from the port, airport or goods station agreed on, they must inspect the goods; this should be done without delay, otherwise their claim on the insurers may be jeopardised. However, it is not enough for the buyers to inspect the goods, if damage is discovered; the insurance companies and Lloyd's will not pay compensation unless they receive a report on the damage from a properly qualified and disinterested person. Such a person is called an insurance surveyor, and in large centres there are, of course, several surveyors. If the surveyor is employed by Lloyd's then he is a "Lloyd's surveyor".

The receivers of the goods call in the surveyor to inspect the packing – cases, crates, casks, etc. – and the contents, and to report on the nature and extent of the damage. If the insurance companies and Lloyd's did not require such a report they would soon be out of business, because it would be very easy for buyers to say that the goods had arrived damaged and then put in a claim for compensation.

The buyers report the damage also to the sellers. If, as is probably the case, they will not be able to sell the damaged goods they usually ask for *replacements*. For these they will have to pay separately, setting the amount of the indemnification against this additional payment to be made. In some cases they may be able to sell the goods at a considerably reduced price, as, for example, if the articles have been scratched or chipped; if materials have been spoiled by sea water, fresh water, oil or other stains, part of the material can, perhaps, be cut off and the rest sold.

The letter written to the senders of the consignment will be on the following lines:

## From Receivers to Senders, reporting Damage

Dear Sirs,

Our Order No ...

... On arrival of S/S ... at ... port the ship's agents noticed that case No was damaged, and notified us accordingly. We therefore had the case opened and examined by Lloyd's agent here.

The number of articles in the case is correct according to the packing list\*.

*But the following articles are broken:*

### List of broken articles

... We enclose copies of the report of the survey and of the ship's agents that the damage was noticed when the case was unloaded at ...

... As you hold the policy we shall be much obliged if you will take the matter up with your insurance agents, on our behalf; the number of the insurance certificate is, as you know, No ...

In the meantime we shall be glad if you will send us replacements for the broken articles, as we need these to be able to complete our sales to our own customers.

We await your reply in due course.

Yours faithfully,

.....

Two points should be noted in connection with the above letter:

Was the Bill of Lading "clean"? If so, the shipowners accepted the case as "in good condition", or as "in apparent good condition", and are therefore liable; if they contend that the damage was owing to insufficiently strong packing, they should have "closed" the B/L to that effect when they accepted the consignment for shipment.

The sale must have been on C.I.F. terms, and the sellers arranged the insurance, sending a certificate to the buyers. As the insurance is evidently of the type known as "floating" the sellers will continue to hold the policy, which must be produced to the insurers when a claim is made, as the amount of the claim is endorsed on the policy.

If the sale had been F.O.B. or C & F. the buyers would have arranged insurance themselves, and the letter would be differently worded at the end, probably as follows:

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\* If the cases contain different kinds of goods, a packing list is enclosed as a check; in this case it shows that the full number of articles was in the case and, furthermore, that there had been no pilferage.

*Alternative fourth paragraph for Letter No. 3:*

“We are making a claim on our insurance company and will let you know the result in due course.”

### **Paragraphs for Reports Concerning Accidents Involving the Principle of General Average**

16. In heavy weather off the coast of France the vessel's rudder was damaged and she was rendered helpless, having in consequence to be towed into Bordeaux, where repairs are now being undertaken. The expenditure thus incurred will be payable by the ship, freight and cargo in proportion to their respective value, and we, as Average Adjusters\*, have been appointed to prepare the necessary adjustment.

17. During discharge from the vessel it was noticed that several bales were very damp and badly water-stained. We attribute this to water used to extinguish a fire that broke out in a hold of the vessel, when there was a forced discharge of cargo from that hold.

### LLOYD'S

This is the name of the greatest insurance organization in the world, but it acquired this name in a rather unusual way Mr. Edward Lloyd kept a coffee house in the City of London, in the eighteenth century\*\*, and there the “underwriters” used to meet because it was a good centre for news concerning ships.

Later in the same century, after several changes of home, the underwriters occupied the third building of the Royal Exchange (earlier buildings having been destroyed by fire), and organized their business under a Committee of their members. In 1928 they moved to a big new building in Leadenhall Street, and as this soon became too small an extension was built and opened in 1958.

Lloyd's is not an insurance company or corporation; the members work as individuals, though usually in syndicates. To become a Lloyd's underwriter it is necessary to be approved by the Committee and to pay a very large sum as entrance fee as well as an annual subscription. Lloyd's underwriters are not allowed limited liability, but in the rare cases of failure (as also in the London Stock Exchange) the insured are not allowed to suffer and the Committee pays the outstanding claims.

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\* *Average Adjuster* is an authority on all aspects of marine insurance law and loss adjustments; he is the expert who assesses the losses and contributions under a General Average act. He is a kind of umpire or referee.

\*\* Lloyd's is in fact first mentioned in the records of 1688.

As the result of the marine insurance business, Lloyd's branched out into shipping intelligence, and *Lloyd's List* is published every day, giving the movements of ships and information of "casualties". *Lloyd's Register*, published every year, contains information regarding ships themselves: age, nationality, owners, build, tonnage and classification of all ships surveyed by Lloyd's and conforming to its rules. The classification "A1-100 Lloyd's" is a guarantee to any prospective purchaser or charterer that the vessel is in good condition and thoroughly "seaworthy".

### LIST OF INSURANCE TERMS

*adjuster; adjustment; to adjust, assessor; to assess damage.*

*claim; to claim; to make a claim; to put in a claim.*

*compensation; to compensate.*

*cover; coverage; to cover; to hold covered.*

*datnaged (for goods).*

*indemnity; to indemnify.*

*injured (for persons and animals).*

*insurance; insurers; insured; to insure; to effect insurance.*

*loss; to lose.*

*premium; rate of premium; rate of insurance.*

*renewal; renewable; to renew.*

*replacement; to replace.*

*risk; to risk.*

*survey; surveyor; to survey; to make a survey.*

### EXERCISES

1. Write a letter to insurance agents, telling them you have a cargo of machinery for shipment from Liverpool to a South American port, and asking them to arrange insurance.

2. Show in a letter how you would deal with the matter of the renewal of a Floating Policy.

3. Write a letter from insurance agents, in which they say that the premium on certain goods to a certain destination (which you specify) has been increased; say why this has been done.

4. Write to your insurance agents, pointing out that as special packing is now used for certain goods, you think that the insurance rate could be lower.

As the insurance agents, reply to this letter.

5. Notify your suppliers of certain damage to a consignment received and say what action has been taken.

## CHAPTER 11

### COMPLAINTS, ERRORS, ETC.

It should not be necessary to complain. In ideal business conditions everything should be done so carefully details of offers and orders checked, packing supervised, handling of goods carried out expertly – that no mistakes are made and nothing is damaged. Unfortunately, as in other walks of life<sup>1</sup>, nothing goes so well as that. Errors occur and goods are mishandled; accidents happen, usually because of hurry and lack of sufficient supervision. In certain matters, where it may be a question of fatal consequences, supervision must be – and indeed is – scrupulous, but in less vital matters this is not always so. There is often a shortage of staff owing to illness or holidays, sometimes a shortage of sufficiently trained staff, with resultant haste and overwork, and so the mistakes creep in.

It is – or should be – appoint of honour<sup>2</sup> with a good firm never to blame its employees when writing replies to complaints; the firm has undertaken the work and the staff is part of the firm, therefore the firm itself is at fault.

Two kinds of complaint are frequently made by buyers:

(1) The genuine complaint arising from the delivery of wrong goods, damaged goods or not enough goods; there is also the matter of the goods not being of the kind expected.

(2) There is the complaint made by a customer who does not want to pay, or who finds that the goods could be bought more cheaply elsewhere and who therefore wants to get out of<sup>3</sup> a contract; this usually takes the form of a complaint that the goods are not according to the sample or description, or that there is some fault in them. The sellers know that the complaint is unsupported by the facts but they have to prove this, which is not always easy when the buyer is on the other side of the world.

*Damage*, whether by accident at sea or on land, is a question of an insurance claim; no sensible firm nowadays fails to insure the consignments. This matter has been dealt with in the previous chapter, on Insurance.

*Delay*, of one kind or another, is another cause for complaints. If the sellers know that there will be a delay they should, of course, inform the buyers. However, if the lateness in delivery is not likely to be serious the sellers may not let the buyers know, so as to avoid giving a bad impression or undermining confidence.

Examples of these letters were given in Chapter 6 on Orders and Chapter 9 on Shipping and Forwarding. These examples were from the sellers' viewpoint





### **Poor Quality Goods**

1. You have supplied goods below the standard we expected from the samples.
2. The bulk of the goods delivered is not up to sample.
3. The goods we have received do not tally with the sample on which we ordered.
4. Unfortunately, we find you have sent us the wrong goods.
5. On comparing the goods received with the sample, we were surprised to find that the colour is not the same.
6. Evidently some mistake was made and the goods have been wrongly delivered.
7. The finish is not good and the enamel has cracked in some places.
8. The heads of the screws should have been below the outer surface whereas they stand out above it.
9. The chromium finish is not so bright as it should be and in some places is discoloured.
10. The pattern is uneven in places and the colouring varies.
11. We cannot possibly supply our customers with the articles we have received from you.
12. Our chemist reports that the content is not up to the (percentage) (proportion) agreed.
13. We have had an analysis made and the analyst reports (that the chemical content is ...% less than guaranteed) (that the compound is ...% deficient in).
14. We cannot accept these containers as they are not the size and shape we ordered.
15. We find that you have sent us an article marked DC/56 instead of the BC/56 we ordered; we take it that this was due to a typist's error, but as the articles sent are not of the type we stock, we must ask for replacement by the correct number as soon as possible.

### **Missing from the Delivery**

16. On checking the goods received we find that several items on your invoice have not been included; we enclose a list of the missing articles.
17. Unfortunately you have not sent us all the goods we ordered; the following are missing.
18. There is a discrepancy between the packing list of case 52 and your invoice: 3 dozen Tea Services are correctly entered on the invoice but there were only 2 dozen in the case.
19. We regret to have to tell you that case 20 contains only 10 Plastic Bowls instead of 12 entered on the packing list and also on the invoice. The case shows

no signs of pilferage and we shall be glad if you will check up with your packers before we make a claim.

20. You have short-shipped this consignment by 1 cwt.

The buyers need not accept any goods received that are not in accordance with their order, except as the result of alterations made by agreement with the sellers, but they may make an offer to keep the goods at a reduced price.

The buyers are entitled to return to the sellers any goods received that they did not order, but in export trade it is usual for the buyers first to find out what the sellers' wishes are in the matter. This is a question of courtesy and consideration, as the reimportation of goods into a country will involve Customs entries and other formalities, to say nothing of the actual cost of freight and insurance. It is also possible that the wrongly delivered goods may have been intended for another customer in the same country as the receivers, and so the goods can be sent on to the correct address. It is better if the sellers instruct their own shipping and forwarding agents to attend to this, through their branch or correspondents in the country of the buyers, rather than involve the latter in the trouble of sending on goods. (*Note* the fourth paragraph of Letter No. 3.)

#### **Offer to keep Goods at a Reduced Price**

21. Although the quality of these goods is not up to that of our usual lines we are prepared to accept them if you will reduce the price, say<sup>7</sup>, by.....

22. We are only prepared to accept the goods sent if you are willing to make a substantial reduction in the price.

#### **Complaint of Delay**

23. When we sent you our order we pointed out (that prompt delivery was most essential) (that early delivery of the goods was absolutely necessary).

24. We urged on you the importance of the time factor.

25. The delivery time was clearly stated on our order and your (acknowledgment) (acceptance).

26. In your acknowledgment of our order you stated that the consignment would be dispatched within (two weeks) (a fortnight) and we are therefore very surprised that we have had no Advice of Dispatch yet.

27. We are at a loss to understand<sup>8</sup> why we have not heard from you.

28. We are still without your Advice of Dispatch of the cameras; we are receiving urgent requests from customers and you will understand that this delay places us in an awkward position.

29. As you know from our previous correspondence, these goods represent a considerable part of a big order, and., it is absolutely essential that the delivery

should be punctual, otherwise the installation of the machinery cannot be carried out by the date agreed.

30. You will remember that it was agreed the goods would be shipped in time to arrive here by the end of the month.

31. If the goods have not yet been shipped we must ask you to send them by air.

32. Our stocks may become too depleted for us to be able to cope with the Christmas trade.

33. An explanation of this delay will be appreciated.

34. We must ask you to dispatch the consignment immediately, if you have not already done so, and in any case please inform us by cable what the position is.

35. We hope to hear from you by return that the consignment is on its way.

36. We have asked our bank for information but they say they have not received any documents from you yet.

37. Any delay now will cause us a loss of business.

38. Although we have had no news from you since your letter of the 5th of last month, we have no doubt that you did ship the goods on the 24th as agreed, but, owing to your failure to keep us informed, we have not been able to obtain insurance cover and the goods are therefore being carried at your risk.

39. Our Import Licence is due to expire on the 30th of this month, and if there is any delay in renewing it the consignment may have to be held up<sup>9</sup> at the docks, which will add to the cost of the shipment and cause great inconvenience. We therefore urge you to do everything possible to hasten the dispatch.

### **Bad Packing**

The *four main* headings under which neither Transport nor Insurance firms will accept liability: Act of God; the King's (or Queen's) enemies; inherent vice; and negligence, have been fully. The last of the four implies "negligence" on the part of the senders, and includes packing of the wrong type, insufficient packing, and carelessness in packing; in fact any defect that causes breakage, for which the transport people will then not accept responsibility.

40. We much regret that we have to complain about the way in which the consignment just received has been packed.

41. The packing inside the case (was too loose) (was insufficient) with the result that there was some shifting of the contents and several cups and plates have been broken. The attached list will give you details.

42. Some of the polythene bags seem to have burst, either as the result of chemical action of the contents or because the polythene is not thick enough. It would be advisable to have tests made to discover the cause of the breaking.

43. The seams of the jute sacks do not appear to have been strong enough, with the result that they have given way<sup>10</sup>, thus allowing the contents to run out.

44. The adhesive tape seems to have dried in some cases, so that the lids became loose. We would therefore advise you to see whether the tape used was defective in any way.

45. The cartons appear to have been very roughly handled at some time during loading or discharging, but fortunately the metal bands held firm and the contents have not suffered any damage.

46. One of the parts in case No. 69 came adrift<sup>11</sup> and has been dented, in consequence of contact with the other parts. We believe we can have the dent pressed out, but this may affect the selling price and in that case we must reserve the right to call on you for compensation.

47. We have had the case and contents examined by the insurance surveyor but, as you will see from the enclosed copy of his report, he maintains that the damage was probably due to insecure packing and not to any unduly rough handling of the case.

### **Warnings of Cancellation, etc.**

Warnings and threats should not be used too liberally, or they will only create bad feeling and in many cases would be quite unnecessary, even unwise. However, if there are constant or needlessly prolonged delays, or frequent mistakes in carrying out orders, the buyers may be obliged to write in this way. The following are the usual phrases in English writing.

48. We must ask you to carry out our orders more carefully in future.

49. We must insist on more careful (execution of our orders) (attention being given to our instructions).

50. We regret that unless we hear from you by return we shall be obliged (to cancel the order) (to terminate the agreement).

51. We shall be (forced) (compelled) to hand the matter over to our solicitors.

52. We shall much regret having (to take this step) (to take such action) and we hope it will not be necessary.

53. We trust\* you will not make it necessary for us (to do this) (to take legal action) (to take such a step).

### **Correct but Too Pompous Wording**

54. These delays are causes of great inconvenience to us, necessitating the making of constant excuses to our customers.

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\* Note that "trust" might be used here, as it is a complaint, but in general it is a word that is out of fashion now and "hope" is used instead.

55. We must insist on your informing us telegraphically ...
56. This delay is threatening the loss of our best customers ...
57. We must stipulate that punctual delivery be regarded as an integral condition of all orders and we reserve the right to rescind the contract in the event of default in this respect.
58. It is imperative that you lose no time in conveying this information to us.
59. Be so good as to make every effort to prevent our taking such an unwelcome step.

### **Faulty English**

60. We found half the goods destroyed. (Better to say damaged, broken, smashed, torn, beyond repair, unusable, unsaleable; “destroyed” is complete – and by what?)
61. The packing was drenched. (Say: soaked, saturated, wet through; “drenched” gives a rather different meaning.)
62. The goods do not meet our satisfaction. (Say: are not satisfactory, we are not satisfied with the goods.)
63. These goods are the worst we have received from you. (This would mean that other goods received were also bad.)
64. We are quite disgusted with the packing of the goods. (“Disgusted” is a strong word to use here, unless the packing is really in a terrible state: it can, of course, be used in certain circumstances but on the whole is better avoided.)

### **REPLIES TO COMPLAINTS**

These should always be courteous; even if the sellers think that the complaint is unfounded they should not say so until they have good and reliable grounds on which to repudiate the claim. All complaints should be treated as serious matters and thoroughly investigated.

If the sellers are the first to discover that a mistake has been made they should not wait for a complaint, but should write, cable or telephone at once to let the buyers know, and either put the matter right or offer some compensation.

On receiving the complaint the sellers will make investigations, and if the complaint is justified they will at once apologize to the buyers and suggest a solution. If the buyers have offered to keep the goods, the sellers will probably agree to this and to a price reduction. The amount of the reduction would depend on how bad the mistake is, and in some cases a substantial reduction, even with consequent loss, is of more advantage to the sellers than the expense and trouble of having the goods returned to them, and of causing inconvenience to their customers. However, if the value of the goods in question is high, it may be advisable to have them returned, although even in this case the added risk of damage in further transport may not be worth incurring.

There is no need for the sellers to go into a long story of how the mistake was made. A short explanation may be useful but, generally speaking, the buyers are not interested in hearing how or why the error occurred but only in having the matter put right, in receiving the goods they ordered or at least value for the money they have paid-or in knowing when they may expect to receive the delayed consignment.

In *no* case should the sellers blame their staff; their sole aim is to put the trouble right and restore good relations with their customers.

**[3] Exporters Reply to Letter No. 1, which complained of Wrong Goods Received**

Dear Sirs,

Your Order No ..... per S,S

Thank you for your letter dated .... We were glad to know that the consignment was delivered promptly, but it was with great regret that we heard case No ... did not contain the goods you ordered.

On going into the matter we find that a mistake was indeed made in the packing, through a confusion of numbers, and we have arranged for the right goods to be despatched to you at once. Relative documents will be mailed as soon as they are ready\*.

We have already cabled to inform you of this, and we enclose a copy of the telegram.

We shall be much obliged if you will keep case No ... and contents until called for by the local agents of World Transport Ltd., our forwarding agents, whom we have instructed accordingly.

Please accept our many apologies for the trouble caused to you by the error.

Yours faithfully,

.....

Encl.

**[4] Exporters' Reply to Letter No. 2, which complained of Inferior Quality**

Dear Sirs,

We have received your letter of 14th October and thank you for sending us the two samples of cloth for examination.

We have passed these on to the factory for comment and we quote the following from their reply:

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\* *Note* that if a payment has already been made through a bank these documents do not need to be handed to the bank but can be sent direct to the customer.

“It was found that some short-staple yarn<sup>12</sup> had, by mischance, been woven into the material, and this cloth was put on one side for disposal in a suitable market. Evidently through an oversight some of the cloth was packed in your consignment. The factory manager was very grateful for the samples, as it is possible other buyers may have received these imperfect goods, and enquiries are being made accordingly.”

We told the manufacturers how greatly concerned we were over your disappointment in the quality, and the fact that you had supplied the cloth to new customers. They expressed their very great regret, and we have arranged with them for the immediate dispatch of replacements, *franco domicile*<sup>13</sup>, duty paid. Furthermore, they guarantee the quality of the cloth now sent.

If you care to dispose of the inferior cloth at the best price obtainable for it, we will send you a Credit Note for the difference as soon as we hear from you.

We apologize sincerely for the trouble caused to you, and will take all possible steps to ensure that such a mistake is not made again.

Yours faithfully,

.....

In the case of Letter No. 2, the sellers might not admit any fault in the cloth, and among the following sentences are some that they could use:

### **Replies to Complaints of Poor Quality**

65. We were very sorry to receive your complaint that the material you received was not of the quality expected.

66. We have been supplying the same material for some time past and have had no complaints about it so far.

67. The defect may be due to a fault in a machine and we are having a check-up made on all the (machines) (looms).

68. The samples you sent us are not large enough to judge by and we shall be much obliged if you will return us the whole piece. The cost of returning will, of course, be borne by us.

69. We think the best procedure will be to have the pieces examined by an expert and we are arranging for this to be done.

70. We have asked our Shipping Agents to collect the case from you, for delivery to the customer to whom it should have been sent.

71. We shall be glad if you will return the goods to us, and we have arranged for the collection by...

72. The (articles) (appliances) were carefully examined in the usual way before being packed and we cannot understand how the enamel came to be cracked. As our Export Manager is paying a visit to your country next month he



will call to see you, and we shall be much obliged if you will keep the articles on one side until he can inspect them.

73. We greatly regret the mistake in the number, which resulted in your receiving the wrong articles...

74. We were sorry to see from your letter that you expected to receive No. BC/56; on looking at your order again we see that what looked like a "D" could indeed be "B", but the typing was smudged and not clear. If you will examine your own copy of the order we think you will see that this is so. Furthermore we stated DC/56 on our acknowledgment and this must have escaped your notice.

### **Goods Missing from the Delivery (Short-shipped – Short-delivered)**

75. On receiving your letter and list of goods you say were missing from the consignment, we checked up with the packers. It appears that an extra case had to be used to take all the articles of the order, and this case is included on the Bill of Lading, as you will see if you examine one of the copies.

We would suggest that you make enquiries of the Agents in your port.

76. We greatly regret that you received only 2 dozen instead of the 3 dozen ordered. On investigation we find that the packers misread the number, and we have arranged with them for the immediate dispatch (of the missing 1 dozen) (of the 1 dozen short-shipped).

77. According to our records the complete dozen were packed and we are afraid that the case must have been opened, although it may show no signs of this. We can send you evidence of the correct shipment, so that you can take the matter up at your end. If you require any action on our part please let us know.

78. On making enquiries concerning the missing drum we have discovered that it was left behind on the quay; the shipping agents inform us, however, that it was put on the next ship, the M/v ..., which is due to arrive at your port on 6th February. The local agents have already received advice of this and will communicate with you on the arrival of the a/m vessel.

### **Replies to Offer to Keep Goods at a Reduced Price**

79. We appreciate your offer to keep the goods wrongly delivered, and we are ready to allow ... % off the invoice price. We hope this will meet with your approval.

80. In view of the high quality of the article, we regret that we cannot reduce the price. If you are unable to accept it, we will make arrangements for its collection and (return to us) (delivery to another customer).

### **Replies to Complaints of Delay**

81. We received your letter of September 4, and immediately cabled you, as per copy enclosed, stating that the goods were dispatched on the 1st, which we confirm.

82. There was a slight delay due to the breakdown of a machine, which held up (production) (packing) for (a day) (a day or two), but as we knew it would not affect the delivery limit we did not notify you.

83. The goods are already on their way and the documents were duly handed to the bank.

84. Our Advice of Dispatch was mailed to you and you will doubtless have received it by now.

85. We much regret that you had the trouble of writing to us, and your letter must have crossed with ours advising you of the shipment of the consignment.

86. The factory have advised us that owing to an unexpected demand, they have not been able to cope with orders and are behindhand with some deliveries.

87. We have asked the manufacturers to give your order priority, which they have promised to do.

88. Owing to a lightning strike in the factory the production; was held up for twenty-four hours. The strike has been settled but there is likely to be some delay, although the workers are on overtime.

89. We much regret that no priority can be given, but you can be sure that all orders are being executed in strict rotation.

90. We are extremely sorry about this delay, which you will realize was due to circumstances beyond our control.

(Note that all contracts contain clauses exempting suppliers and transport people from any liability due to *strikes* and such actions outside the control of the senders and carriers.)

### **Replies to Complaints of Bad Packing**

91. As soon as we received your letter we got in touch with the packers and asked them to look into the matter.

92. We have passed on your complaint to the firm of packers that handled this consignment, and have asked them to send us a report.

93. We have been in touch with the manufacturers of the bags and have asked them (to strengthen the material) (to reinforce the seams).

94. Our stock of adhesive tape has been carefully examined and it seems to be in very good condition. We can only surmise that the tins were exposed to heat, or the cartons may have been stowed near boilers.

95. The packers do not agree that there is any defect in the material used, and there have been no previous complaints; they maintain that the cases must have (had) (been subjected to) very (rough handling) (rough treatment).

96. We are very pleased to hear that the metal bands held firm, but we will use stouter packing in future.

### **Replies to Warnings of Cancellation**

97. It was with great regret that we read your final remark, and we sincerely hope you will not consider it necessary to take such a drastic step.

98. We should like to say that we greatly appreciate your patience in this most unfortunate matter, but as we have hopes of getting it cleared up in the very near future we would ask you to do nothing final yet.

99. We feel that your threat of cancellation is unjustified and we shall be obliged to hold you to your contract.

100. As we do not feel we have had the co-operation from you (that we expected) (that we were entitled to), we ourselves are not prepared to continue the contract and will give you due notice of termination.

## **HOW NOT TO WRITE**

### **Do not write in a reply to a complaint**

101. We are astonished at your complaint, as no other customers have ever found fault with our material. The delay was not our fault.

102. As the mistake was made by you we cannot agree to the return of the goods.

These remarks may be justified but they are not tactfully expressed, to say the least. Also the expression “not our fault” sounds rather childish if written by a business firm.

## **LEGAL ACTION**

A note here on the taking of “legal action”: no sensible firm does this except on the advice of a lawyer. The language of the law in all countries is inclined to be rather old-fashioned and difficult to understand, but more simple language is often dangerous as it may be differently interpreted; for this reason the actual wording of contracts of any kind should also be subject to the approval of a lawyer. Business men prefer to write in a straightforward and simple way, but care must always be taken in writing a letter to a firm in another country. Misinterpretation may lead to legal action.

## Explanation of Reference Numbers

- <sup>1</sup> *other walks of life*: people in different circumstances.
- <sup>2</sup> *appoint of honour*: a matter of conscience.
- <sup>3</sup> *to get out of*: (1) to withdraw from the liability binding in a contract or agreement; (2) to overcome a difficulty.
- <sup>4</sup> *we duly received the documents*: the documents are the shipping documents.
- <sup>5</sup> *we are holding the a/m case at your disposal*: this means that we have not accepted the case and contents, which are still the property of the senders I
- <sup>6</sup> *to say nothing of*: not to mention.
- <sup>7</sup> *say, by ...* (1) used, as here, to indicate a suggestion; (2) to indicate a sum of money repeated in words after the figures.
- <sup>8</sup> *at a loss to understand*: we Cannot find any reason.
- <sup>9</sup> *to be held up*: to be delayed.
- <sup>10</sup> *have given way*: have not been able to hold firm and have therefore broken or collapsed.
- <sup>11</sup> *came adrift*: became unfastened (it is derived from boats and ships; “to cast adrift” is to unfasten the vessel).
- <sup>12</sup> *short-staple yarn*: the thread or yarn used in weaving may have a basic short or long length, according to the natural wool; long staple gives the cloth greater strength.
- <sup>13</sup> *franco domicile*: see the price terms.

## SOME VOCABULARY OF CHAPTER 11

- AWKWARD (*adj.*): difficult, inconvenient.
- BULK (*n.*): (1) the goods delivered in a sale by sample;  
(2) the majority, most of the goods.
- CHECK UP (*v.*): see if everything is all right.
- COPE WITH (*v.*): manage, but always with some difficulty.
- DISPOSE OF (*v.*): (1) get rid of; (2) sell.
- FINISH (*n.*): the completed surface of the article or material.
- ITEM (*n.*): used only to refer to something *in a list*, in a catalogue.
- LINE (*n.*): the kind of material or article dealt in or made, the kind of business.
- MISSING (*adj.*): what is not there but should be.
- PILFERAGE (*n.*): petty theft.
- REPLACEMENT (*n.*): in the case of breakage or wrong delivery another consignment of the goods ordered is sent to take the place of the broken, damaged or wrongly delivered goods.
- STAFF (*n.*): the employees.
- SUBSTANTIAL (*adj.*): big, large.
- TAKE FOR GRANTED (*v.*): presume (usually abbreviated to: take it).
- TEXTURE (*n.*): structure of material, thickness, weave of fabric.
- VIEWPOINT (*n.*): point of view.

## EXERCISES

1. Write a letter from buyers, saying that some articles are missing from a delivery.
2. As the suppliers, reply to the previous letter.
3. As buyers, write to your suppliers and ask them why you have not had any advice from them yet of the dispatch of a consignment.
4. Write a letter from buyers in an eastern country, informing suppliers that certain articles they sent have been affected by the heat, in spite of a guarantee that this would not happen; say what you propose in the matter.
5. As exporters, write to your customers advising them about a strike that may delay shipment of their order.
6. Write to your suppliers and inform them that several articles in one case have been broken, owing to insecure packing; the insurance surveyor has reported this.
7. As the exporters, write a tactful letter to customers who have complained that the material they have received is not like the samples on which they gave the order.
8. As suppliers, reply to a complaint of missing goods, asking customers to make a careful check at their end, as everything was correct when the goods were packed and shipped.

## SENTENCES FOR CORRECTION OR IMPROVEMENT

1. The shipping agents did not communicate us on the matter.
2. The goods must have arrived on the 25th (this is a complaint of delay).
3. Kindly check with the shipping agents and inform us<sup>1</sup> about it.
4. Let us know please if you can deliver the goods until the 25th ...
5. The mistake is on your hand.
6. According to the delay we have great troubles.
7. The cloth is not conform to our order.
8. The goods have sustained an injury.
9. We suppose you will solve the problem satisfactorily.
10. Allow us to deduct the correspondent value of the goods.
11. We are dissatisfied of the goods sent to us.
12. In case you will not agree to make this deduction we | have to send back the goods.
13. Your letter complaining us about we sent you wrong goods.
14. We apologize of this mistake.
15. We are agreed with your request to reduce the price.
16. From our control of the goods we have seen ...
17. We have controlled our stock and have found ...

## CHAPTER 12

### AGENCIES

A vast amount of international trade is handled not by direct negotiation between buyer and seller but by means of agencies, usually in the country of the buyer. Of course, a great and powerful manufacturer or trader can establish his own organisation in a foreign land, and this is usually done by founding a separate company in that country; alternatively, he may establish branches abroad, as far as the law of the land concerned permits. Both methods call for great capital outlay and are beyond the means of the vast majority of export traders, and even for those who could afford to establish branches it is very questionable whether these branches would prove economical to run. It is therefore not surprising that agencies flourish and continue to handle a great volume of trade.

This chapter deals with the correspondence of agencies, and for the better understanding of the letters and phrases contained in it, we will refer briefly to some of the various types of agents.

The FORWARDING AGENT has already been described in Chapter 9, and this type of agency should be mentioned again here because there is a growing tendency for forwarding agencies to extend their activities into the field of transport, negotiation, financing of incidental expenses involved in the movement of goods, and even buying on their own account.

#### MERCANTILE AGENTS

In this classification there are *Selling Agents* who may be general agents for a number of foreign exporters, main agents for one particular foreign exporter and with “exclusive” (or “sole”) agency rights, or particular agents specially appointed to act exclusively for one foreign principal.

Then there are *Buying Agents* who purchase goods for and under instruction from principals in their own country or abroad.

All these agencies have one thing in common – they act under some degree of instruction from their principals, and receive payment for their services under some kind of agreement or contract.

There are, however, other types of mercantile agencies with varying degrees of Authority. Among these are *Brokers*, who negotiate Sales and Purchase contracts for buyers and sellers, without rights of their own in the goods: then there are *Factors* who have authority to sell in their own name for the principal, to receive payment, and to sell at times and prices which they consider advisable. (Fruit, agricultural products and raw materials are often handled by factors or brokers.)

## COMMISSION AGENTS

In this classification there are both *Buying Agents* and *Selling Agents*. These are free agents, acting in their own names and buying or selling goods for foreign buyers or sellers on the best terms obtainable. They charge a “commission” for their work and attend not only to the buying or selling, but to the shipping and despatch.

## MERCHANT SHIPPERS: IMPORT/EXPORT MERCHANTS

In this class are those firms who buy and sell entirely in their own right and for their own account, but who may be considered as agents in the wider meaning of the word. Their function is rather like that of the wholesaler in the Home Trade, with the added work of attending to the shipping arrangements.

The letters which follow deal less with the routine side of the work than with the particular problems of agencies themselves – terms of operation, competition, supplies, etc. The more personal and idiomatic style of this correspondence should prove of value to the student, for much of the subject matter and idiom is readily applicable to other matters than agency business alone.

[1]

### **Importer asks for Agency**

L. PETERSON LTD.  
COPENHAGEN

4 th Jan., 20...

Modern Garden Implements Ltd..  
Birmingham, England.

Dear Sirs,

The excellent quality and modern design of your mechanical garden tools, a selection of which we saw recently in action here, appeals to us very much. We have since seen your full catalogue and are interested to know whether you have considered the possibilities of the market in this country.

As a leading house of importers and distributors of many years' standing in this trade, we have an extensive sales organization and a thorough knowledge of the Danish market. We think your products would have a good sale here, and are prepared to do business with you either on a consignment basis or by placing firm orders, if your prices and terms are right.

We are also interested in handling a sole agency for you, which we think would serve your interests to the best advantage, and also be more acceptable to ourselves.

Please let us have your views on these proposals: if you are interested in establishing an agency here, our Mr. Erikson would be pleased to call on you in March, when he will be in England.

We look forward to your reply.

Yours faithfully,  
L. PETERSON LTD.

[2] **Manufacturer Replies: Answer to Letter No. 1**

MODERN GARDEN IMPLEMENTS LTD.  
LONG LANE  
BIRMINGHAM

9th Jan., 20...

L. Peterson Ltd.,  
Copenhagen.

Dear Sirs,

We thank you for your letter of 4th January and are pleased to hear that you find our products satisfactory and that you think there is room for expanded sales in Denmark.

If your Mr. Erikson will call on us when he is in our district we shall be pleased to discuss the possibility of coming to an arrangement with you, but we have not yet made any decision about an agency. Perhaps you would like to give us some idea of the terms on which you would be willing to operate as our agent, and approximately what amount of stock you would wish to hold.

Meanwhile we have pleasure in sending you our export catalogue with full details of discounts, and we should be pleased to supply you with an initial order at these prices against your Letter of Credit, available by draft on an English Bank at 60 days after shipment of the goods.

Yours faithfully,  
MODERN GARDEN IMPLEMENTS LTD.

[3] **An Agency is Confirmed**

OFFICE AUTOMATS LTD.  
LONDON

27th March, 20...

Olympus A.G.  
Stuttgart.

Dear Sirs,

We are pleased to confirm the agreement reached at the recent discussions at Stuttgart between you and our Mr. P. Henry, and look forward very much indeed to a successful co-operation.



Before the contract is drawn up for signature we should like to re-state the main points of the agreement, viz.:

1. That we operate as Sole Agents for a period of three years from date of agreement<sup>1</sup>.

2. That we receive a commission of 10 % on all sales of your machines in the United Kingdom.

3. That we handle no other imported machines of a competitive type.

4. That we render you monthly Account Sales<sup>2</sup> and accept your drafts on us for the net amount of these sales.

5. That we maintain a comprehensive range<sup>3</sup> of your products prominently displayed in our main showrooms in Kingsway, London.

We look forward to your letter confirming these points, or your draft agreement<sup>4</sup>. With all good wishes,

Yours faithfully,

.....

**[4] Exporter Offers an Agency**

Dear Sirs,

In view of the steady increase in the demand for our beauty preparations<sup>5</sup>, we have decided to appoint an agent to handle our export trade with your country.

From our own observations coupled with the experiences of competitors, we are convinced that there is an enormous market potential<sup>6</sup> waiting to be tapped, and a really active, go-ahead<sup>7</sup> agent could develop a fine business in this line. As we think you are the right people to do this, we should like to offer you the agency if you are at all interested, and we should welcome your views.

We offer a Sole Agency, and would supply you with a reasonable initial<sup>8</sup> stock on a credit of 6 months. Further supplies would be invoiced to you at 10 % below export list prices, with payment by quarterly draft.

An early reply would be appreciated, as we wish to reach a quick decision. Meanwhile we hope you will see in our offer a worth-while<sup>9</sup> opportunity.

Yours faithfully,

.....

**[5] Importer Replies to Offer: Answer to Letter No. 4**

Dear Sirs,

We appreciate the confidence you show in us by offering us a sole agency here for your products.

You are right in saying that there is an increasing demand for your class of preparations in our country, although we think it impossible yet to judge the sales level that could be reached. Women here are not so fashion-conscious and it would need an extensive advertising campaign to create a really wide interest. Then you have to face the competition of the big firms with international connections.

However, we are willing to give it a trial if you feel disposed to back us up<sup>10</sup> with a reasonable amount of advertising in the first year. We are sure you will appreciate that our own advertising would be inadequate to meet the needs of getting your lines established, and that we could not be expected to bear these costs.

Your comments will be very welcome, and we thank you meanwhile for giving us the first opportunity of taking up your agency.

Yours faithfully,

.....

The student of this book who has by now acquired a “feeling” for the tone of a letter will notice that these last five letters (Nos. 1–5) have a certain dignity of style although they are friendly and use idiomatic phrases as well as the purely “commercial” language. *Compare these letters with the following, which is written in a high-sounding, but cold and impersonal style, and which many students still mistakenly think is good “Commercial English”.*

### **Enquiry for an Agency – Old Style**

Dear Sirs,

The name of our house will, do doubt, be known to you already on account of our not inconsiderable connections in local business circles and our association with the import trade. We need scarcely mention that our business is one of the oldest established concern! in London.

We are accordingly in a position to negotiate the marketing of your plastic products in the country, through our organisation, if your prices are competitive and your terms adequate, although we must point out that we should be interested only in a sole agency.

May we request you to send us details of any lines you have which are suitable for this market and full particulars of prices, terms and conditions of sale.

If you entrust us with the responsibility for your agency, you may rest assured that we should make every endeavour to further your interests, to our mutual profit and satisfaction.

Awaiting your esteemed reply,

Yours truly,

.....

DO NOT write like that! Most English correspondents would laugh at this style.

**[6] Foreign Agent Advises British Exporter on Prices**

Dear Sir,

With reference to your quotation of May 21st, we now have the pleasure of sending you our Indent No. 36 for various Table-cloths, Table-covers and Curtain material.

We have had some difficulty in obtaining this order as the prices quoted by you exceed the limits given us by our customer. You will doubtless be aware of the growing competition in this market from Indian and Chinese products, all of which are of quite good quality and considerably cheaper than yours. The pleasing designs of your patterns finally decided our customer to place his order, but we think that you would find a general reduction in prices advisable if you wish to remain competitive.

Please arrange for early shipment and draw on us at 2 months for the amount of your invoice, less our commission and charges as noted.

Yours faithfully,

.....

**[7] Agent Asks for Increased Commission**

Dear Sir,

Your letter describing the new lines you wish to put on the market in this country interests me very much. There is a lively demand for the smaller type of electric household appliances<sup>11</sup> and I am keen<sup>12</sup> to assist you to get your products known here.

However, as you probably know, your American, German and Japanese competitors are very firmly established in this market and it will be a hard fight to win business in the face of<sup>13</sup> such opposition. I am quite willing to step up<sup>14</sup> my advertising and really make a strong sales drive<sup>15</sup> because I am sure that there is business to be obtained. This would mean a considerable capital outlay, from which you would also have lasting benefit, and in view of this I must ask you to bear part of the costs. Perhaps the easiest way would be for you to allow me an increased commission on the sale of these new lines. I shall be pleased to hear what you have to suggest in this direction.

Yours faithfully,

.....

[8]

**Exporter Manufacturers' Reply to Agent:**

Answer to I t i d r No. 8

Dear Sirs,

From your reply to our letter Introducing our new lines we gather<sup>16</sup> that you are willing to make an all-out<sup>17</sup> effort to establish them on your market. We are pleased to have this confirmation of our own judgement.

Taking the long view<sup>18</sup>, we think that the sturdy construction of our machines and the very competitive prices will ensure steady and increasing sales in your country, despite the opposition. At the same time we appreciate that some judicious<sup>19</sup> advertising will speed-up the sales process and that it is not reasonable to ask you to bear the whole cost of this.

We find it difficult to allow increased commission on our goods, as prices have been finely calculated, but are prepared to grant you a credit of £500 towards initial advertising costs. We think this a more practical way of meeting the position.

If you decide to accept this offer, please let us know what kind of campaign you would run. Our opinion is that trade papers<sup>20</sup> are the best medium, but we are quite willing to rely on your judgement.

Yours faithfully,

.....

[9]

**English Main Agent's Report to Foreign Manufacturer**

Dear Sirs,

We have now had time to assess the effect of the recent removal of import restrictions on cameras coming into this country, and it has given us a useful guide as to further business prospects.

The general picture<sup>21</sup> is encouraging. As we had anticipated<sup>22</sup>, there has been a marked<sup>23</sup> increase in the demand for coupled range-finder types of cameras in the £30–40 price range, and this has been reflected in the increased sale of your ARAFLEX and BETA models. We think it likely that the demand for these types will increase very considerably in the next few years.

Sales of high-class 35mm. cameras also show a rise, but here the demand is a little less than we expected, and this is probably due to the very wide choice of home and imported products now available to the buyer. Here again, however, we feel that discriminating<sup>24</sup> buyers will eventually prefer your LETT AX G.I and G.2 models. The excessive purchase tax on these fine instruments is also a drag on sales<sup>25</sup>.



which we shall now have to face in this market, and further information from you on this point would be useful to us in respect of our own plans for the future. Some reduction in prices seems inevitable if you wish to hold your position.

For our part, we wish to continue to represent you and are fairly sure that the high reputation of your goods in this 'country will ensure the continued support of many customers. We are also prepared to accept a 2 % reduction in commission if you are prepared to make an all-round pricecut<sup>27</sup>.

We look forward to your reply and wish to assure you of increased effort on your behalf.

Yours faithfully,

.....

### **[12] Export Manufacturer's Acknowledgement of Agent's Account Sales**

April 20th, 20...

Dear Sirs,

Many thanks for your Account Sales, which we received yesterday.

We are more than a little concerned<sup>28</sup> to note that your sales show a drop<sup>29</sup> on the December quarter, which in turn was down on the quarter before that.

In January you wrote briefly that the fall in sales in the December quarter was only seasonal, but you make no explanation of this latest decrease. You will appreciate that unless you send us a full report on your activities, we are in no position to help or advise.

Please let us have your comment, on receipt of which we will write you more fully.

Yours faithfully,

.....

### **[13] Agent's Complaint of Slow Delivery**

Dear Sirs,

We enclose Account Sales for the past month and will credit you with the amount shown, on receipt of your confirmation of our figures.

You will see that our sales of the special line ordered in our cable of 3rd February are disappointing, and we must say that we cannot accept any responsibility for this. Our telegram called for URGENT treatment of the order and we had reckoned on getting the goods within 3 weeks. Actually, 5 weeks went by before the goods arrived and this let our competitors in<sup>31</sup> and lost a wonderful opportunity of getting exceptional prices.

On enquiry we found that the goods were not shipped until 3 weeks after the date of our telegram. If they had been routed via Southampton instead of London much valuable time would have been saved.

Competition from the East is growing, and apart from lower prices, some of these firms are able to offer quick deliveries. It will therefore be necessary to give us your very best attention if you wish to retain a hold on this market.

Yours faithfully,  
.....

#### **[14] Export Manufacturer Agrees to Supply Agent on Consignment Basis**

Dear Sir,

We have read your letter of January 3rd with much interest and thank you for the suggestions contained in it.

Market fluctuations<sup>32</sup> of the kind you describe make us pause to consider whether it would be advisable to postpone our efforts in your country until conditions are more settled, but we are reluctant to do this now that you have broken the ground<sup>33</sup>. Your report convinces us, however, that we must leave prices entirely to your discretion<sup>34</sup>, and we therefore agree to your proposal to supply you on consignment basis. You will, of course, keep us regularly informed of the trading position, and we shall limit our consignments to goods of the lower and middle price ranges. We should also like to have your Account Sales monthly, although we shall draw on you quarterly at 30 days.

We enclose Hills of Lading and other documents for a shipment per S.S. BRAZIL, leaving Southampton on 1st January, and this will be the first consignment under the new arrangement.

As requested by you we will in future leave the arrangement of freight, insurance, etc., to your shipping agent, Mr. ... K. Symes of 1'cnchurch St., London, and will present our drafts to him for acceptance and settlement.

We rely on your best efforts to obtain realistic prices and we look forward to your periodic reports.

Yours faithfully,  
.....

#### **Fruit Broker's Report to Export-Grower**

[15]

Southampton,  
27th February, 20...

Dear Sir,

Account Sales for your consignment per S.S. WINDSOR CASTLE are enclosed with this letter and you will see that we were able to get very good prices

for the plums in almost every case. The few markets where we were not able to do so well had already been heavily supplied by competitors, but the total obtained for you is well above market average for the whole consignment.

With regard to the pears, we have been less fortunate. These were not in a fit condition, on being unloaded, to send to distant markets: they were so ripe that we were obliged to dispose of them locally and at rather low prices, to ensure a quick sale. We suggest you claim on the carriers for any loss involved, as we think these pears must have been held up a week at Cape Town. According to your consignment advice No. ... of January 18th, the fruit should have arrived a week earlier in S.S. ARUNDEL CASTLE.

Fruit prices generally are being maintained and we think you may look forward with confidence to a good season.

Yours faithfully,

.....

**[16] British Buying Agent's Order to English Manufacturer**

Dear Sir,

I have just received the following order from a customer in Ghana:

1. 5 dozen Tea Services, floral pattern;
2. 3 ... Dinner;
3. 4 Gross Cups & Saucers, seconds<sup>35</sup>, white

Your catalogue Nos. 53 and 65 would be suitable for items (1) and (2) respectively, and if you can guarantee delivery at Liverpool by May 15th latest, you may take this as my official order. I leave item (3) to your discretion, as you have supplied these odd" cups and saucers on previous occasions and know the sort of thing required.

Kindly confirm acceptance of the order by return and send advice of dispatch together with 3 copies of your invoice to my office at Liverpool Docks.

Yours faithfully,

.....

**[17] Foreign Import Merchant's Letter to British Buying Agent**

Dear Sir,

I enclose a stock order for miscellaneous merchandise, mainly smaller household goods.

This particular order is not urgent (delivery within 2 months would be quite satisfactory), so I should like you to make a careful examination of what your various suppliers have to offer before placing the orders.





- <sup>20</sup> *trade papers*: magazines, periodicals devoted to a certain trade.
- <sup>21</sup> *general picture*: general position.
- <sup>22</sup> *anticipated*: expected.
- <sup>23</sup> *marked*: considerable; definite.
- <sup>24</sup> *discriminating*: knowledgeable; judicious.
- <sup>25</sup> *drag on sales*: holding sales back.
- <sup>26</sup> *bear in mind*: to take into account; remember.
- <sup>27</sup> *pricecut*: price reduction.
- <sup>28</sup> *a little concerned*: anxious; dissatisfied.
- <sup>29</sup> *a drop*: decrease; fall.
- <sup>30</sup> *down on*: below.
- <sup>31</sup> *let competitors in*: give competitors a chance.
- <sup>32</sup> *market fluctuations*: changes in price, demand, etc.
- <sup>33</sup> *broken the ground*: opened the market.
- <sup>34</sup> *discretion*: judgement.
- <sup>35</sup> *seconds*: imperfect.
- <sup>36</sup> *odd*: various; no set design.
- <sup>37</sup> *stipulated*: stated as a firm condition.
- <sup>38</sup> *more notice*: earlier news; warning.

## EXERCISES

1. Your firm wishes to appoint a main agent in South America for the sale of its well-known optical instruments. Write a letter to a South American distributor and offer the agency.
2. Write the South American distributor's reply.
3. A general import agent dealing with hardware goods wishes to handle an English firm's plastic ware. Write a letter for the agent making an offer of services and quoting terms.
4. Answer the letter written by the agent in No. 3 above. Accept his offer on condition that he handles no competing goods from English manufacturers.
5. Owing to rising costs in his country an export manufacturer finds he must raise his prices. Write a letter to a foreign agent asking the agent if he thinks the market will stand the proposed increases. Write also the agent's reply.
6. An import agent thinks his foreign suppliers' fixed prices too high for the market, and competitors are winning customers from him. Write to his suppliers making suggestions for reduced prices or freedom from fixed prices.
7. Send a report on market conditions from an agent to a foreign exporter. Give information on the types of goods in demand, competition and prices.
8. An export manufacturer is dissatisfied with the sales of his sole agent in a foreign country and is receiving insufficient news. Write a letter asking for action.

## CHAPTER 13

### TELEGRAMS

Telegrams are the usual means of communication in certain types of business; a letter is too slow, although one may be written to confirm the exchange of telegrams. In many cases the sending of a document confirms the telegraphic exchange. The buying and selling on the “markets” or “exchanges” is usually done in this way; raw materials, stocks and shares, ships, insurance, foreign currencies – dealings in these are principally by telegram.

In Britain, and in most other English-speaking countries, the word “cable” is used for any telegrams that are sent out of the country, abroad or overseas. “Cable” is used, of course, because the telegraph wires are in a cable that lies on the bed of the sea or ocean, although the word is now applicable even to wireless communication; it is used as noun, verb and adjective: “Please send us a cable” – “Please cable us by return” – “Your cable reply will be appreciated”.

As we have already seen, firms register a “cable address” for the convenience of their customers. Such an address consists of a “name”, usually some combination based on the firm’s name, or, if this is not possible, on the type of business carried on by the firm, followed by the name of the town.

Telegrams are used to save time but the idea of not spending too much money on them is also in the minds of the composers of telegrams. The cost will, of course, depend on how far the telegram has to go, but although the expense of telegraphing – or cabling – may be very small compared with the amount of money the firm spends on its business transactions in other ways, the idea persists that telegrams must be kept short. It is, therefore, not very easy to compose a telegram, and the wording varies considerably according to the ideas of the writer. The essential point of the telegram is to convey its meaning clearly – there is obviously no saving of time or money if the receivers cannot understand it and have to telegraph back to find out what it is all about.

One of the characteristics of telegrams in English is that prepositions are usually left out and participles convey the meaning of the verbs; pronouns are often omitted but the auxiliaries must be used to give a clear indication of the person.

The following are examples of typical English “cable” and “telegraphic” wording, based on letters and sentences given in preceding chapters of this book.

Telegrams are usually typed out entirely in capital letters – no punctuation is used and the word “stop” is put in where it is necessary to make the meaning clear.

To give an example of a cable address let us imagine an exchange between the writers of Letter – the names of the two firms are given without any particular change.

**[1] Enquiry for a Price and Delivery Date**

WEATHERPROOF MANCHESTER  
PLEASE QUOTE LOWEST AND SOONEST 250 MENS LITEWATE  
MEDIUM SIZE RAINCOATS OF CALCUTTA – DYMONT

(*Note* that the words “lowest” and “soonest” are used in typical cable language, which is not always correct in ordinary writing; they are understood to mean “lowest price” and “soonest delivery” = earliest delivery.)

**[2] Reply from the Sellers**

DYMONT CALCUTTA  
250 MENS LJTEWATE MEDIUM RAINCOATS £1000 (*or*: ONB-THOUSAND POUNDS) CIF CALCUTTA DELIVERY THREEWEEKS FROM RECEIPT ORDER – WEATHERPROOF

(*Note* that certain words may be joined in telegrams if they have a definite connection, but this is at the discretion of the telegraph clerk.)

*Further telegrams might be exchanged as follows:*

1. Price too high can you reduce 4 % stop cable reply appreciated.

*The reply here can be either:*

2. Reduction impossible on less than 500 coats.

*Or:*

3. Can only reduce 2½% on 250 or 4 % on 500 and over stop delivery as stated.

*The buyers may then cable back:*

4. Offer accepted 4 % on 500 coats stop airmailing order.

(*Note* that the official, written and signed order form must be sent by mail or airmail, to confirm the cabled order.)

**Here are further examples of wording for cables:**

5. Prepared place immediate order plastic kitchenware subject 3 % discount on order value over £100.

6. Threepercent allowed on orders over £100 cash payment.

7. Can order thirty thousand Manilla 2 envelopes if extra 3½% allowed

8. Owing low quotation regret extra 3 $\frac{1}{2}$ % impossible under fifty thousand envelopes stop your order held up pending cable confirmation.

#### **From depot to factory**

9. URGENT OWING BIG DEMAND STOCK ECONOHEAT RUNNING LOW PLEASE SHIP EARLIEST FURTHER XXX ROLLS.

10. Please dispatch immediately onegross WX67 stock exhausted.

11. Immediate delivery twelvegross WX67 requested usual terms.

#### **Suggested by Letter No. 12 (Chapter 5)**

12. Your let 30 Jan tranship Indus consignment to Euphrates und advise Hongkong accordingly stop hold cargo for Singapore pending further instructions.

#### **Suggested by Letters (Chapter 6)**

13. Your order 23rd regret only tenthousand yards instock balance fivethousand within three weeks stop our offer was subject unsold (*or*: our oiler was firm fourteen days only).

14. Your letter January 31 can guarantee delivery by March 1st provided order received latest February 10th.

15. Earliest delivery now January 1st please confirm order accordingly.

#### **Inability to Supply Goods**

16. Regret unable accept further orders until end June.

17. Orderbooks full unable guarantee delivery this year.

18. Owing uncertain supply position unable guarantee delivery.

19. Unable supply DXL until June suggest instead DXM deliverable from-stock.

20. Regret AB/26 no longer available stop suggest AB/30 may suit you. £1.

21. Owing new quota restrictions delays in execution likely.

22. Regret shipment delayed by dockers strike stop expecting early settlement but request alternative forwarding instructions.

#### **Suggested by Letter No. 12 (Chapter 8)**

23. Replacement articles required immediately please dispatch earliest charging freight to us.

#### **Delayed Payments**

24. Regret owing lack of news from you must request immediate telegraphic remittance or satisfactory cable reply.

25. Telegraphic reply imperative to avoid legal action.

26. Unless reply received December first latest legal steps unavoidable.

27. Please reply immediately to previous unanswered letters.
28. Immediate remittance through Midlandbank requested.
29. Delay regretted TT instructed through Midlandbank £ ...  
(TT = T/T = telegraphic transfer of money – a banking term.)
30. Please withdraw draft due fifteenth stop writing.

(Note that the use of “stop” here might cause the receivers to think this is an order to them not to write any more! Whereas, of course, it means that the senders of the telegram are writing an explanation. It would therefore be better to omit the word “stop”, and still better to say “letter follows” instead of “writing”.)

### **Complaints about Delivery of Goods**

31. Our order 3210 case 29 received contains DX51 please ship immediately BX51 ordered urgently required.
32. Our order 975 shortshipped 2cwt please dispatch earliest opportunity.
33. If goods not already shipped please dispatch by air.
34. Our order 468 case 12 arrived damaged mailing report meanwhile please ship replacements.
35. Our order 468 case 14 lost full details claim by following letter meantime please ship replacements.
36. Regret M V MARYBELL total loss full particulars follow advise suppliers.

### **Replies to Complaints**

37. Your order 3210 greatly regret wrong delivery case shipping replacement SS MONTANA mailing documents direct stop instructing local forwarding agents collect wrong case.
38. Your letter sixteenth good already dispatched fifteenth letter follows.
39. Dispatch delayed owing factory strike now settled stop arranging earliest possible shipment and will advise you date.
40. Greatly regret wrong goods sent will allow tenpercent off invoice price.
41. Factory states temporary mechanical breakdown causing delay priority promised probable dispatch Monday.
42. Regret priority impossible strict rotation operating dispatch probable fifteenth will cable confirmation.

### **Here is an interesting exchange of cables concerning the whereabouts of a ship:**

43. Where is Aurelia.
44. Aurelia delayed engine troubls sailed yesterday.
45. Engine trouble delayed sailing Aurelia now on way.

[3]

### Confirmation by Letter

Dear Sirs,

We confirm our exchange of telegrams, according to the attached copies, and enclose our Order No. XX with forwarding instructions.

[4]

Dear Sirs,

We confirm our cable, as per copy attached, and your reply as follows.

### EXERCISES

1. Send a cable to overseas suppliers, asking for urgent delivery as your stock is low.

2. Telegraph an order which you will confirm if the price of the articles is reduced by  $2\frac{1}{2}\%$ .

3. Send a cable to suppliers, asking for news of a consignment promised for early delivery.

4. As sellers, cable to customers that a strike will delay dispatch of their order.

5. Reply to the telegram of Exercise 2.

6. Cable to your suppliers and notify them that goods are missing from a delivery.

7. Send a telegram to an hotel to reserve rooms for your export manager and his assistant.

8. Telegraph to a bank to stop payment of a bill of exchange until you send further instructions.

## CHAPTER 14

### HOTELS AND TRAVEL

Travel is a big item in business expenditure. A great deal of the buying and selling is done by personal contact, especially after initial enquiries or offers have been made. Sales representatives have always travelled extensively in their own countries and still do so, but modern transport has made it easy to travel to other countries. Today, therefore, business executives – directors, managers and technical experts – themselves travel abroad to visit buyers or suppliers, to attend trade fairs or to study market possibilities in other countries.

The traveller can take travel tickets and make reservations without writing letters; correspondence is, however, necessary if accommodation is to be booked in foreign hotels, and if further travel is necessary from places outside the traveller's own country.

## Letters to and from Hotels

If the hotel is a big one, possibly with an international reputation, there is no need to mention any introduction; a better asking for accommodation to be booked is all that is necessary. It is, however, possible that even a big hotel inlay not have any free rooms because of some special event, or because it is the high season, and it is better to reserve the accommodation some time in advance.

Top executives of large and important firms usually stay at the biggest and best known hotels; it is a form of publicity for their business, and their travelling and hotel expenses are a charge on the firm. In the case of smaller concerns the cost for the firm would be unnecessarily high, and their customers would not expect to find directors or managers staying at one of the luxury hotels.

There is, furthermore, the matter of booking holiday accommodation, and in this the tourist organizations have an interest.

### Reserving Accommodation for Executives

The Manager,  
Majestic Hotel

.....

Dear Sir,

We shall be glad if you will reserve the following accommodation for two of our directors, Mr. Frith and Mr. Collins: 2 single rooms, if possible each with a private bathroom, from the 3rd May, for 3 nights.

Please be so kind as to let us have an early confirmation of this booking.

Yours faithfully,  
XYZ & CO. LTD.

Secretary.

[1]

### The Yorkshire Woollen Mills Limited Leeds

Directors  
Sir Guy Bangs, Bt (Chairman)  
S A. Ragwood (*Managing Director*)

T. Bottle-Green

Our Ref

Your Ref

Upper Bridge Street,  
LEEDS 2

Date 20...

The Manager,  
Palace Hotel,

.....



Dear Sir,

The Chairman and the Managing Director of this Company will be visiting ... in September, for the World Trade Fair, and will require a suite with two bedrooms. A single room, on the same floor if possible, will also be needed for their secretary, and a room for their chauffeur. Please let me know whether you can reserve this accommodation from the 10th to the 15th September inclusive. I shall be glad to have a reply by return, with details of your charges.

Yours faithfully,  
THE YORKSHIRE WOOLLEN MILLS LIMITED  
Secretary.

(Note that big hotels are usually owned by a company, and a manager is in charge of each hotel. Small hotels are, on the other hand usually run by the owner (proprietor), who lives on the spot; the letter is then addressed accordingly).

**[2] Reply to Letter No. 1**

The Secretary,  
XYZ & Co. Ltd.,  
.....

Dear Sir,

Thank you for your letter of 20th April.

I have reserved the accommodation required for your directors, Mr. Frith and Mr. Collins:

2 single rooms, each with a private bathroom, from May 3rd, as requested.

I enclose a brochure for your further information.

Yours faithfully,  
.....  
Manager

**[3] Reply to Letter No. 2**

The Secretary,  
The Yorkshire Woollen Mills Ltd.,  
LEEDS, 2,  
England.

Dear Sir,

A suite on the first floor has been booked for your Chairman and Managing Director, as you request, with nearby single room for the private secretary and a room for the chauffeur, as from September 10th.

I am grateful for this early notice, as bookings are very heavy now for September on account of the World Trade Fair to be held here.

I shall be happy to welcome Sir Guy Bangs and Mr. Rag wood.

Yours faithfully,

.....

Manager

*The following letter and the reply are on a more personal note, and the "greeting" is to the person by name:*

[4]

Dear Mr. Alleni,

Mr. Tredennick will be in Rome from May 3, on a business visit, and hopes that you will be able to accommodate him again at your hotel. He will greatly appreciate it if you can let him have the same room as last year, or in any case a room at the back of the hotel, as the front rooms on the main street are rather noisy.

I shall be glad to have an early reply so that I can complete arrangements for Mr. Tredennick's visit.

Yours sincerely,  
MARY SUGDEN  
Private Secretary.

[5]

Dear Miss Sugden,

Thank you very much for your letter.

I am happy to say that although I cannot give Mr. Tredennick the same room as he had last year, I have booked one for him that is just as quiet, being at the back of the building and at the same time away from the garage and the bar.

The charge for the room is the same as last year, but will you please inform Mr. Tredennick that we have had to put up the prices of meals, owing to the rise in the cost of most foodstuffs; also the Government has increased the tax by 2%. I take the opportunity to enclose one of our folders, which will show the tariff changes.

I look forward to welcoming Mr. Tredennick here again.

Yours sincerely,  
A. ALLIENI  
Proprietor.

### **Further Replies from Hotels concerning Bookings**

1. This is to confirm that we have booked a double room for you as from the 1st of August, for two weeks.

2. I thank you for your letter and confirm the booking made by you for 7 days from the 2nd July.

3. We have received your letter of the 1st June but deeply regret we are not able to supply the accommodation you require.

4. We enclose our Tariff Card for your information.

5. We thank you for your letter and have pleasure in reserving accommodation as required on ...

6. We very much regret that all the rooms in this hotel are already booked, but we have reserved 3 rooms for you in one of our other hotels; we enclose a brochure giving you particulars.

### **[6] Correspondence between Hotels and Tourist Agencies HOTEL RATES FOR THE SUMMER SEASON**

Dear Sir,

We urgently need your hotel rates so that we can prepare our folders for the next summer season. Will you therefore be kind enough to complete the enclosed 3 contract forms; one is for your own records, the others to be sent, please, to our London office.

We look forward to having your kind cooperation once again, and we hope that next summer will prove to be another successful season.

Yours faithfully,

.....

### **[7]**

Dear Sir,

We are now planning our tours for next year and we shall be glad to know whether you are still able to accept parties. If so, we shall be obliged if you will advise us of your charges.

Our parties will consist of approximately 20 passengers, plus courier and chauffeur, and we shall be glad to receive the above information as soon as possible.

With your reply please let us also have some copies of your latest hotel brochures.

Yours faithfully,

.....

**[8] From an American Tourist Agency to one in Europe**

Dear Sirs:

First of all we wish to thank you very much for your kind cooperation and the courtesy extended to our clients during the past season.

We are now preparing our folders for 19... and we shall be pleased if you will send us details and prices for excursions, transfers, etc. We have written direct to the hotels and asked them to complete our hotel questionnaires, but we shall be grateful if you will let us have a list of hotels, with prices.

We would also appreciate receiving any descriptive leaflets about your town, so that we can circulate these among our clients.

We look forward to increased business with you during the coming season. Meantime we are,

Yours very truly,

.....

**Further Examples of Tourist Agency Enquiries**

7. We are very pleased to know that you can accommodate four of the groups for next season, and shall be glad if you will make the necessary reservations.

8. We regret that you are unable to accommodate the later parties but if it becomes possible for you to do so we shall be grateful if you will advise us.

9. Would you please let us know whether your hotel can accommodate 36 people, mainly in double or twin-bed rooms, for 3 days at the beginning of each fortnightly period from the end of May to the end of September. The terms must include full pension.

Please accept the booking for the following party: 36 persons in 17 twin-bed rooms and 2 single rooms, from 3rd July to 16th July ...

We understand you are agents for Continental Tours Ltd., and we shall be pleased to hear details of hotel accommodation required.

We enclose our tariff of group rates, with and without bath, meals, taxes and service charges.

**[9] Enquiry from Tourist Agency to Hotel**  
**ANGLO-EUROPEAN COACH TOURS LTD.**  
**BOURNEMOUTH**

20th November, 20...

The Manager,  
.....Hotel,

Dear Sir,

My Company is planning to run a series of coach tours through several European countries next summer, and your district will be a section of the route.

It is proposed to operate from 1st June until the end of September, with one party of 32 persons each week. The coach would arrive at about 3 p.m. on Saturday and leave again at 9 a.m. on the Tuesday.

Accommodation required would be 15 rooms with twin-beds, and two single rooms, with breakfast and evening dinner but without lunch, as the guests would be out on tour by day. Parking facilities would be needed at the Hotel for the coach.

If you are interested in this class of booking please quote us approximate inclusive terms for 32 persons for the period named. If you can give us a low bulk rate for this business, one of our directors will call to see you to discuss details.

Yours faithfully,  
.....

### **Correspondence with Hotels about Holiday Bookings**

When it is a matter of holidays, the correspondence is of a more personal nature, and the enquiry, or booking, comes from individuals. In some cases the hotel may be recommended, in others the enquirer has already stayed there

**[10]**

The Manager,  
Park; Hotel,  
.....

Dear Sir,

The name of your hotel has been given to me by the ... Hotels Association, and I shall be much obliged if you will let me know whether you have the following accommodation available for 3 weeks, from 15th July:

I double room, if possible with private bathroom, and 1 single room.

The single room is for my wife's mother, who is accompanying us, and if there is no lift in your hotel I hope you can let me have a room for her on the first floor.

If you are able to accommodate us at the time indicated please let me have your tariff or brochure giving inclusive terms for full board

We shall also needs garage space for a large car.

I thank you in advance for your reply.

Yours faithfully,  
.....

[11]

The Proprietor,  
Beach Hotel,  
.....

Dear Sir,

Your hotel has been recommended to me by Mr. and Mrs. Sunderland, who stayed there last summer.

I am proposing to bring my family to ... during the month of August and I hope you can give me the following rooms:

2 double and 1 single, with partial board (demi-pension). We shall be five altogether, myself and my wife, our two daughters and son, ages from 10 to 15.

The Sunderlands have given me your brochure with tariff of charges, but these may not be up-to-date so that I shall be glad to have your latest one.

Your early reply will be greatly appreciated, as I wish to make all our arrangements in good time.

Yours faithfully,  
.....

Letters may also be written to the Information Centre of the holiday resort, asking for names and addresses of suitable hotels or “pensions”, also for details of local amenities: sports, tours, museums and cultural activities.

#### SHIP AND PLANE RESERVATIONS

In general, ship and plane reservations are made in the traveller’s own country, the various stages of the voyage and journey being planned ahead, but there may be occasions, especially in business travel, when such bookings are arranged in another country.

#### Seats Booked on a Plane

[12]

Scandinavian Airlines System,  
London, W.I.

Dear Sirs,

Our Technical Director, Mr. Abu Khan, will be arriving in London next week and will then go on to Sweden and Finland. We shall therefore be obliged if you will book a seat for him on a plane leaving Britain on or about the 21st, for Stockholm. Your account for the fare and booking fee will be paid

by the National Bank of India, London, who have instructions to do so on our behalf.

We thank you in advance for your kind attention to this matter.

Yours faithfully,

.....

[13]

Silver City Airways Ltd.,  
London, S.W.I.

Dear Sirs,

We wish to make arrangements for me a car and four passengers from France to England, and shall be glad to know what your charge is for this car-ferry service, also how much notice you require for the booking. At the same time please give us an idea of possible alternative routes and the time required for the crossing in each case.

Yours faithfully,

.....

[14]

### **Berths Reserved on a Ship**

The Manager,  
Passenger Office,  
Cunard Line,  
London, W.I.

Two single, first-class cabins are required for two of our directors, who will *be in London next month and travelling on to New York.*

*The reservations are to be on the QUEEN MARY or the QUEEN ELIZABETH, whichever vessel is sailing about the middle of the month.*

*If this accommodation is not available on either ship, please let us know what alternative you can offer. A cable reply will be appreciated.*

Yours faithfully,

.....

### **GLOSSARY OF TERMS USED**

*rooms in hotels, etc.:* single, double, with twin beds; with a private bathroom; with bathroom on the same floor; *a suite* = one or two bedrooms, a sitting-room, a bathroom and an entrance lobby. (Larger suites with more bedrooms are sometimes found in very big hotels.)

*hotels, private hotels, guest-house, boarding-house, rooms or apartments*: a *private hotel* in Britain is the name given to what is usually called a “pension” in other countries; a *guest house* is a small “pension”, usually a large private house owned by a family who have several rooms to spare. The difference between “guest-house” and *rooms or apartments* is that the former will provide meals and the latter no meals at all or only breakfast. The name “boarding house” is seldom used now.

*terms*: prices for rooms and meals. Hotels quote a price for the room only and charge by the day; private hotels and guest-houses usually charge for “bed and breakfast”; *partial board* is breakfast and dinner in the evening but no midday meal (lunch) = demipension; *full board* is all meals, every day of the week and Sundays.

A *motor-coach* is used for *excursions, tours* – which can be day tours, half-day tours, or may last several days and include hotel accommodation.

A *bus* runs on a regular *route* for the benefit of short-journey passengers, not only in towns but also in the country.

A *coach* in Britain may also run on a regular route at stated intervals in a day, but the fares are charged for longer *stages* than on a bus.

## EXERCISES

1. As the private secretary of a business executive, write to the manager of a big hotel to make a suitable reservation for a short period.

2. Write also to an airline company to make a reservation on a plane for the same business executive.

3. Write a reply from Scandinavian Airlines System to Letter No. 13 of this chapter.

4. Write a reply from the Cunard Line to Letter No. 15 of this chapter.

5. Write to a private hotel at a winter-sports resort enquiring about charges for a 14-day stay for yourself and a friend. Ask about sports facilities, etc.



## CONTENTS

<b>ПРЕДИСЛОВИЕ</b> .....	3
<b>Chapter 1. BUSINESS LETTER WRITING</b> .....	4
<b>Chapter 2. THE ENQUIRY</b> .....	6
SOME VOCABULARY OF CHAPTER 2 .....	14
ERRORS IN ENGLISH YOU MUST AVOID .....	15
ABBREVIATIONS USED IN ASKING OR GIVING PRICE QUOTATIONS, TO INDICATE WHAT AMOUNT OF FREIGHT AND OTHER CHARGES IS INCLUDED IN THE PRICE .....	15
EXERCISES .....	16
<b>Chapter 3. REPLIES TO ENQUIRIES: OFFERS</b> .....	16
SOME VOCABULARY OF CHAPTER 3 .....	37
COMMERCIAL EXPRESSIONS .....	38
IDIOMATIC PHRASES .....	38
TYPES OF PRINTED MATTER SUPPLIED BY MANUFACTURERS.....	38
EXERCISES .....	39
<b>Chapter 4. SALES LETTERS AND ANNOUNCEMENTS</b> .....	40
SOME VOCABULARY OF CHAPTER 4 .....	48
EXERCISES .....	49
<b>Chapter 5. ORDERS AND EXECUTION OF ORDERS</b> .....	50
SOME VOCABULARY OF CHAPTER 5 .....	70
COMMERCIAL PHRASES.....	71
IDIOMATIC PHRASES .....	71
EXERCISES .....	72
<b>Chapter 6. PACKING AND DISPATCH</b> .....	73
SOME VOCABULARY OF CHAPTER 6 .....	80
EXERCISES .....	80

<b>Chapter 7. INVOICING, ACCOUNTING AND SETTLEMENT</b>	
<b>OF ACCOUNTS</b> .....	81
MISCELLANEOUS PHRASES AND SENTENCES ON ACCOUNTING .....	95
PHRASES FOR ANSWERING CREDIT ENQUIRIES .....	101
EXERCISES .....	103
<b>Chapter 8. SHIPPING AND FORWARDING</b> .....	104
GENERAL TRANSPORT .....	112
GLOSSARY OF TRANSPORT TERMS .....	123
EXERCISES .....	126
<b>Chapter 9. BANKING AND PAYMENTS IN FOREIGN TRADE</b> ...	126
TERMINOLOGY OF DRAFTS.....	141
EXERCISES .....	143
<b>Chapter 10. INSURANCE</b> .....	144
LIST OF INSURANCE TERMS.....	152
EXERCISES .....	152
<b>Chapter 11. COMPLAINTS, ERRORS, ETC.</b> .....	153
SOME VOCABULARY OF CHAPTER 11 .....	165
EXERCISES .....	166
SENTENCES FOR CORRECTION OR IMPROVEMENT.....	166
<b>Chapter 12. AGENCIES</b> .....	167
EXERCISES .....	179
<b>Chapter 13. TELEGRAMS</b> .....	180
EXERCISES.....	184
<b>Chapter 14. HOTELS AND TRAVEL</b> .....	184
EXERCISES.....	193

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## **ДЕЛОВАЯ КОРРЕСПОНДЕНЦИЯ**

**Учебно-методическое пособие**

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**Дубинко** Светлана Алексеевна

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