

# Independents want rules to combat big greeting card firms

**Burnaby designer asks Copps to impose Canadian content regulations. Competition agency to examine case.**

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SOUTHAM NEWSPAPERS

TORONTO — A group of independent greeting-card makers is calling for Canadian content regulations for their industry because they say it's impossible to compete with multinational giants Hallmark Cards and Carlton Cards.

The group also says its products are being pushed off card racks at Shoppers Drug Mart and other stores in Canada because the two large companies have "exclusive contracts" that breach Canada's Competition Act.

Terry McTavish, owner and designer of Pendragon Prints in Burnaby, has asked Heritage Minister Sheila Copps to impose Canadian content regulations on the greeting card business. He also filed a complaint about the exclusive contracts with the federal Competition Bureau.

"We have these two distributors completely jamming up the

mainstream market and not letting anything else in," said McTavish, 43, who filed the complaint on behalf of more than 150 independent greeting-card makers in Canada.

Both the large card companies and Shoppers Drug Mart maintain they have broken no competition laws and keep a selection of Canadian-made cards.

The Competition Bureau has agreed to examine the case, although exclusive agreements are not uncommon in Canada.

To help Canadian card makers compete, McTavish said the industry should have the same Canadian content regulations as the entertainment industry.

"I'm pushing to have cultural product recognition for cards and to have Canadian content regulations for the card industry," said McTavish, who has been producing and distributing his cards, which feature photos of Canadian wilderness and wildlife and are blank inside, since 1987.



Tree

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**GREETING CARD** designed by Terry McTavish of Pendragon Prints.

"That's important for our culture. It's appalling we can't go out and see our own words and images reflected back to us."

McTavish has also launched a letter-writing campaign aimed at Copps and Industry Minister John Manley.

Neither minister could be reached for comment. However, a representative for Copps said the ministry is still compiling information.

The initiative was partly prompted after Shoppers Drug

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# Competition Bureau examines complaint

Mart removed McTavish's Visible Changes cards from about a dozen of its stores last spring. ①

Arthur Konviser, senior vice-president of public affairs at Shoppers Drug Mart in Toronto, advised McTavish that the drug store chain had an "exclusive contract with Carlton Cards ... for over 25 years" and that the stores are "precluded from allowing any other card supplier to sell their merchandise in their stores."

The card companies say they are abiding by Canadian rules.

"This is a very complicated issue that's being made to look like a very simple issue," said Carlton Cards Canada representative Kendall Wigoda, acknowledging that her company does have an "exclusive agreement."

"We've been around for 80 years and we run our business according to Canadian laws and Canadian rules."

Carlton is the largest card company in Canada, with ② \$2,010 worth of cards a year, about one-third of the market, she said, and 15 per cent of Carlton cards are Canadian-made.

Garth Jay, vice-president of brand marketing for Hallmark Cards Canada, said his company doesn't have exclusive contracts.

Hallmark has 300 card shops

and 2,400 retail outlets in Canada. It distributes more than 4,000 Canadian-produced cards.

Richard Taylor, assistant deputy commissioner at the Competition Bureau, said the agency is examining whether there is a breach of contract by Shoppers Drug Mart.

However, he added that exclusive contracts are "common practice" in Canada. Citing the cola wars as examples, he said Coke is the exclusive soft drink at McDonald's. Taylor said that for a company to breach Section 77 of the Competition Act, it would have to show a practice of exclusive dealing and of substantially lessening competition.

The Gift Packaging and Greeting Card Association of Canada reports that Hallmark and Carlton probably have more than 70 per cent of the market in Canada, which is worth about \$600 million a year.

McTavish, who sells about \$2,010 worth of cards a year, said only five per cent of independent card sales take place in card shops. The card market is dominated by drug, grocery and department stores.

"Given that we're completely excluded from the mainstream of the market, we will never catch up if it remains the same."

① 30 stores  
② \$120,000.