

PUBLISHED EVERY FRIDAY
BY
The Monetary Times
Printing Company
of Canada, Limited

Publishers also of
"The Canadian Engineer"

Monetary Times

Trade Review and Insurance Chronicle
of Canada

Established 1867

Old as Confederation

JAS. J. SALMOND
President and General Manager

A. E. JENNINGS
Assistant General Manager

JOSEPH BLACK
Secretary

W. A. McKAGUE
Editor

Necessity and Opportunity for Canadian Exports

Small as Well as Large Manufacturers Can Increase Business by Looking Abroad—Private and National Advantages—Domestic Markets Are Contracting—Assistance Provided by Government—Steamships Sail From Montreal and Vancouver to Many Foreign Ports.

By COL. C. R. HILL,
Managing Director, Hill and Co., Ltd., Toronto

(This is the first of a series of articles on Practical Exporting, to be published in The Monetary Times.)

EVERY newspaper and industrial magazine of to-day contains some reference to exports; every financial paper quotes current exchange in its relation to exports and shows that a Canadian dollar is only worth ninety cents in the United States; the Navy League, the big banks, the Department of Trade and Commerce all urge the Canadian manufacturer to export.

The first article in this series deals with the advisability and necessity of exporting as well as with the opportunities for the big and small manufacturer. However, it is useless telling a man to talk Chinese until he has learned the language, and the subsequent articles are designed to give practical information on exporting from the period of seeking foreign markets to that of making actual shipments.

Necessity for Export

It is both a national and individual duty for big and small Canadian manufacturers to commence or expand export sales.

Firstly, from the national aspect, it is apparent to anyone who studies international finance that the more money which is owing to Canada for products sold abroad, the more actual value is placed on our own currency in the foreign financial exchanges. Secondly, from the national standpoint, comes the value of advertising which goes with every Canadian-made article used thousands of miles from home. No one will deny that the finest and greatest advertisement Canada has had in its history was that caused by the fighting ability, initiative and personal good character shown by our men in France and Belgium. The praises of Canada resounded around the world from 1915 to 1918. Foreign buyers who never thought of Canada before the war have since studied our producing possibilities and are eager to prove that their kindly sentiment is not a temporary thing. No one can better commercialize and make permanent that sentiment than the Canadian manu-

facturer by proving that the quality of Canadian products is as sterling as the character of our fighting men. Thirdly, from the national standpoint, is the bald, plain fact that commercial reasons are at the back of all wars and will best be avoided by binding nations together with strong mutual commercial interests.

Subjects of Discussion in this Series of Eight Articles on Foreign Trade.

1. Necessity and Opportunity for Canadian Exports.
 - (a) Necessity for Export.
 - (b) The Field for Exports.
2. How to get into the Export Field.
 - (a) Sending representatives abroad.
 - (b) Direct correspondence through Government Trade Organization.
 - (c) Advertising in Export publications.
 - (d) Through medium of Export Commission houses.
3. Home Organization for Export Sales.
4. Foreign Organization for Export Sales.
 - (a) Foreign Branches.
 - (b) Exclusive agencies.
 - (c) Independent customers.
5. Making up prices for foreign markets.
6. Financing of Exports.
7. Freight forwarding and shipping documents.
8. Miscellaneous Problems.

Recent Activity Was Abnormal

Dealing with the question of exports from the standpoint of the manufacturer's domestic problems is a little more difficult. Generally speaking, the manufacturers realize that the buying in 1919 and early in 1920 represented abnormal conditions; construction had been stopped for so long that a rush came on, which was only retarded by high prices. Stocks of all essentials and non-essentials had become depleted under war conditions and required replenishing; money was released from war purposes. All these things caused enormous domestic orders and prevented the manufacturer from either seeing the necessity or possibility of filling foreign orders. In the meantime, many plants have been extended and more machinery installed on the expectation of a furtherance of heavy domestic business, which will really become less until conditions become more normal.

The obvious remedy is to seek foreign markets to keep these plants working to full capacity and at profitable prices. Furthermore, the seeking process should not be delayed, as the development of foreign markets is a lengthy process. This can best be appreciated when one realizes that a letter posted to Cape Town or Calcutta to-day cannot produce a reply for nearly three months. Therefore, to get into a foreign and distant market is a matter of patience as well as study, and temporary domestic problems should not be an excuse for delaying an export campaign.