Monetary Times

Trade Review and Insurance Chronicle

of Canada

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MARKETING CANADIAN GOODS ABROAD

To provide an organization to develop and carry on an export trade in Canadian manufactured goods and products upon co-operative lines, a joint stock company with the backing of the Canadian Manufacturers' Association, is being formed. It will be known as the Export Association of Canada, Limited, and will have capital stock of $500,000. The first business of the association will be to reorganize on a sounder basis the business already started with the market within the Empire, particularly in New Zealand, South Africa and Australia, and also to a considerable extent with the Argentine Republic. With proper handling, there is little doubt that the New Zealand and Australian business particularly are capable of great development under existing conditions.

The association will open an office in London, England, and will co-operate with the Canadian High Commissioner's office there in securing favorable consideration for Canadian trade wherever possible and advisable. A branch office will also be opened in Paris and possibly later, in Brussels, to deal not only with war orders but with the large demands for materials of all kinds which will be required during the reconstruction period in Northern France and Belgium. In the third place, it is intended to open at as early a date as possible, an office in Moscow, so as to get in touch without loss of time with the Russian market which is opening for manufactured goods of all kinds. Later, branch offices may be opened in other places, such as Buenos Ayres, Shanghai, etc., as the opportunity seems favorable and the resources of the association will permit.

Such a company or association with the strong backing it has and under good management—upon that, a great deal will depend—should become an important factor in Canadian and international trade, in due course. Indeed, its success might surpass even the expectations of its promoters. It is suggested that the functions of the organization will be twofold. It can in the first place, by a proper utilization of the means at its disposal, create for the whole of Canadian industry a favorable strategical position in which the individual manufacturers who are able to do so can pursue their own independent objectives. It can in the second place do the work of a commission agent in bringing foreign markets within reach of the wide range of the smaller manufacturers who lack the means of doing this for themselves, and it should be able to do this much more effectively than existing commission agents, not only because of its strategic strength and influence but because its entire object and reason for being is the development of trade in Canadian products, whilst the ordinary commission agent usually is interested only in handling articles for which he can find the readiest sale and make the most profit regardless of their country of origin. The experiment is testimony to the enterprise of the Canadian Manufacturers' Association, and will be watched with considerable interest. As a practical measure it is obviously less parochial than the "Made in Canada" advertising campaign and likely to achieve more success.

One of the early friends of the jitney seems to be the accident insurance policy.

The municipal council of the town of New Liskeard, Northern Ontario, have instituted a produce market to be held weekly every Saturday morning. This is a good move, because growers and buyers must themselves help to reduce the wide price gap between producer and consumer.

LIFE COMPANIES' NEW BUSINESS

Life insurance companies report that new business this year to date is fairly satisfactory. Several companies are able to show gains in their Canadian business over the corresponding period of last year. A fairly good proportion of policy loans is being repaid and applications for new loans are not as numerous as they were a few months ago. But collections are not any too good. In that situation is a lesson which many companies might learn with advantage. Too much emphasis has in the past been placed upon the making of large gains in new business. Forcing the draughts in this way makes a great flare in the underwriting field but at the end of the year the ashes, in the shape of lapses, are very heavy.

One may read many annual reports of life insurance companies in which the gain in new business is particularly emphasized. The official returns sent to Ottawa and published some months later frequently show a great difference between those early figures in the document sent to shareholders and the later figures sent to Ottawa. That is partly accounted for by ingenious bookkeeping and partly by the termination evil. It is a matter, too, which might have the more serious attention of the Dominion insurance department. The mere writing of a large amount of new business may signify much or little, according to the company and the agents concerned. Insurance agents everywhere may well remember that the business that sticks is the business which counts. Insurance companies should encourage a comparatively small volume of that sort of business rather than a large volume of business which makes annual reports look attractive, but does not stay on the books.