

trading with the United States. In 1914 she owned 5,459,000 gross tons.

Britain owned 19,256,000 tons.

France owned 2,319,000 tons.

Italy owned 1,668,000 tons.

Eight years ago Australian merchants told me that the German Lines were steadily cutting into the P. and O. Steamship Line; that the P. and O. took better care of passengers. I met German buyers of wool in Australia who were prepared to provide return cargoes to German ports. Even at that time it was rumored that these German liners carried heavy cannons in the lower hold for ballast which could be used in case of war. In the twenty-five years before 1914 Germany quadrupled her merchant fleet. Even since 1914 she has done wonders. The "Cologne Gazette" says that in July, 1916, the Hamburg-American Co was finishing the "Bismarck," a giant of 56,000 tons, the largest vessel in the world. In another yard, at that date there were nine vessels in construction, four of which were 18,000 tons each. The "Gazette" declared that Germany added to her merchant fleet 768,000 tons since August, 1914. She is preparing for transportation after the war. In June, 1916, a conference was held at Bremen; two hundred and fifty business houses were represented. They discussed prices, routes, competition and ship-building. These keen business men were cohering forces in view of future trade. All of this has so impressed the mind of Senator Edouard Herriott, of Lyons, France, that he says in a late French magazine, "France must prepare a strong merchant marine for the days of peace. The problem of high cost of living is entirely a problem of transportation." This brilliant writer and statesman, who may be the next president of France, goes on to show that France, in order to compete, must extend her inland canal transport service and her maritime steamship services. Thus France is keenly alive to the situation. Britain also sees how Germany expects to compete for the world's trade after the war. Germany has her vast canal system by which the Danube is linked with the Rhine. What service it has been! In 1914 the Dortmund Canal carried 639,000 tons; 1915, 3,540,000 tons; in 1916, 5,040,000 tons in eleven months. Germany expends millions to extend inland and ocean transport, with marked success as quoted above.