

The World's New Trade Routes

Development of Direct - Shipment System, Avoiding the Use of Central Depots Such as the British Ports, Seems Likely to Have Permanent Effects—Canada's Position, Like That of the United States, Will Be Strengthened By Change if We Organize Properly

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(Concluded from Last Issue.)

Great Britain is now having difficulty in bunkering ships. Her coal output has been so cut down as a result of industrial conditions prevailing at home that an adequate supply of coal has not been available, and the price is so high that she is not in an advantageous competitive position. American ships and other ships entering her ports are finding it necessary in many cases to carry coal for the return trip, a most disadvantageous arrangement from the standpoint of cargo space.

In addition to the advantages to be gained by bunkering ships. Great Britain has been the foremost coal exporter, using her coal as a going cargo to make profitable the journeys of her steamers to many ports. British exports have suffered equally with bunkering facilities. Exports of coal from Great Britain by countries are shown elsewhere in this issue. Suffice it to say here that from 94,431,668 gross tons in 1913, British exports declined to 40,509,380 tons in 1918, and it has been repeatedly stated officially in Great Britain that exports for the current year cannot exceed 20,000,000 tons. The effects of this situation on the position of British ocean-carrying business cannot be estimated as yet.

In addition to fuel costs, toll charges are to be considered. The importance of this item is evident from the fact that the toll charges for the passage of a steamer of 10,000 net register tons through the Panama Canal are about \$12,000, and the toll rate for the Suez is practically the same. On the longer ocean routes, and also when ships are employed in traffic into the less heavily populated areas of the world, the possibilities of picking up way-freight and passengers are to be reckoned with in the decision as to the line over which a steamship may travel. For instance, ships going to Australia via the Cape of Good Hope combine certain freight and passenger possibilities with coaling ports, and this route has, therefore, maintained itself with great success against the Suez route into the same territory, although it is one thousand miles longer. Thus a vessel leaving London or Liverpool coals at the Canary Islands and may discharge cargo and passengers and take on additional cargo and passengers at Cape Town, South Africa. It may then proceed to Durban in Natal, where it can coal advantageously and where it may again discharge cargo and passengers and take them on. From this point it may go to Australia, India or many other points, depending on the nature of its cargo, and come home via the Suez Canal.

The factors indicated above determine the main lines of ocean travel. While these are so variable in some cases as hardly to constitute a definite "route," the fact is that vessels adhere so closely to certain customary areas of the ocean that a vessel suffering a calamity which has driven her off her route has greatly lessened chances of assistance. The heaviest line of commerce in the world is from the northeastern seaports of the United States to the entrance of the English Channel. This line might be likened to the network of railroads which connect Chicago and New York, for it is as vital to the maintenance of the highly organized commercial and industrial life of Europe and North America as are the intimate railroad connections between Chicago and

our chief port. While a huge share of the traffic carried on over this main route terminates at the great British ports, a large part passes through the channel ports and to those of the North Sea and the Baltic.

No other ocean route is as important or well defined as the North Atlantic route, most other lines of travel offering a wide choice of routes and of termini. Many of them involve at least partial use of triangular routings. Moreover, conditions of competition over the ocean trunk lines next in importance to the North Atlantic route are being greatly affected by the Panama Canal.

The first of these routes is that to India, China and adjacent territories of the Middle East. Before the opening of the Panama Canal, traffic to that area from Europe and eastern North America was a unit, going via the Suez Canal. Now, however, a large competitive area as between the Panama and Suez routes has developed, and while the bulk of eastern North American tonnage will go via Panama, and the larger share of European traffic via Suez, a considerable readjustment, depending on many conditions, will probably take place in the next few years.

The same is true of the second of these routes, that from eastern North America and western Europe to Australia and New Zealand, with the added complicating factor of the route via the Cape of Good Hope. While the Suez route is the shortest distance from Liverpool to most Australian ports, there is practically no difference in the distance from Liverpool to Sydney, its principal port, while the Panama route is one thousand five hundred miles shorter to Wellington. The Panama route, on the other hand, is shorter from all Atlantic and Gulf ports of the United States than the Cape of Good Hope route, Sydney being brought four thousand miles nearer by the new route.

Other heavy fields of ocean traffic, hardly definite enough to be called routes, are the Caribbean Sea traffic, now entering into a new phase as a result of the Canal, traffic between the Pacific ports of the United States with Asia and Australia, lines from Great Britain and the European ports to South America and the beginning of a direct traffic between South America and Africa. In addition, a large tonnage is occupied on various so-called triangular routes, of which the routing of vessels from Europe to Brazil or Argentina, thence to the United States or Canada and returning to Europe from a North American port is an example.

The question now is to what extent the changes in shipping routes which took place during the war just closed and in the relative position of the leading nations as shipbuilders and operators will be permanent, and to what extent they are temporary in character.

Consideration of the main ocean highways makes it obvious that the war could have no immediate effect on what may be called the trunk lines of ocean travel, though, as will be seen later, it may in the long run affect them. Aside from those changes in the organization of ocean transportation which may result from the shift in the ownership of tonnage and in the fuel situation, the war caused many minor changes in conditions surrounding commerce in what might be called the branch lines of water-borne

commerce, which seem likely to be permanent. While it is true that the most exacting competition exists in the ocean-carrying business, it is also true that the world's commerce is dominated to a large degree by habit and custom, which over large areas have been completely shattered. Thus the huge entrepot trade of Antwerp, Amsterdam and Rotterdam was destroyed. So was the normal entrepot business of the British ports, although much military traffic went through them. Hamburg and Bremen were all but deserted. Russia's Black Sea route was closed, as was the overland route through Germany, and her necessary commerce with her allies was carried on via Archangel and the Siberian ports.

Marked changes also took place in the routes over which specific kinds of merchandise were borne and, as a result, there developed a tendency to utilize new distribution points. No country was more deeply affected in this respect than the United States. Formerly a large share of our imports from Asia and the Malay Archipelago, such as rubber, tin and Sumatra tobacco reached us via European ports, chiefly British and Dutch. Thus London was the world's rubber and tin market, while Sumatra tobacco was distributed from Amsterdam and Rotterdam. Because of the need of conserving tonnage, however, many of these commodities came to us directly during the war, either via the Panama Canal or overland by rail from our Pacific ports in order to conserve tonnage. While for European use commodities of these types will probably be distributed through their pre-war channels, it seems likely that the share consumed in the United States will largely reach us by direct routes.

Changes in territorial sovereignty are also likely to produce lasting effects. The commerce of what is now Poland and the territory of Alsace-Lorraine was handled through German channels. Antwerp, Rotterdam and Amsterdam had profited by Germany's vigor, her own ports of Hamburg and Bremen not being sufficient for her and not so advantageously located for the handling of the imports to and exports from large parts of her territory. It is not possible to determine how far trade will reestablish itself on old lines, but it seems likely that Poland will use the internationalized port of Dantzig and that the business resulting from the economic activity of Alsace and Lorraine will be at least in part diverted into French channels. Changes which have taken place in the Balkan states are very likely to result in some increase in the direct sea-borne commerce with the Allied countries of western Europe and America and in the curtailment, to a degree, of overland traffic with Germany and Austria.

It also seems probable, since business has become accustomed to dealing with Russia and with those countries which may develop out of what was Russia that the Scandinavian cities, by port improvements, by free port projects and by every other effort to improve their facilities, may be able to win for themselves the business which they feel should be theirs.

The development of commerce originating on the Black Sea will be watched with great interest, as the country tributary to that basin is rich in potential resources. Political rearrangement in areas bordering on the Adriatic may also affect, to a degree, the flow of business, both as to passengers and freight, in areas formerly under the suzerainty of Austria.

The alterations in the routing of ocean commerce so far suggested are of the present or the immediate future. The political realignments resulting from the war may have even more pronounced results. Where once Siberia was a mere name, it is now no longer thought of as an area which is wrapped in snow and ice but a country of vast forests and rich plains with untold mineral wealth, into which settlers are moving despite political upheavals—a country with a future

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