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Should Canada Have State Merchant Marine?

Basis of Support for Dominion Government's Project of a State-Owned Merchant Fleet—Our Trade after the War and the Relation of Ocean Transportation—Opportunities for Canadian Manufacturers and Agricultural Producers—Which Will be Our Best Markets?

By GEORGE W. AUSTEN

THE widespread support in Canada for the Dominion government's project of a State-owned merchant fleet is based on several convictions, chief of which are: (1) That the acute scarcity of tonnage after the war will put Canadian overseas export trade at much disadvantage unless we command a considerable marine ourselves; (2) fear that the immense new United States merchant fleet, backed by the new trade and financial position of the United States, may divert overseas trade, that ought to be ours, to United States channels and sources; (3) need of effective control of rates out of Canadian ports, to ensure no discrimination against us.

These are sound enough reasons. Certainly, when peace comes, there will be a wild scramble on the seas for foodstuffs and raw materials for industry, by those nations starving and crippled for lack of them, and also by the industrial nations to get first to the rich markets created by the shortages induced by war conditions. The shortage of tonnage in the outer seas, the curtailing of manufacture of peace commodities in Europe, financial disabilities, and "peak" prices, are combining to deprive the consuming peoples of Africa, Asia, Australasia and South America of accustomed supplies. They will be heavy buyers of manufactures when better trading conditions are restored. The question Canada has to consider is how its special trade interests will be affected, and how we may best profit out of the merry maze. A State-owned merchant fleet is likely to be one of our best insurances against being left in the lurch. We may be sure that, no matter what part Canada has played in the war, when it is over and trade considerations are uppermost, it will be a case of each nation for itself commercially.

No doubt the governments of Britain and the dominions will take prompt steps to join the Empire together economically, promoting special trade between its parts, but such arrangements will take time, perhaps several years. In the meantime, the rush will be on for new connections. Moreover, the British marine will, for a time at least, be a much smaller part of the world's tonnage than before the war. Then it had 55 per cent. of the carrying trade of the world. It carried about 70 per cent. of the United States overseas exports. Besides being forced by economic conditions to use its remaining merchant fleet to best advantage for itself, Britain will have many other calls for tonnage from around the world. In

time, it is likely to reacquire its paramount shipping position, by out-competing with new possessors of large marines, but in the meantime, we should be protecting our own special interests by being somewhat independently well fixed for tonnage under our own control.

There are, however, some illusions respecting the uses and opportunities of a Canadian State merchant fleet. It is important that a true perspective be obtained regarding the part of a State merchant fleet in developing our overseas trade. The government has, on account of domestic political conditions, been able to do little yet in planning to develop new markets abroad. It is possible that the State marine might be so employed that it would be worthless for the real purpose in view. It will not do to drive away other ocean carriers. They ought to be attracted as usual, if possible, and the State ships put upon the task of creating new business for this country.

If the war goes on, until the United States mobilizes sufficient power in Europe to smash Germany into humility, we shall probably have the Canadian State fleet pretty well in commission before the end. What then? The first task will be bringing back the troops. All Canadian vessels suitable for the purpose will doubtless be so employed, along with British and American vessels in their respective spheres. But our construction programme is to be largely of cargo vessels. These will be in commercial service alone. It is a popular idea that these vessels will help us keep our war-market for manufactures. In the year before the war, our exports of manufactures amounted to \$43,000,000; last year they were \$475,000,000. But the increase is almost exclusively in munitions and other war supplies. It is largely financed by Canada. The stopping of this is certain, and our overseas trade in manufactures must, therefore, be almost entirely reconstructed. It is not practical for Canadian manufacturers to calculate on selling fabricated products to industrial Europe, except, perhaps, in a few exceptional lines. The burden of debt upon Europe will lead it to buy nothing abroad that it can furnish for itself. The United States may sell steel and other basic commodities of which it has an enormous production, but Europe has always had cheaper labor, cheaper money, and far more extensive industrial facilities than non-European nations have had. The general principle of not sending coals to Newcastle remains good.