

PANAMA AND SUEZ CANAL TRAFFIC

Many authorities have used the traffic figures of the Suez Canal on which to base estimates of the likely tonnage of the Panama Canal. The Suez Canal Company has just published its report for 1912. Although that year succeeded a particularly prosperous year, and was also marked by the inauguration of a further reduction in the tariff, it has proved the most prosperous so far experienced. The good results are due not only to excellent crops in British India, but to the general trade activity between East and West.

The total receipts in 1912 amounted to 139,922,639 francs, showing an increase as compared with 1911 of 1,884,414 francs. Expenses amounted to 47,725,624 francs, including a sum of 3,000,000 francs allocated to sinking fund, and one of the same amount to insurance and contingencies. Apart from the addition of 2,000,000 francs to these funds, expenses show an increase of 673,862 francs, due mainly to additional expenditure on dredging. The balance of receipts over expenditure was 92,197,015 francs, and of this 3 per cent., or 2,765,910 francs, is set aside for statutory reserve, leaving a balance of 89,431,105 francs. To this amount must be added the carry-forward from 1911 of 339,581 francs, making a total of 89,770,686 francs. It is proposed to distribute 87,292,958 francs, to place 2,000,000 francs to special reserve, and to carry forward 477,729 francs. The payment per share will be 154,945 francs, which, with the interest of 25 francs, makes a gross distribution of 179,945 francs, or 165 francs net.

During the year 1912 the vessels passing through the Suez Canal were 5,373 in number, with a net tonnage of 20,275,120 tons. This is an increase as compared with 1911 of 404 vessels and of 1,950,326 tons. The average tonnage per vessel—a matter of great importance to the revenue of the company—was particularly marked last year, having risen from 3,688 to 3,774 tons.

Traffic increases, which for many years have been going on almost uninterruptedly, made unequalled progress in 1912. As compared with 1911, there was an improvement of 10½ per cent., and as compared with 1910 of 22 per cent. Thus the reduction in the dues has been much more than compensated for. Receipts have largely benefited, as in the three previous years, from general prosperity throughout the world. All classes of navigation have contributed to the increase, but the year was particularly characterized by the eastern movement, which furnished 43 per cent. of the improvement. This remarkable activity was largely due to the enormous export of Indian products through the Canal, and by the consequent high freights on Asiatic markets. In consequence of the unusual demand for ships running between India and Europe, traffics have been heavy in most classes of goods, particularly manufactured products, including cottons and metals, railway materials and cement. Shipments of coal, however, slightly decreased, owing to the coal strike in Great Britain. Japan, which is developing rapidly commercially, and China, whose economic prospects are of the brightest, have largely extended their business with Europe. The Dutch East Indies, in spite than in 1911, largely owing to the continued development of a considerable decline in sugar exports, did more trade of benzine shipments. Traffic from Eastern Africa considerably increased, and there was steady improvement in the Australian trade.

In his report on the industrial and commercial value of the Panama Canal, Professor Emory R. Johnson estimated that, should the rate of increase in the tonnage of the Panama Canal during the first ten years be half that of the Suez during the second decade of its use, the rate would be 62½ per cent. In view of the much larger rate shown by the Suez Canal, and in view of the conditions that will favor commercial progress at the time of, and subsequent to, the opening of the United States canal, 62½ per cent. is believed to be a conservative estimate.

A decennial increase of 62½ per cent. in the estimated traffic available for the canal in 1914, as determined by the figures obtained by using the tables prepared by the new Panama Canal Company, would give a tonnage of 11,372,941 net vessel tons in 1924. A 62½ per cent. increase in the estimated vessel-tonnage total of 1914, reached by an authoritative study of entrances and clearances—6,843,805—would amount to 11,121,183. These two estimates for 1924 average about 11,250,000 tons.

The entire amount of the available canal tonnage can hardly be expected to use the new route during the first year or two of the operation of the waterway, the period required for the readjustment of commercial arrangements. This adjustment will, however, not be delayed by a scarcity of steamers, and should be quickly made. After two years, the full amount of the available canal tonnage—the available tonnage of 1916, not of 1914—will be passing the Canal in all probability, and the 62½ per cent. increase in the available tonnage of 1914 may fairly be expected to represent the actual tonnage at the close of the decade ending in 1924. In this calculation it was assumed that the Panama Canal will have been put in operation by the beginning of 1914. Colonel George W. Goethals, chief engineer of the Canal, however, says that the Canal will not be opened until January 1st, 1915. President Wilson will visit the new waterway as soon as Congress adjourns.

STEEL PLANTS IN CANADA

The Dominion government will have much to consider when it takes up tariff revision in relation to iron and steel next session. Representations have been made at Ottawa respecting the absence of duty on wire rods, in particular and the inconsistencies in the iron and steel tariff in general. The government apparently admitted that the steel companies' arguments were well founded, but postponed action. Mr. J. H. Plummer, president of the Dominion Steel Corporation, at the company's annual meeting last week, stated that it must be a matter of regret to everyone interested in the welfare of the country that we are importing such an enormous amount of stuff which could be made in Canada. The growth of our foreign indebtedness is cause for anxiety, and these imports are contributing largely to this growth.

The imports of iron and steel products are large. Counting only such as in our present state of development are, or should be, made in Canada, it is found that Canada's imports for the twelve months ended March 31st, 1913, amounted to 21,168,468 tons, valued at \$28,331,349 as against 273,650 tons in 1909, valued at \$7,234,116. These figures include only the less finished articles, as the low average price shows. Taking the whole line of iron and steel and manufactures therefrom, excluding only automobiles, the increase is striking. The total in 1909 was \$40,717,661, and in the year ended March 31st, 1913, \$138,648,364.

Mr. Plummer drew attention to an important point, namely, that a strong tendency of our iron and steel tariff is to build up secondary industries in Canada, depending upon foreign manufacturers for their raw material. While it is true that the Canadian plants cannot as yet cope with the great demand for iron and steel, what is to be regretted, as Mr. Plummer says, is that people in the business are deterred by tariff conditions from increasing the primary and basic lines of manufacture; that large secondary industries are growing up whose existence may depend on the maintenance of supplies of raw material entering at low duties, or even at duty free; that these conditions will make it increasingly difficult to get the primary industries established in Canada.

The outcome may be a condition of industrial dependence on foreign makers of pig iron and of steel in its earlier stages of manufacture, except in the case of