

SHRINKAGE IN SUEZ CANAL TRAFFIC. BRITISH MERCHANT TONNAGE BEFORE AND AFTER THE WAR.

1915 Tonnage 3,000,000 Tons More Than 1916 Tonnage.

Traffic through the Suez Canal, which in 1915 amounted to 15,266,155 tons, fell in 1916 to 12,325,347 tons, a drop in round numbers of 3,000,000 tons, to which must be added the previous losses of 4,100,000 tons in 1915 and 600,000 tons in 1914.

These figures were given out at the sixty-third annual meeting of the Suez Canal Company held in Paris.

The receipts, however, have not fallen in the same proportion, owing to the increases in the tariff rates which have been made from time to time. At the previous annual meeting it was announced that an additional surtax of 50 centimes had just been put in force, and it was stated that, should this be found insufficient, no hesitation would be felt in imposing another of the same character. Not only was this done, as from October 5, 1916, but on January 1, 1917, a third increase of the same amount was made. The Council had now decided that a fourth surtax, amounting to 75 centimes instead of 50, should be applied on July 1 next. This would amount to a total increase of 36 per cent on the pre-war rates. The successive increases have met with no opposition.

DECREASE IN TRAFFIC.

There increases, however, have not been sufficient to compensate for the decrease of traffic through the canal. The receipts from special navigation dues showed a deficit of some 14,000,000 francs, as compared with those of 1915. The results of the current year, which had been seriously considered when deciding the dividend which it was proposed to distribute, show a new and profound depression. The ruthless, submarine warfare which Germany declared on February 1, 1917, was undoubtedly the principal cause of this new decline. The uncertainty of the immediate future necessitated more prudence. The Council, therefore, proposed to distribute only a total net dividend of 90 francs, which only slightly exceeded the actual profit for the year and will leave to be carried forward an amount very similar to that of the previous year.

The total receipts for 1916 amounted to 89,044,276 francs, showing, as compared with the total receipts for 1915, a decrease of 9,183,822 francs.

The decrease from transit dues alone amounted to 13,473,769 francs, but there has been compensation to the extent of 4,289,947 francs, owing to the increase of other items of revenue. The principal increase was in the receipts from the financial service, these amounting to 4,135,886 francs.

The total expenses amounted to 34,565,714 francs, an increase of 2,535,745 francs, as compared with the previous year. This increase is due partly to the increase in establishment charges, to which is added a sum of 3,252,500 francs, representing the interest and sinking fund of the 5 per cent bonds issued in 1915. On the other hand, the increase in the price of materials had been such that, in spite of all efforts at economy, there has been an increase of 1,151,615 francs in working expenses. Only the strong compression of expenses in all branches has prevented the increase being still more considerable.

VESSELS USING CANAL.

During 1916 there passed through the Canal 3,110 vessels. Compared with 1915 this shows a decrease of 598 vessels, and as compared with 1913, the last normal year, a decrease of 1,975 ships and 7,708,537 tons.

The average net tonnage of the vessels passing through the canal was 3,963 in 1916, almost equal to that of 1913, which was 3,940 tons. The number of passages made by vessels of over 10,000 tons remains practically stationary. The increases in the transit dues on April 1, 1916, and October 5, 1916, produced altogether an additional revenue of 5,923,000 francs, which reduced to 14,162,000 francs, the reduction in the receipts from those dues.

The immediate future of the traffic of the canal still remains uncertain, but the prospects for the period after the war can be looked forward to with confidence. The directors are persuaded that when peace comes and the ocean routes again become safe traffic through the canal will increase, and if it does not immediately attain the pre-war figures it will show, nevertheless, a notable resumption of activity. It is possible to hope, on the other hand, that the maintenance of higher rates than those which were in operation when hostilities began will tend to bring the company a return of its former prosperity. The report deals at some length with the military operations in the Isthmus of Suez, and points out that the mili-

Britain's Tonnage To-day is 19,027,000 Tons Compared with 20,523,000 Tons Before the War.

The submarine menace, with its attendant fear of food shortage, made a deep impression on the country, but even at its worst, says the current "Compendium," it failed to disturb the British phlegm, and only succeeded in rousing the people to a fierce determination to counteract its effects. It has been responsible for changes in the Admiralty Board, manifestly for the best, for quickening the navy to action, for co-operation with American experts and inventors, for stimulating the production of foodstuffs at home, the breaking up of grazing land, and for allotment gardening on a large scale, and it has strengthened the policy for developing a self-supporting empire which shall in time of stress and strain have ample resources of its own. It has, too, had the effect of speeding up shipbuilding to an extent that seemed impossible a few months ago, and the co-ordination of industries and labor involved in this movement can hardly fail to have beneficial after effects on our trade organization. Even while we are still facing the danger, we are beginning to see as a nation that we have to thank the German submarines for rousing us to a great organized effort from which we shall reap a due reward.

After two and a half years of unexampled destruction on the high seas, "The Compendium" for May says that it is still possible to take stock of our merchant fleet without fear of a disquieting deficit. According to Lord Curzon, the United Kingdom and Colonies possessed at the end of June, 1914, 10,124 steamships with a tonnage of 20,523,706 tons gross. At the end of June, 1915, the number of British and Colonial ships then registered had increased to 10,220, with a gross tonnage of 20,830,918. But at the end of 1916, owing to war losses, the number had fallen to 9,757, and the tonnage to 19,765,516. Of course since the end of 1916 we have lost at a heavier rate, estimated by Lord Curzon at over 5 per cent in tonnage and over 10 per cent in numbers, but only for some four or five months. A net reduction of 5 per cent from the above tonnage still leaves us with a merchant fleet of 18,660,240 tons, and to this must be added about 250,000 tons gross, turned out from our shipyards during the first four or five months of this year. That makes our fleet to-day at a rough calculation, 19,027,240 tons gross, with the prospect of a steadily increasing output as the year advances. Thus, we arrive at a total merchant tonnage to-day of 19,027,240 tons, as compared with 20,523,706 tons gross just before the war. There will be great disappointment in the country if we do not turn out this year a round 2,000,000 tons deadweight of new ships, and if we do so, our fleet would stand at about 21,000,000 tons gross, exclusive of what our colonies are building and what we may acquire by purchase from abroad, but minus the losses which we may yet sustain. The Shipping Controller, it is known, is aiming at 3,000,000 tons, and one way and another, all in, he may realize about that figure, in which case, even after allowing for losses from mines and submarines, our position would be still better than this estimate.

There is no cause for alarm in these figures; on the other hand, "The Compendium" thinks, they are distinctly reassuring for the Allied navies are admittedly getting the better of the German submarine, and our losses, not so great relatively as some of the neutral powers, are greatly beginning to diminish, while our output of new tonnage is beginning to increase rapidly. It is, on this showing, a physical impossibility for Germany to destroy the British merchant fleet; at the most, she can but cripple its activities while the war lasts. Still less can she seriously weaken the world's fleet, for the unprecedented activity in shipbuilding in all Allied and neutral countries is one of the phenomena of the war, and this year cannot fail to see an addition of several million tons to the

tary situation there has improved considerably. The directors offer no comments on the submarine war; none, they say, are needed. They had only to note the facts, and among the most recent is the unrestricted submarine warfare, which, in the zones established by the Central Powers, threatens indiscriminately neutral as well as Allied traffic.

The outlet for traffic in the Mediterranean is in one of the zones where the Austro-Germans hope to prohibit navigation of all kinds. Hence, the submarine warfare is regarded as a sort of declaration of war directed specially against the canal.

SHIPBUILDING IN BRITISH COLUMBIA.

Shipbuilding indeed has become one of the most important industries on this coast (B.C.) within the last six months, says the New York Analyst. At the present time, in the three principal yards of the province, some \$20,000,000 worth of steel and wooden ships are now being constructed. These include eight vessels for the British Government, two for the Canadian Government, seven wooden ships for lumber carrying, and four steamers for Norway.

Some idea of the increased volume of business which has been marked at this port, despite the painful lack of ocean tonnage, may be gained from the record of shipping during the fiscal year ended March 31. Moving inward and outward to and from Vancouver during that twelve month period there were 21,301 vessels of British, foreign, and Canadian register, and the total tonnage to their credit amounted to 11,735,984. It was the biggest year that the port of Vancouver ever experienced. In the fiscal year of 1916, the number of vessels was 18,594, and the tonnage, 9,942,197, while in 1915, which was the biggest previous year, the tonnage was 10,347,563.

world's carrying power, after deducting all destruction of which Germany is capable.

Commenting on the budget and the discriminating taxation of shipping profits, "The Compendium" says: "Shipowners have every reason to be grave about the profits on the future of their industry. If they cannot put by reserves in good times like the present, how are they to build ships for the future and face the intense competition which is absolutely certain to come from neutral owners after the war is ended? This is really the serious side to the whole question."

All this year says the "Compendium," the efforts of the shipyards and of the Shipping Controller have been concentrated on the task of pushing on the Government standard and other mercantile vessels which are in hand. These efforts are meeting with success and the output of merchant tonnage is steadily increasing, but it has only been achieved by the most careful arrangements and the combined co-operation of all concerned—the Admiralty, the shipyard officials and workers, the iron and steel producers, the marine engine makers—and these in turn have meant an insistent call for raw and finished materials, which are now, by all accounts, coming forward satisfactorily. Iron ore is being mined at home and imported from Spain on a larger scale, the ironmasters have lighted additional furnaces, and the output of steel has been steadily increased. All the reports from the iron and steel centres agree that supplies of ship plates and angles, as well as forgings and castings, are now more in keeping with the demand than they were last year. The assembling and allocation of skilled and unskilled labor to the different yards has been accomplished by dint of organization, and to-day there are even women doing useful work in our shipyards. The result is seen in the launching, fitting out and completion of merchant ships of which the world hears nothing.

ANCHOR-LINE
DONALDSON LINE

PASSENGER SERVICE

Between

MONTREAL AND GLASGOW

For information as to rates and sailings apply to Local Agents or The Robert Reford Co., Limited, General Agents, 20 Hospital Street and 23-25 St. Sacramento Street, Montreal.

CUNARD LINE

PASSENGER SERVICE

BETWEEN

MONTREAL and LONDON

(Calling Falmouth to land Passengers)

AND

MONTREAL and BRISTOL

For particulars of sailings and rates apply to Local Agents or to The Robert Reford Co., Limited, General Agents, 20 Hospital Street, and 23-25 St. Sacramento Street, Montreal.