

## After-War Shipping to Face Changed World Conditions

World-wide merchandising organizations being built up.

"What Is Happening With the World's Great Merchant Commerce?" is the subject of an article in the current issue of "The Americas," published by the National City Bank of New York. In part, the article says:

Re-export commerce is going on all over the world, even in the midst of war-time conditions; but it is changing to new directions and new connections, which may make a great difference in the ability of nations to hold their regular trade arrangements. It is going to make a great difference in international merchandising if the merchant marine of the world is owned by different nations in different proportions after the war than before, and the new tariff conditions and the possible new national boundary lines that are looked for will complicate the changes. If Europe comes out of the war with international rancor so persistent that old co-operative methods of manufacturing, trading and transporting are impossible, a new order in world-wide merchandising may be expected.

In the twenty-five years just preceding the war, Europe built up an interlocking, internationally co-operative machinery of trade, industry and transportation, and by commercial diplomacy made the necessary concessions and arrangements in tariffs to permit the machinery to work economically. The whole world, the United States included, took a part in certain phases of this arrangement.

First, there was the machinery of ocean transportation. It was steadily growing to be an international machinery, although the individual nations were strengthening their merchant fleets for exclusively national purposes and taking a more and more advantageous position in trade by doing so. In 1880 England carried 70 per cent of the commerce entering or leaving her ports in her own ships, 30 per cent of it going in foreign vessels. In 1912, with nearly three times as great a tonnage of shipping going in and out, she carried only 58.2 per cent of it, and allowed 41.8 per cent to come and go in foreign ships. We find Germany, with a great increase in her own shipping and a growth of commerce that caused the tonnage that entered and cleared her harbors to grow from 13,066,412 in 1880 to 49,460,469 in 1911, increased the proportional business of her own shipping in her commerce from 39.1 to 50.3 per cent. British ships had carried 38 per cent of the German commerce in 1880, and their part decreased to 23 per cent. The growing fleets of other nations increased their activities as carriers of German commerce from 22 to 26 per cent. The growth in the co-operation of the maritime commercial nations in each others' transportation is shown by the following changes in proportionate tonnage:

	Year	Total Tonnage		Own.	British.
		Entered and Cleared.	—Tonnage—		
United Kingdom.	1880	58,736,063	70.4%		
	1912	152,457,045	58.2		
United States.	1880	30,547,026	20.4%	51.7%	
	1912	69,365,104	13.5	52.3	
Germany	1880	13,066,412	39.1	38.1	
	1911	49,460,469	50.3	23.0	
Russia	1885	10,792,894	8.7	49.7	
	1911	27,738,433	10.9	32.1	
Norway	1880	3,985,477	68.2	11.8	
	1911	10,230,279	52.7	9.8	
Sweden	1880	6,894,155	37.2	13.5	
	1911	23,390,647	49.8	5.4	
Denmark	1880	4,523,643	52.1	11.4	
	1911	17,144,432	54.2	5.1	
Holland	1880	6,844,037	30.9	49.8	
	1911	30,847,855	26.6	30.5	
Belgium	1880	7,116,146	11.6	59.4	
	1912	32,672,986	11.4	43.2	
France	1880	25,032,478	30.0	40.6	
	1911	61,366,051	24.0	36.1	
Italy	1880	9,846,970	34.8	34.3	
	1911	51,851,528	27.0	28.7	
Japan	1900	19,661,602	34.9	38.9	
	1912	43,492,604	47.6	30.4	
Argentina	1880	2,242,582	11.1	37.8	
	1911	25,981,569	43.4	33.5	

It was a wonderful trade, Britain's purely merchandising commerce. It was a two-sided service, the marketing of the producing countries' wares for them and the furnishing of these to the consuming nations. It is interesting to see where England obtained her goods for resale, as between her colonies and the rest of the world, and where she resold

them, because it will figure in the decision of the British policy of Union of Empire. For four years she bought for resale:

	From Colonies.	From Others.	Total.
1913	\$272,937,600	\$259,174,980	\$532,111,680
1914	242,110,620	221,528,520	463,639,140
1915	275,911,920	205,247,520	481,159,440
1916	261,259,020	212,450,040	473,709,060

In the same four years she resold imported products in this way:

	To Colonies.	To Others.	Total.
1913	\$76,168,900	\$466,360,740	\$542,529,640
1914	59,596,020	404,429,760	464,025,780
1915	60,103,620	421,332,840	481,436,460
1916	70,630,380	403,535,520	474,165,900

If the figures for the total imports and exports should be placed alongside they would show that England, since the war began, has preferred to use more of these imports, her resale of colonial products out of imports falling from 30 to 17 per cent, so that England's merchandising business, while still great, was somewhat overshadowed by the imports and exports of warlike trade.

The kind of products that England bought for resale within and without the British Empire is shown in these figures:

### COLONIAL PRODUCTS BOUGHT FOR RESALE.

	Food.	Materials.	Manu- factures.
1913	\$26,924,400	\$191,804,760	\$54,174,420
1914	40,118,580	169,234,920	41,727,960
1915	44,658,540	192,562,920	38,583,540
1916	45,275,760	169,949,340	45,965,880

### FOREIGN PRODUCTS BOUGHT FOR RESALE.

	Food.	Materials.	Manu- factures.
1913	\$50,130,900	\$119,415,060	\$88,986,600
1914	53,285,040	92,516,760	75,339,720
1915	63,913,860	72,725,040	68,414,220
1916	56,701,620	68,846,760	86,454,540

During 1917, when the U-boat campaign had its fullest effect in interfering with the organization of ocean shipping and England began to sacrifice trade supremacy to the necessity of concentration upon the war, a decided change in the British system of mercantile re-exportation took place, accentuating a slow development that was already in progress. We are to-day obtaining direct from the sources of supply in British colonies and in countries that formerly sold through London much of the raw materials we formerly obtained in England and in other markets of Europe. In immense tonnages, rubber, tin, hides, wool, etc., have been coming to us direct from the Indies, South Africa, South America, etc., which we formerly bought as re-exports in London, Antwerp, Rotterdam and Hamburg.

When the war ends there will almost inevitably be a disposition of the world's ocean shipping tonnage very different from what it was in 1913 or what it is now. It has been predicted that the merchant shipping of the United States will be as great in tonnage as that of England. With any such growth of our shipping as is predicted, we will surely establish a new system of ocean routes focusing upon our own national harbors. It is proposed that New York shall be made a "free port," which will be an encouragement for our own re-export business, which has already grown from \$37,377,791 in 1913 to \$63,036,795 in 1916 and is taking on the typical character of a merchandising trade. We are building up typical world-wide merchandising organizations of our own, and great London houses are putting branches in New York in anticipation of our sharing at least with England a world-wide organization of ships and commerce.

Germany has lost her organization. The Scandinavian ports are ambitious to locate permanently the Baltic collection and distribution that Hamburg and Bremen used to all but dominate, deferring only to London's commercial power. The British Government, in its exercise of war control over trade, has done much to disorganize the London and Liverpool machinery of mercantile commerce. There is great likelihood of a British inter-imperial policy of economic union which will establish either preferential tariffs or attempt to organize government-owned agencies of transportation, etc., favoring inter-empire industry and exchange of products. Everything points to a British intention to take full advantage of the fact that the lion's share of materials needed in modern manufacture are produced, till now at least, have been produced, in the colonies and dependencies.

The war has now made a complete wreck of the machinery, commercial treaties and trade good-will by which the nations in Europe co-operated in furnishing each other with materials, in the processes of manufacture, in selling and transporting. England is on the point of adopting legislation that will shut individuals of "enemy" birth, even natural-

ized as Englishmen, out of her markets after the war. The little nations and the colonies that did their marketing through European centres have established direct connections. We are getting much of the raw materials we import to-day through the mercantile organization of England, but by direct shipping transportation. We have taken over with her whatever is left of British co-operative connections in international commerce. We are expanding our commercial organization and building many ships. What kind of a world organization of commerce will rebuild out of the pieces of the old, nobody knows, but it looks very much as if the United States would be in a position either to conduct a pretty capable machine of our own, or co-operate with England and our other associate nations in the building of a bigger international machinery than existed before. If we do build up a new co-operation that excludes any other nation, for any reason, it will be a handicap in the rehabilitation of that other nation's own industries, as well as its foreign commerce, not to be lightly considered.

### SHIP LOSSES IN 1917.

The announced sinkings of British ships for the year up to and including the week ending January 23 have been 1,033 vessels, of which 763 were over 1,600 tons and 270 were under that figure. The joint losses of France and Italy have averaged three to four large vessels weekly.

In the twelve months of unrestricted warfare launched against American and allied shipping by Germany one year ago Friday, there have been sunk by submarines, mines and raiders, 69 American vessels, totalling 171,067 gross tons, according to a careful compilation of records of sinkings which has been made public during the period.

Offsetting this loss of American vessels, most of which were sailing ships, the United States since February 1 has added to her merchant marine by the seizure of former German and Austrian owned ships, a total of 107 vessels, having a gross tonnage of 686,494, leaving on the credit side of the American ledger in the account with the Central powers a net gain of 515,435 gross tons. The loss of life caused by the sinking of the 69 American ships was more than 300 persons, however.

### BIG TRAFFIC FIGURES.

The percentage of sinkings of American ships, compared with the number of vessels which have sailed through the war zone successfully, is small. Records of the Department of Commerce show that for the period beginning with February 1, 1917, and ending on December 1, there were cleared from American ports in the foreign trade, ships aggregating 17,738,900 tons net, or approximately 24,834,460 gross tons. The number of ships making up the total of tons was not made public by the department.

Further offsetting the loss of tonnage occasioned by the submarine warfare, the United States, through the Shipping Board, requisitioned in American shipyards 426 vessels, totalling more than 2,000,000 gross tons, and contracts have been awarded for 884 ships, a large number of which are now under way and are being rushed to completion. In addition, the Shipping Board on October 15 last, placed under Government requisition 423 vessels of over 2,300 tons dead weight capacity, which are already afloat, and assigned them to the task of carrying supplies for the allies and the American forces abroad.

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