

CHINA.

EFFECT OF PANAMA CANAL ON WESTERN CANADA.

Although a presentation of the possible effect of the canal on commerce is not in direct line with the prospects of Canadian trade with China, except in regard to competition which may result from its use, yet the subject is one of great interest to western Canada and it is never certain what the exact result of the opening of a new trade route may be as regards development of commerce in any given direction. It is now expected that this year will see the opening of the canal. Advantage was therefore taken of conference with men whose experience and capacity has placed them at the head of great commercial houses conducting the trade of the Pacific slope, and notes were made of the opinions expressed by these gentlemen. They were unanimous only in one particular, viz., that the canal would have a most important and favourable influence upon the trade of the district with which they are associated, though it was impossible for any one of them to forecast exactly how the use of the canal would operate to produce that result. In full confidence, however, of such a result, large sums of money are being spent in preparing Pacific ports for greatly increased trade, and ships are being built with a special view to navigation through the canal.

The factors involved are numerous and complicated but it appears to be certain that if the new waterway brings a large tonnage in shipping to the Pacific ports of the United States and Canada, as it will almost certainly do, that tonnage will be utilized for export cargo, provided always that reasonably competitive conditions are permitted to operate in regard to it. Wheat exporters differ widely as to the effect of carrying a cargo grown in northern latitudes through tropical waters and it is held that the safe export of Australian and Argentine wheat through the tropics is not a complete answer to the question, which can only be given when the first and experimental cargoes undertake the journey through the canal. The importance of a satisfactory answer may be judged from the fact that the distance from Vancouver to Europe via the present route is roughly 15,000 miles, and by the Panama route 9,000 miles. The use of the canal will obviously affect material economy in view of a reduction of 6,000 miles in navigation as compared with the present route round the Horn, or by the Suez canal. If it is found in working out the problem of transportation that steamers after reaching the coast and discharging cargo there desire to proceed to the Orient, then rates of freight may be expected to favour such trade because of increased competition, and this is an essential matter in the Chinese market where the first consideration is price.

Enough has been said to indicate the importance of the subject and some of the difficulties surrounding it. The value of ice-free ports, such as those on the Pacific slope, for shipment of grain is obvious in view of the congestion which occurs prior to the close of navigation on the Great Lakes. Ultimately manufactured goods dealing at first with specialized lines will develop in the west, but this much desired condition cannot be reached until industries are located and immigration provides a population from which operatives may be drawn, and this touches the question as to how far emigrants to British Columbia will avail themselves of an all-sea route in preference to sea and rail. Nothing but experience can settle such a point, but on general lines it is well understood that water transport is so much cheaper than carriage by rail that competition will not be confined to the three Canadian trans-continental lines but that they will have to face competition by water, and although the distance is much greater, it is believed that considerable effect upon the adjustment of freight rates will result.