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Through the Panama Canal

FOR *a Steamship Owner or Agent to Send a Vessel Through the Waterway is One of the Simplest Matters in all his Business—How the Financial Arrangements are made—Saving of Distances is Very Considerable—Saving in Cost by Using the Canal is Also an Important Item*

TWO weeks ago, *The Monetary Times* printed statistics regarding the traffic through the Panama Canal during the first six months of its operation. The financial arrangements made by shippers in connection with the navigation of the canal are not generally known in Canada, which is increasing its patronage of the new waterway. Information sent to *The Monetary Times* by the Panama Canal administration shows that for a steamship owner or agent to send a vessel through the canal is one of the simplest matters in all his business. Practically all he has to do is to make a deposit with the government to cover the vessel's canal expenses. The government will attend to everything else,—and return his change as soon as the vessel has cleared from the canal.

There are several ways by which money may be advanced to cover canal charges. The simplest and most direct and the one usually followed is to make a deposit with an assistant treasurer of the United States (there is one in every large port of the United States). The assistant treasurer will, on request, telegraph the Washington office of the Panama Canal which will cable notice of the placing of the deposit to the canal authorities on the Isthmus, who then make all arrangements to give the vessel the quickest dispatch through the canal as soon as it presents itself at either port of entry.

The method outlined above is equally easy for an owner or agent in a foreign country. He can simply direct his bank, which will have connections with a bank or banks in the United States, to have a deposit placed with the assistant treasurer, say, in New York or San Francisco. This done, the conduct of the rest of the business is in the hands of the government.

Another method which may be followed in making the deposit, but which is more complicated, is to deposit certain high-grade bonds with the assistant auditor of the Panama Canal in Washington as security and to make payment by draft. Drafts to the accepted value of the bonds will then be accepted for conversion into cash, the value of the drafts being secured to the government by its tenure of the bonds. This arrangement is supposed to be especially convenient for companies having frequent sailings through the canal.

A third method is to make payment in cash to the collector on the Isthmus. The probabilities are that this method will not be used often, except in cases of yachts and other small vessels, on account of the inconvenience and risk of carrying credit, to apply on future bills.

By whichever method the advance payment is made, it should be amply sufficient to cover the estimated tolls as well as any other probable expenses, such as for fuel, supplies, cable messages, etc. Whatever balance is due the depositor after the vessel's expenses have been paid will be refunded him, by check on the treasurer of the United States, directly after the vessel has cleared from the canal. If the depositor expressly requests it, any balance due him will be left to his credit, to apply on future bills.

Some owners or agents who may have been unaware of the simple and prompt method by which their business with the canal can be handled, have employed local agents on the Isthmus to look after the interests of their vessels, or have arranged with local banks to pay their bills. Such arrangements are neither necessary nor desirable. The one thing important is to provide the money to pay the ship's bills. That is done most expeditiously through the government's arrangements, as outlined above, and when it has been done the canal organization handles the ship's business with a minimum of delay. The introduction of a third party in the transaction tends to complicate the situation and actually to delay the transit of the ship, by interfering with the usual methods of handling business by the canal authorities in connection therewith.

When the ship enters the harbor of either of the terminal ports it is boarded by officers of the canal who examine its bill of health and clearance, see that its certificate of canal measurement is properly made out, and ascertain any of the vessel's needs in the matters of fuel, supplies, extra men to handle the lines during the passage of the locks, etc. These matters are immediately reported to the captain of the port, who gives the necessary orders to insure proper attendance on the vessel's needs and directs its start through the canal whenever it is ready.

In all stages of its transit of the canal the vessel must have on board a government pilot. There is no charge for pilotage on vessels going directly through the canal without stopping to discharge cargo or passengers at the terminal ports. The pilot is on board in an advisory capacity and is required to confer with the master of the vessel, giving him the benefit of his knowledge and advice as to the handling of the vessel in the various reaches, but the master, who is best acquainted with the peculiarities of his vessel and her ways of answering the helm, is responsible for the navigation of the vessel, except when she is passing through the locks.