

Scotland's Industry and Trade During 1921

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Trade Commissioner at Glasgow

SPEAKING of Scotland's industry and trade in 1921, Trade Commissioner G. B. Johnson says that last year was a disastrous one for the steel trade in Scotland as it was in America. "It is perhaps not generally realized," he continues, "that Scotland is the largest producer of steel of any district in the British Isles. The ingot output of Scotland last year was 2,077,000 long tons. The next in order was the North-East coast of England with 1,958,000 tons, with South Wales and Sheffield following. Scotland has, however, specially cultivated the trade for high-class Siemens steel such as is required for boiler-making, shipbuilding, bridge-building, and general engineering purposes. The Continent, on the other hand, has continued to produce Bessemer quality of steel.

"The steel industry is of such national importance as was perhaps only fully realized during the war when no industry played a more important part. The great demand for war material and the necessity for extensions have enabled the industry to greatly increase its power of production. There are many plants in Scotland to-day which embody all the latest developments, and can compare favorably with any steel plants in the world, although they are not on the gigantic scale of some to be found in the United States and the Continent. The prosperity of the country largely depends upon the steel trade being maintained at the highest standard in all respects, for upon this industry in Scotland and England rests the country's position as the greatest ship owning and shipbuilding nation, as engineers in the building of railways and bridges in this and many other countries, and in the production of machinery.

Foreign Competition

"The year commenced with falling prices and increased foreign competition through falling exchanges. In March the coal strike upset all the calculations of the makers, and plant after plant was closed down as stocks of coal became exhausted, and orders which might have been secured for the West of Scotland were picked up by Continental makers. In August when the strike was well over and coal supplies again available, prices were reduced, boiler plates to £19, ship plates to £14, and sections to £13 10s. per long ton. This action so reduced the difference between Continental and British prices, and Continental makers were so booked up with orders, that a more hopeful feeling prevailed until at a meeting of the Scottish and English Steel Association, it was

found impossible to agree to a uniform basis of prices for the two districts. Since that time Scottish producers have been competing with English in the other's territories, and with each other, and some very low quotations have been made. In the export trade, competition from the Continent has been much less severe during the last three months.

Machinery and Engineering

In this branch of industry the past year has followed the course of trade in general. The marine engine section, the most important and in regard to which the Clyde is so pre-eminent, is so closely allied with Clyde shipbuilding, that the fortunes of one tell the tale of the other. There are many other important sections such as the building of locomotives, mining machinery, and machinery for the manufacture of rubber goods, sugar and paper. An important firm who specializes in making rubber and paper machinery recently informed the writer that the year just past was the worst in their long history.

"As far as the shipbuilding industry on the Clyde is concerned, it has suffered a period of stagnation during 1921 from which there seems to be no immediate escape. As one expert says, it has been a year of cleaning off old contracts, and new work has been very slow in coming forward. The general depression has of course, been mainly responsible, with the result that ships have been laid up by the hundred in all parts of the world through lack of demand for cargo space and new ships have not been wanted. Continental competition has also been severely felt, mainly in the departments of repair and overhaul, as their quotations were usually lower.

"It was realized early in the year," continues Mr. Johnson, "that the demand for new ships, apart from other reasons, would not revive until costs of production more nearly approached the market value of ships. Then the attempt to reduce costs, including wages, resulted in numerous strikes, one of which, that of the shipyard joiners, lasted nine months. Whether these strikes opened the eyes of both sides in the dispute to the urgent necessity of introducing good will instead of strife into their mutual relations in order to save their industry, or whether the loss of contracts to the continent and great unemployment demonstrated the necessity of lower costs, it is a fact that there is a new spirit of give-and-take in this industry as well as in others. Wages have been substantially reduced, profits have vanished, the cost of steel is lower, but it is said there is even yet too wide a margin between quotations and the prices

which shipping companies can pay and earn dividends.

"The awarding of three of the four super-Hood battle-cruisers to Clyde firms, together with most of the machinery, was a bright spot in the year's gloom; but the position of affairs brought about at the Washington Conference quickly put an end to hopes in that respect. It is perhaps not remarkable especially, but at any rate is worthy of note, that the cancelling of these contracts by the Admiralty was received in such good spirit as was the case. The general relief at the savings to the taxpayers of such large sums as these ships involved easily outweighed any disappointment at the cutting short of local benefits.

"The complete absence of anything in the nature of parochial spirit in the newspapers in this regard was conspicuous. The circulation locally of £30,000,000 of money, which these ships were expected to cost, would have relieved unemployment to a useful extent. But as a gentleman closely concerned with this industry remarked to the writer, the building of the warships was, after all, only an item, although an important item, in Clyde shipbuilding.

Motor Ships

"An interesting feature of the year was launching of nine motor ships. The internal combustion engine has made great headway at sea, as is indicated by the fact that at present there are several hundred ships so equipped. Hitherto this type of engine has not been applied to passenger-carrying ships, but one of the nine above mentioned, and the first of its kind, is the motor passenger liner, the Domala, built for the British India Steam Navigation Company for trade between London and India. This liner can accommodate 140 passengers in addition to 11,000 tons of freight. Her two oil engines develop 4,660 h.p., and her fuel consumption at 13½ knots is estimated to be 20 tons of oil daily. This ship sailed in December from London on her maiden voyage. She is equipped to carry enough oil for the round trip—a decided advantage compared with a coal-burning ship whose bunkers have to be replenished several times on the same journey.

"No immediate improvement in shipbuilding can be discerned, but it should be remembered that building ships is not a basic industry, and any improvement must follow a demand for cargo space, which will come from a trade revival requiring the movement of commodities. The launches on the Clyde in 1921 numbered 408, comprising a tonnage of 512,137 with an indicated horsepower of 493,530."