

practically the whole of our trade with Chili and Peru, which gives employment to between five and six hundred thousand tons of shipping, and is officially valued as worth about nine millions sterling per annum. But this, after all, is not its chief advantage to Great Britain. The many unsettled problems that still surround the question of the Suez Canal administration may at any time make it worth the while of England to possess yet another alternative route to her Australian colonies and the Chinese Empire. But for the existence of the Suez Canal, the Panama Canal route would be a much more convenient one than any other to these countries, and so long as the Suez Canal is conducted in such a way as to make it congenial to British shipping to give it a preference, it is perhaps too much to expect that vessels bound for the Australias would be likely to adopt the Panama route.

But the Suez Canal has not been administered in such a way as to give entire satisfaction to British shipping. The traffic is very frequently so seriously congested that vessels take as many days to pass through as they should take hours if the passage were perfectly free. Worse than this, the dues are very heavy, and in the recent depressed state of the freight market have been almost prohibitory. Of the total cost of transport to India, amounting to, say, £1 2s. 6d. per ton, no less than 9s. 6d. per net ton, or about 40 per cent. of the total freight, has to be paid in canal dues. Under these circumstances it is perhaps not a matter of surprise that not much more than 50 per cent. of our total imports from Asia and our Australian Colonies, and not more than about 70 per cent. of our exports to those countries, pass through the canal. The remainder is still taken by the Cape route, thus avoiding the heavy canal charges, and the dangers and inconveniences of the frequent delays that are entailed by the congestion of traffic already referred to. The present value of our trade with our Australian Colonies, including both imports and exports, is about fifty to fifty-three millions sterling per annum. The Australian trade is our most rapidly-increasing one, and the most hopeful and encouraging as regards the future, and it is consequently of the utmost possible consequence that it should be afforded every possible facility for development. It is, of course, by no means certain that, apart from differences of distance, greater facilities would be likely to be afforded by the one route than by the other. On the contrary, it might appear as if the fact that M. de Lesseps is the controlling spirit in both cases should lead us to expect in the Panama route a repetition of our experience in that *via* the Isthmus of Suez; but it is absolutely certain that our shipping interests would be benefited by a choice of routes, no matter how controlled, and it is not too much to expect that in this, as in most other cases of rival claimants for support, competition would effect a remedy for evils that conciliation has hitherto failed to cure.

[Extract from the *Pall Mall Gazette*, 29th January, 1886.]

COLD WATER ON THE PANAMA CANAL.—BY ONE WHO HAS BEEN THERE.

M. DE LESSEPS, after being entertained at luncheon by the Mayor of Southampton, left that port yesterday for the Panama Canal. On such an occasion confidence and congratulation were the natural notes; but it is important that the public should know that there are two sides to M. de Lesseps's new scheme. The following article is written by one who probably knows as much about the subject as anybody, M. de Lesseps himself alone excepted:—

Once more M. Ferdinand de Lesseps is on his way to Panama in order to patch up the fortunes of his canal scheme. In December, 1879, when he sailed from St. Nazaire on board the "Lafayette," after having met with a serious repulse from the French people, to whom he had applied for funds for the Panama Canal, he took with him to Panama a dozen friends whom he pompously called the "International Technical Committee," charged, he said, with verifying the Wyse-Reclus surveys—which, by the way, were made in eighteen days. The verification actually lasted forty days, which, considering that the young men belonging to the committee enjoyed themselves with hunting and fishing, with public bull-teasing in Panama, with balls and dinners, and also considering that the canal line is forty-seven miles in length, was a grand stroke of expeditious work. In July, 1880, M. de Lesseps was—strictly in accordance with his programme—announcing that £44,000,000 for the supposed cost of the canal, as the Paris Congress had suggested, was ridiculously too high, and that Messrs. Hersent and Couvreur, the celebrated contractors (who, let it be said, had made considerable advances of money to the scheme), would willingly undertake to cut a sea-level canal for £20,480,000, so that, including all accessories, the total cost would never exceed £28,000,000. Of course, Messrs. Hersent and Couvreur never made such contract in any shape, and much less took it *à forfait*, as M. de Lesseps declared in his prospectus they were about doing. The committee of forty days found that, instead of the 46,000,000 cubic mètres, which the Congress had estimated to cost £44,000,000, there were really 75,000,000 mètres. And thus, while the amount of excavation was found to be greater by 63 per cent., the total cost was reduced by 36 per cent. But all these bagatelles did not prevent the Lesseps "boom" from bearing all that he had been manœuvring for. The French people brought him eagerly their *petite épargne*. The number of the lucky subscribers who were allotted twenty shares and less exceeded a hundred thousand. You might try and argue with a staunch Catholic about the transubstantiation more readily than show a French peasant that M. de Lesseps could not do the work for the money, or that the work had not been properly studied. That happened but a little over five years ago. What has M. de Lesseps been doing in the meanwhile? And, secondly, what is the strong motive that takes him now, in the eighty-first year of his age, to the inhospitable climate of the isthmus? Let us see.

To begin with, he has used an immense sum of money. Besides the £6,000,000 from the shareholders, to whom he promised never to make another call on their shares, he has raised by debentures £24,600,000—altogether £30,600,000, or, deducting discounts, £23,227,000 net. Of that sum he has hardly £10,000 left, and was obliged to call 25 per cent. more on the shares, or £3,000,000, which will be soon followed by another and last call of a further sum of £3,000,000; so that the shareholders are greatly disappointed with themselves for trusting M. de Lesseps's promise, which led them to take more shares than they would otherwise have done. The £6,000,000, added to the