

jungles and mangrove swamps and has an average depth of eight meters. To make it navigable, numerous waterfalls must be overcome; it is hoped, however, that three locks will be sufficient in this case. The surface of Lake Nicaragua is some 34 meters above sea level. It is the only fresh-water body in the world in which sharks and swordfish are to be found. The distance from the western bank of this lake to the Pacific is no more than 18 kilometers. The total length of the canal from the Atlantic to the Pacific would be about 260

kilometers, i.e., three to four times as long as the Panama Canal. The new canal would shorten the sea trip from the West to the East Coast by two days.

The supply of the necessary experts, engineers, and workmen would be a special problem, as they cannot be suddenly withdrawn from the armament industry. It has been suggested that the excavation workers might be brought from Italy, while the engineers would have to be procured from among the European refugees in Mexico and North Africa.—H.J., Madrid.

IS LANCASHIRE DOOMED?

WHILE British commercial and industrial circles agree with the Government in that England will only be able to make good the losses she suffered as a result of the war by increasing her postwar exports at least 50 per cent above the prewar level, experts are aware of the fact that in practice such an increase of exports will meet with the greatest possible difficulties. The chief factors in this respect are, on the one hand, the stagnation—which always means retrogression—of certain British industries in the years after the Great War and, on the other, the rising competition in the new industrial countries and the head start of the old ones. These doubts apply above all to the British cotton industry—and up to 1939, cotton goods headed the list of British exports.

In good years, approximately 80 per cent of Lancashire's cotton products were exported. Even under the most favorable conditions the expansion of home consumption could never make up for the loss of overseas markets. In 1938 the value of the cotton goods exported amounted to no more than half of that of 1928 and one third of that of 1913. It will now be a matter of life and death for Lancashire whether an increase in the export of cotton goods will be possible after the war.

One of the main difficulties facing the industries is the question of labor costs. If the shortage of cotton workers, which will doubtless exist in the first few years after the war, is to be overcome, it is obvious that higher wages must be offered than in prewar times. At the same time a considerable improvement in working conditions

There was a time not long ago when Lancashire, the English county in which Liverpool and Manchester are situated, was the center of the world's cotton-goods production. Since the Great War, Lancashire has been passing through a serious crisis. What are its prospects for the future? The following pages are based on an article by an English economist in close touch with Lancashire's industry published in a recent issue of the "Financial News."

will become necessary. In any case, these measures will have to be carried out on a very wide basis, as a result of which the difficulties in Lancashire's competitive position will increase in the ensuing years. The advantage of other countries resulting from the presence of cheap labor will continue undiminished.

In this connection the question immediately arises of Japan's postwar position. It is to be assumed that the Japanese industry will not only very probably regain its prewar strength, but that even more attention will be paid to the cotton industry as part of the national economy than before the war. The rapid advance of Japan in the former British export markets before the war was, of course, largely a result of the yen devaluation. But there can be no doubt that even without this the Japanese advance would have been very considerable. As regards wages as well as the working and admixture of Indian and American yarns, the Japanese had a notable head start. The fact remains that, especially in the coarsest types of cotton, Japan will compete successfully with the products of Lancashire and that, thanks to the continued development of her technique, she will also penetrate into the British markets with finer cotton goods.

Export of Cotton Goods
(in million square yards)

	Japan	England
1913	412	7,075
1929	1,418	3,866
1933	2,190	2,116

Important as Japan's competition may be, it does not touch upon the root of the problem. Even before the war, it became more and more clear that the rise of native industries in those countries which had formerly been buyers of Lancashire products threatened the prosperity of Lancashire far more than the progress of Japan's industrialization. In itself, this problem is not a new one. The process has made itself felt since the middle of the last century. What is new is the lack of territories into which Lancashire can advance as soon as the old circle of customers disappears. The loss of the European market did not mean much, as India and the Americas stood ready as new customers. But today there are no new markets to replace the customers of India, China, and Africa.

As regards financial aspects, there are difficulties arising in connection with the replacement of entirely obsolete machinery. While the spinning mills of England's competitors have modern equipment and are built according to modern standards, the Lancashire mills are obsolete and considerably behind the requirements of modern times. When a "new" mill is mentioned in Lancashire, it has generally been built before 1910, and many of the mills originate from the last century. According to figures appearing in *Financial News* on January 26, 1944, no more than 5 per cent of the English looms were fully automatic in 1937, compared with 95 per cent of those in the United States. Today there is an urgent call for more efficient machinery and a complete reorganization of the industry. The extent of the necessary reorganization of the

mills is such that it appears impossible to have it carried out without outside financial help. To what extent and at what time this outside help will be given is a difficult question; but a solution must nevertheless be found.

The fourth chief difficulty is the rise of the tremendous competition of synthetic fibers, which by far surpasses the former competition of wool. After the war, even more will be heard of these synthetic fibers. The manufacture of Nylon already takes up an important place in the United States. Although cotton will probably remain in the lead, one must not underestimate the replacement of the old textile fibers in the "plastic decade." The large manufacturers of synthetic fibers would do well to turn their attention to the question as to what extent former cotton mills can be employed for the manufacture of yarns and cloth from the new material. At the same time it would appear appropriate for some of the large cotton concerns to turn to the manufacture of synthetic fibers.

The author of the article in *Financial News* finally arrives at the conclusion that Lancashire can only hope to retain a certain degree of its importance if, in addition to acquiring new machinery, its industry is able to take up modern planning and ideas. Among these is, above all, a more pronounced turn toward synthetic products.

It must be hard for British industry to be told by an expert that the decline of Lancashire, which possessed an almost unrivaled market throughout the world some seventy to eighty years ago, can no longer be checked. This decline set in after the Great War. Today, Germany, Japan, and the United States are far ahead in the production of synthetic fibers. This means that Lancashire's prospects for the future are gloomy indeed.

When Rossini, at the height of his fame, made a journey to Portugal, King Pedro invited him to dine at the Palace. But that was not all: the King was very fond of singing, and Rossini was to pass his opinion on the royal voice.

After the meal, the party went over into the music salon. The King sang. Rossini listened with the proper reverence. "Well, Maestro?" the King asked when he had finished. "What do you think of it?"

"Your Majesty," Rossini replied with unmistakable conviction: "never have I heard a king sing better."