

in wages, construction, repairs, and fuel are too high compared with others, it cannot compete because it must charge freights higher than the foreigner offers.

The Engineering Industry is so largely concerned in shipbuilding that it is, of course, directly affected when shipping and shipbuilding suffer.

The Marine Industry particularly suffers when there is little *repair work*. Repair work is, of course, slack when there is small demand for cargo space and when it pays better to lay up or scrap a ship than to repair her.

But since shipping and shipbuilding are affected when the general export trade of the country is low, engineering also is affected.

One important service to the country rendered by the Shipping Industry is, however, not generally understood or appreciated. The profits earned by the mercantile marine, not only in traffic between British and foreign ports, but also between overseas ports, help very largely to pay for the imports of food and raw materials. Since 1923, the income of the country from shipping has been about £130,000,000 a year. This is less than one third of the debit balance in value between our imports and our exports. Judging from the first ten months of 1930, our income from shipping for the year will scarcely reach £100,000,000.

Tables appended "E" show how low are the freights earned by shipping and how many ships are idle.

It may be sufficient here to say that average freight and time charter rates from January to October, 1930 have been very much lower than in any year since 1920.

As regards shipbuilding, at the end of September, 1930, British and Irish shipyards had work in hand up to only 1,117,000 tons, nearly half a million tons less than at the end of March, 1930. Details are set out in Table appended "F".

Further, the reduction in building of ships for the Navy means that the shipyards which would otherwise build warships must compete more severely for what orders there are for merchant ships.