

Compliments of

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S. B. Elkins.

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I believe and have always believed that the true method of revival is through discriminating duties; that the fathers were right.—*Senator William P. Frye.*

SPEECH
OF
HON. STEPHEN B. ELKINS,
OF WEST VIRGINIA,
IN THE
SENATE OF THE UNITED STATES
APRIL 5, 1897,
ON
AMERICAN MERCHANT MARINE
DISCRIMINATING DUTIES.

Whosoever commands the sea commands the trade; whosoever commands the trade of the world commands the riches of the world, and consequently the world itself.—*Sir Walter Raleigh.*

The merchant service is the handmaid of all other industries, and of agriculture, manufactures, and commerce. On the day when the freight trade is given over to foreigners a mortal blow will be dealt to all the industries of the country.—*Bismarck.*

WASHINGTON.
1897.

The United States has a common interest in the oceans and seas of the world, and should share in the fruits and benefits that arise from occupying them with its vessels.

Shipbuilding means shipowning. The nation that builds ships is always an owner of ships.

We favor restoring the early American policy of discriminating duties for the upbuilding of our merchant marine and the protection of our shipping in the foreign carrying trade.—*St. Louis Republican National Platform.*

The policy of discriminating duties in favor of our shipping, which prevailed in the early years of our history, should be again promptly adopted by Congress and vigorously supported until our prestige and supremacy on the seas is fully attained.—*Letter of acceptance of Hon. William McKinley.*

Protection is the American principle, and there is no reason why it should stop when it reaches the ocean. If needed, American industries should enjoy protection and have encouragement wherever they are, on sea or on land.

No nation can be truly independent and have and maintain a navy and merchant marine that does not build its own ships.

An amount of money not less than \$4,500,000,000, or an average of \$150,000,000 annually, for thirty years past, has been paid out to foreign ships for ocean transportation.—*W. W. Bates, ex-United States Commissioner of Navigation.*

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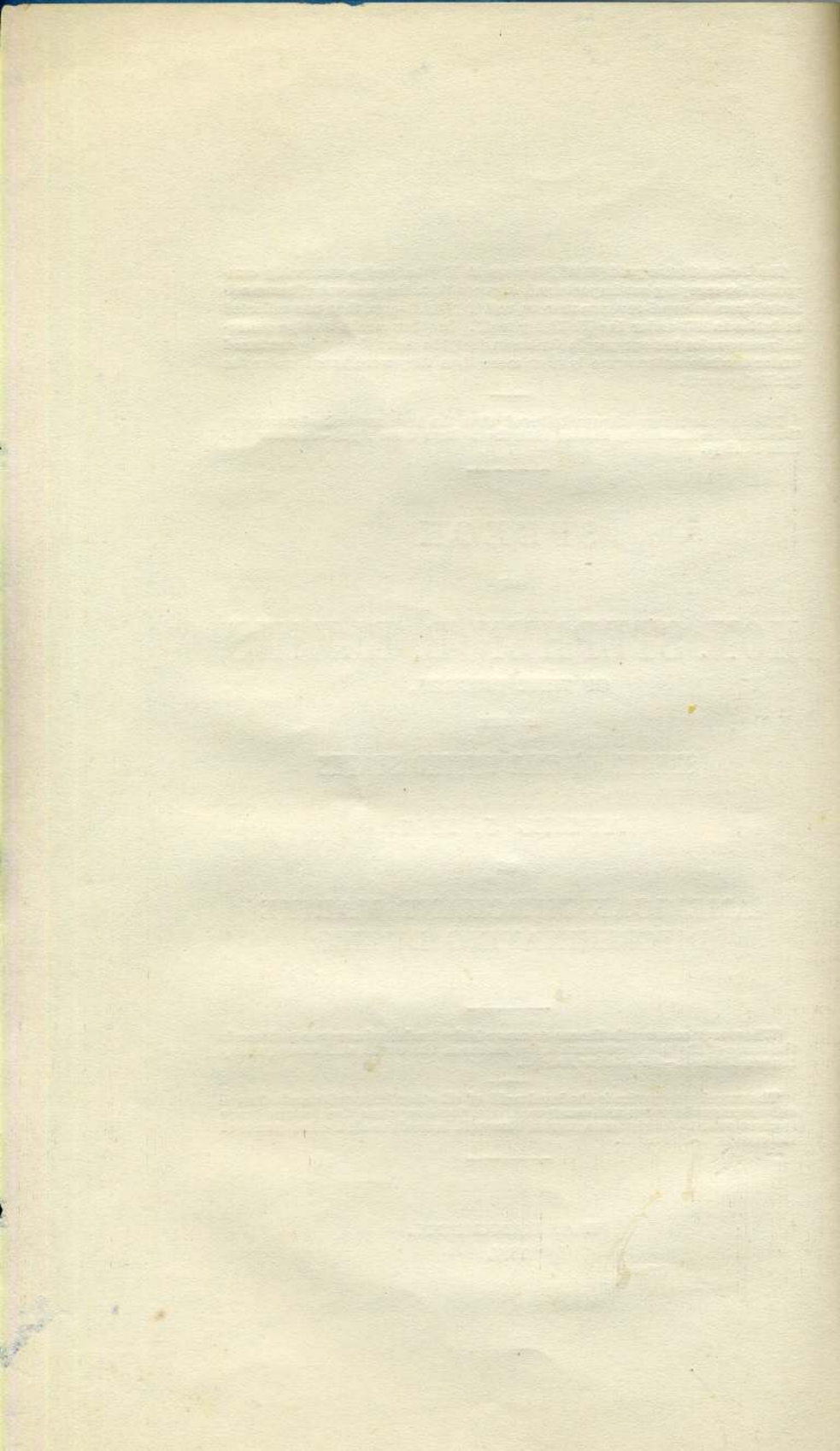
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SPEECH
OF
HON. STEPHEN B. ELKINS.

The Senate having under consideration the bill (S. 1) to amend section 2502 of the Revised Statutes of the United States—

Mr. ELKINS asked that the bill be read.
The bill was read, as follows:

A bill to amend section 2502 of the Revised Statutes of the United States:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2502 of the Revised Statutes of the United States be, and the same is hereby, amended so as to read as follows:

"SEC. 2502. A duty of ten per centum ad valorem, in addition to the duties now imposed by law, shall be levied, collected, and paid on all goods, wares, and merchandise imported in ships or vessels not of the United States; and in cases where no duties are imposed by law on goods, wares, and merchandise imported into the United States, there shall be levied, collected, and paid a duty of ten per centum ad valorem on all such goods, wares, or merchandise that shall be imported in ships or vessels not of the United States."

The additional duty imposed under the provisions of this act shall apply, under regulations prescribed by the Secretary of the Treasury, to all goods, wares, and merchandise not of the growth, production, or manufacture of countries contiguous to or bordering upon the territory of the United States when imported into the United States by land transportation or land vehicles or conveyances through or from the ports or other places of countries bordering upon the United States if the same shall have been brought to such ports in ships or vessels not of the United States. The additional duty imposed under the provisions of this act shall also apply to all cases where goods, wares, and merchandise are transhipped or transferred from a foreign vessel, port, or place to a vessel of the United States for the purpose of evading the provisions of this act. And any and all clauses in existing treaties in contradiction hereto and all acts of Congress in conflict herewith are abrogated and repealed.

SEC. 2. That this act shall take effect fifteen months after the date of its passage.

THE UNITED STATES SHOULD BE THE LEADING MARITIME NATION IN THE WORLD.

Mr. ELKINS. Mr. President, under a proper policy of encouragement to American shipping the United States, with its 8,000 miles of seacoast, its navigable rivers and lake coast, fine harbors, variety of climate, productive capacity, rapidly increasing population, its position on the globe—Asia on one side with 600,000,000 and Europe on the other with 400,000,000 of people—should be the leading commercial and maritime power of the world.

This would be the proud position of the United States to-day had protection to American interests on the sea granted by the founders of the Government in the early legislation of Congress been continued. Our progress on land in a century is unsurpassed in the history of material development, while our progress in shipping has languished under the policy of maritime reciprocity until our flag is unknown on many seas, and with some nations has almost become a myth.

No nation has ever been truly great nor an important factor in the affairs of the world unless it has been great on the sea. The United States can not reach its full growth and measure of progress until its shipping and commerce are relatively equal to its industries on land.

SHIPPING AS A RESOURCE OF DEFENSE.

During the last forty years the people of the United States have been so occupied with internal development, exploring and exploiting the West, building railroads, opening mines, establishing manufactures, that they have not given that attention to shipping it deserves. The time is at hand, however, when the opportunities on land have so diminished that business men seeking careers and fortunes in the commercial world must turn to the seas. The advice of Horace Greeley, good at its time, "Go West, young man, and grow up with the country," has ceased to be good advice now. The West has been seized, occupied, and the opportunities for making money are no greater there than in the East; so that advice to young men of the country should be to return to the pursuits, practices, and customs of their fathers, go to the seas for a career and gather wealth from shipping and trade with foreign lands.

The United States pays \$500,000 every day, or nearly \$3 per capita per annum, to foreign shipowners for carrying what its people sell and buy. This enormous sum, or most of it, under a proper policy of aid to shipping would be saved to the country.

Apart from the importance of encouraging shipping purely as a branch of industry that brings returns to those engaged in it, employment for labor, and consumption of raw and manufactured material, it has an added importance and becomes a matter of national concern from the standpoint of defense.

In a report to Congress on commerce and navigation, made by Mr. Jefferson as Secretary of State in 1793, speaking of navigation, he said:

Its value as a branch of industry is enhanced by the dependence of so many other branches upon it. In times of general peace it multiplies competitors for employment in transportation, and so keeps that at its proper level; and in times of war, that is to say, when those nations who may be our principal carriers shall be at war with each other, if we have not within ourselves the means of transportation, our produce must be exported in belligerent vessels, at the increased expense of war freight and insurance, and the articles which will not bear that must perish on our hands.

But it is as a resource of defense that our navigation will admit neither neglect nor forbearance.

OPPOSITION AND DIFFICULTIES TO BE OVERCOME.

Any plan or policy that may be devised for building up American shipping on the high seas will meet with serious opposition from the ship-owning nations of the world. Even among our own people opposition will be developed. But we must not be deterred from the performance of a plain duty because of difficulties and opposition at home and abroad. Difficulties lie in the pathway of progress. No great thing comes to a nation, a community, or an individual without effort and difficulties to overcome.

The United States has a common interest in the oceans and seas of the world, and should share in the fruits and benefits that arise from occupying them with its vessels; especially should it have the largest share in carrying its own foreign trade. Because of the opposition of Great Britain and countries which control the shipping of the world and enjoy what we once had, we must not surrender our rights on the seas and fail to reach out and take again what naturally belongs to us.

FOREIGN CAPITAL FOCUSED AGAINST AMERICAN INTERESTS.

I do not underestimate the influence and power of the forces arrayed against American shipping, which have helped to bring it to its present deplorable condition, and which will fight to prevent its restoration. These forces are united, vigorous, and determined, while we are divided as to policy. It is hard to build up a business in opposition to one already established, and where the advantages are massed on one side. A thousand millions of invested foreign capital will be focused against any attempt to build up American interests on the high seas; this capital will have its influence; already it is being felt. Behind foreign shipping there is not only great capital but a great interest to maintain, and in order to hold its present position this interest will use every means in its power, and attempt to mold public opinion against any plan or policy of aid to shipping the United States may adopt.

CONTINUOUS BRITISH RIVALRY INEVITABLE.

The greatest contest will be with England for commercial supremacy. Great Britain will resist every step in the direction of restoring American shipping. She would not be true to her people, her commercial instincts, traditions, and interests were she not to make every effort in her power to maintain her supremacy on the seas. What agriculture is to the United States shipping is to England, and England will use all her endeavors, through statesmanship and diplomacy, to protect the same. Against this there can be no reasonable objection on our part.

It is the province of English statesmanship to maintain the commercial supremacy of Great Britain on the high seas. It is manifest destiny that the United States shall dispute this supremacy and with its position and advantages control not only its own, but the larger part of the carrying trade of the world.

We may agree with England on most subjects, but on the subject of shipping and commerce we never can. Lord Robert Cecil, the present Lord Salisbury and prime minister of England, in the English Parliament, early in 1862, said:

Everyone who watches the current of history must know that the Northern States of America never can be our true friends, for this simple reason: Not merely because the newspapers write at each other, or that there are prejudices on both sides, but because we are rivals; rivals politically, rivals commercially. We aspire to the same position. We both aspire to the government of the seas. We are both manufacturing people, and in every port, as in every court, we are rivals to each other.

This is a true and candid statement of the facts as they exist and will continue to exist. We can not, and should not, attempt to conceal them. Great Britain will not easily give up what she has gained on the sea in two hundred years. She knows that a struggle with the United States for commercial supremacy is inevitable, and is preparing for it. England, an island in area not greater than one of our States, is at once the child and ruler of the seas.

Sir Walter Raleigh said:

Whosoever commands the sea commands the trade; whosoever commands the trade of the world commands the riches of the world, and, consequently, the world itself.

PROTECTION TO SHIPPING ADOPTED BY THE FIRST CONGRESS.

The first and most important question of national policy that engaged the attention of the makers of the Government after the adoption of the Constitution was what could or should be done by legislation to provide revenue and encourage manufacturing and

shipping. These questions were widely discussed in the State legislatures and in the press of the country. Following this agitation, the First Congress levied duties on goods, wares, and merchandise imported into the United States for the purpose of raising revenue and to encourage manufacturing, and by the same and other acts in order to encourage shipping, additional duties were imposed on goods, wares, and merchandise imported in vessels not of the United States.

Mr. Blaine, in his *Twenty Years of Congress*, says:

The principle of protecting the manufactures and encouraging the navigation of America had been distinctly proclaimed in the first law of the new Government, and was thus made in a suggestive and emphatic sense the very corner stone of the republican edifice which the patriots of the Revolution were aiming to construct.

The acts of Congress providing discriminating duties were taken from the navigation laws of Great Britain, then in force for more than one hundred years and which were not repealed for nearly sixty years afterwards. The policy of protection to our manufacturing interests has been continued from 1789 until now, and the results have justified the wisdom, not only of adopting such a policy in the first instance, but in adhering to it.

The policy of protecting our lake and coastwise shipping by excluding from it foreign vessels has also remained in force a hundred years and borne the best results. The only instance in which we have departed from the teachings of the fathers and given up the protective policy they adopted has been to ocean carrying.

In adhering to the policy of protection to our manufactures and to shipping in the coastwise trade, the United States is now the leading nation in manufacturing, and our coastwise trade is the largest in tonnage and the most prosperous in the world.

By giving up protection to shipping on the high seas, it has declined until we now carry only 11 per cent of our foreign commerce, while our ships under discriminating duties from 1789 to 1828—a period of forty years—carried on an average nearly 90 per cent.

LEGISLATION FAVORING DISCRIMINATING DUTIES.

In order to a better understanding of this question, a brief history of the legislation of Congress on the subject of shipping and the results that have followed will be helpful.

It is an historical fact that while we were colonies of Great Britain it was the policy of the mother country to discourage manufacturing, shipping, and shipbuilding in the colonies, in order that these branches of industry might be better fostered at home.

About this time the King of England declared that nothing but sloops should be built in the American colonies. They were the smallest sized vessels and of little consequence in the foreign trade. All other ships engaged in commerce between the two countries had to be built in England.

For six years previous to the adoption of the Constitution—that is, from 1783 to 1789—shipping in our foreign trade was for the most part in the hands of the shipowners of Great Britain.

A COURAGEOUS POLICY.

The second act passed by Congress introduced by Madison was a tariff act, and provided protection to manufacturing. In this act protection to shipping was also provided by increasing duties on certain goods imported in foreign vessels. By the same act it was further provided that the duties on goods imported from the East

Indies should be $12\frac{1}{2}$ per cent ad valorem, which was about double the duties on the same class of goods brought in American ships. The following figures, taken from the report of Commissioner of Navigation, William W. Bates, show the difference in duties on teas under this act:

Duties on different kinds of tea (per pound).

Manner of importation.	Bohea.	Sou-chong.	Hyson.	Other green.
	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>
From China or India in American ships.	6	10	10	12
From Europe in American vessels.....	8	13	26	16
In any other way than as above	15	22	45	27

This table shows that the duties were more than doubled when teas were imported in foreign ships.

Mr. Bates adds:

As a general protection to the marine in other trades than that to China and India, a rebate of 10 per cent was allowed on importations by vessels of our own. At the time of this statute it was the rule in foreign commerce for the merchants to own their shipping. But our merchants, whether owners or not, were directly protected by a system of credit for the payment of duties above \$50 in amount, as follows: On articles of West India produce, four months; on Madeira wines, twelve months; on teas, two years; on all other goods, six months.

This was a bold policy on the part of a nation in its infancy, and in face of the opposition of foreign shipping, but it seemed to be the most effective way open to our fathers for building up ocean carrying.

The next measure of protection was imposing tonnage duties by act of Congress approved July 20, 1789, under which the duties were as follows:

	<i>Cents.</i>
On all vessels American built, owned by citizens; or foreign built, owned by citizens the 29th of May, 1789, and while owned by citizens, per ton..	6
On all vessels hereafter built in the United States, partly or wholly owned by foreigners	30
On all other ships or vessels, at the rate of	50

Other advantages were allowed American shipowners in the payment of tonnage dues. They had to pay only once a year, while the owners of foreign vessels had to pay on every arrival.

By another act of Congress, approved September 1, 1789, it was provided that none but American-built vessels should fly the American flag. This law is still in force.

Additional protection was granted to American shipowners and shipbuilders by an act approved July 4, 1794. This act provided for the increase of duties on goods, wares, and merchandise imported in vessels not of the United States. Section 4 of this act is as follows:

That an addition of 10 per cent shall be made to the several rates of duties above specified and imposed in respect to all goods, wares, and merchandise which, after the said last day of June instant, shall be imported in ships or vessels not of the United States.

The bill under consideration is in principle the same as this section.

PROTECTION TO OUR COASTWISE TRADE.

By act of Congress approved February 18, 1793, and followed by another on the same subject approved March 3, 1817, it is provided that none but American-built vessels shall be used in the

coastwise, river, and lake trade of the United States. This has remained substantially the law for more than one hundred years. Under these acts no foreign-built vessel can engage in our coastwise trade, and American vessels in such trade have absolute protection and no competition from foreign vessels. All of these acts except the one passed in 1817 were approved by Washington as President.

Congress in the first five years of its existence passed three acts to protect shipping, each one confirming the wisdom of the preceding one, and all contributing to increase shipping and shipbuilding in the early history of the Government.

The first year after the passage of the act of July 4, 1789, providing discriminating duties, American ships carried 40, the second 50, the third 65, the fourth 79, and the fifth year 88 per cent of our foreign commerce. And this increase was substantially maintained until 1828, when protection to shipping by discriminating duties was conditionally suspended by acts of Congress and treaties with Great Britain and other countries. The effect of this legislation in increasing shipping in our foreign commerce was phenomenal. The progress made not only vindicated the wisdom of passing such acts, but went beyond the expectations of the friends of shipping. These acts, while increasing shipping in our foreign commerce, had the effect to decrease British shipping correspondingly, as will be seen by the following table showing the tonnage of British vessels admitted to American ports in the early stage of discriminating legislation:

Year.	Tonnage.	Year.	Tonnage.
1790	218, 914	1795	27, 007
1791	210, 618	1796	19, 663
1794	37, 058		

Beginning with 218,000 tons in 1790, British shipping in our foreign commerce declined during these six years to 19,000 tons. British tonnage gained little in our ports in the early years of the present century, but was again reduced to almost nothing in 1810, 1811, and 1812, until the war of that year.

SOME RESULTS OF DISCRIMINATING DUTIES.

The beneficial results of discriminating duties in building up our shipping will be found in the records of the Treasury Department. From these records it appears from 1789 to 1800 the carrying of our imports in American ships increased from 17½ to 92 per cent, and of our exports from 30 to 88 per cent; and from 1800 to 1810 this increase was substantially maintained, making the average of our foreign commerce carried in American ships for the period from 1800 to 1810, 91½ per cent of our imports and 87 per cent of our exports.

By an act of Congress approved in 1804 tariff duties were increased 2½ per cent, and again it was provided that "an addition of 10 per cent should be made to the said additional duty in respect to all goods imported in ships or vessels not of the United States." Owing to foreign wars, the United States did not keep up the average from 1801 to 1805 of the carriage in American ships of our foreign commerce, but during this adverse period,

made so by war between France and England and other wars, American ships carried 89.8 per cent of our imports and 86 per cent of our exports. From 1805 to 1810, our proportion of American carriage in the foreign trade increased until it reached 92½ per cent of the imports and 88½ per cent of the exports.

In 1810 our share in the carrying trade of the world was about as great as that of England. Alarmed at the successful progress of American shipping under discriminating duties, England brought on the war of 1812, it is said partly for the purpose of breaking it down.

On the whole from 1810 to 1830 there was but little decline in American carrying in our foreign trade.

During the war of 1812 our proportion of carrying in our foreign trade only declined to 58 per cent of our imports and 51 per cent of our exports, which was the lowest point it had reached under the policy of discrimination; but this loss was recovered in the following five years and maintained until 1830.

The policy of discriminating duties not only increased our shipping, but it built up a merchant marine and a navy which stood us well in hand in the war of 1812. If our fathers had not in their wisdom provided for the protection of shipping immediately after the adoption of the Constitution, our carrying would have largely remained in the hands of foreign shipowners, and in the war of 1812 we would have been without a merchant marine and without a navy or seamen to man it—simply powerless and defenseless on the high seas—and we would have suffered defeat instead of achieving a great victory. It is a remarkable fact that Madison in the First Congress introduced the bill that protected shipping, its passage being urged on the ground that it would build up a merchant marine and a navy which would be useful in time of war, and during the war of 1812 he was President and used the navy built up under his bill to save the United States from defeat.

YIELDING TO BRITISH PERSUASIONS.

After the close of the war of 1812 there grew up in the United States a party desirous of conciliating England. The President and Congress lent willing ears to the importunities of this party and the proposal of English statesmen to remove restrictions against foreigners and foreign-built vessels in the American carrying trade. All the arguments for free trade in shipping, maritime reciprocity, and neighborly feeling in doing business, good in theory and on paper, were brought forth at the time. Accordingly, Congress passed an act, approved March 4, 1815, which inaugurated what was known as "limited maritime reciprocity," and thus took away some of the protection to shipping granted under the laws of 1789 and 1794. In this act it was provided—

That so much of the several acts imposing duties on the tonnage of ships and vessels, and on goods, wares, and merchandise imported into the United States, as imposes a discriminating duty on tonnage between foreign vessels and vessels of the United States, and between goods imported into the United States in foreign vessels and vessels of the United States, be, and the same are hereby, repealed; such repeal to take effect in favor of foreign nations whenever the President of the United States shall be satisfied that the discriminating or countervailing duties of such foreign nation, so far as they operate to the disadvantage of the United States, have been abolished.

This was the first direct attack on discriminating duties. It was soon followed by a treaty between the United States and England, negotiated July 3, 1815, to regulate commerce between the two

countries. The main provisions of this treaty, according to ex-Commissioner of Navigation Bates, were in substance as follows:

First. Reciprocal liberty of commerce between the territories of the United States and the British territories in Europe, but not in America.

Second. No higher or other duties on productions of each country than on those of other foreign countries.

Third. Equality of duties on American and British vessels in Great Britain and the United States.

Fourth. No discriminative duties on importations, whether by American or British vessels, in either Great Britain or the United States.

Fifth. Equality of duties, bounties, and drawbacks, and whether in British or American vessels.

Sixth. Intercourse with the West Indies not to be affected by this convention.

Seventh. Vessels of the United States permitted to trade direct to and from the principal British dominions in the East Indies in articles not prohibited in time of war, and not to pay more duties or charges than vessels of the most favored nation either on vessel or cargo.

Commissioner of Navigation Bates, commenting on this treaty, says:

The provisions of this treaty, obligatory for four years, have become by acts and proclamations the rule of commercial intercourse between the United States and Great Britain, though when it was made that nation did not grant us full "reciprocal liberty of commerce." She kept us out of her West India ports for fifteen years, and out of her North American possessions for thirty-five years afterwards.

In 1817 Congress passed another act of reciprocity, which had the effect of further impairing protection to American shipping. In 1819 our shipping had fallen lower than it had been for twenty-two years.

FINAL ACT OF RUINOUS RECIPROCITY.

The "free-freighting act" of 1828, as it was called, was in the interest of foreign shipowners. This act and the subsequent treaties led to the ruin of our carrying in our foreign trade. While advantage of it was soon taken by a few of the lesser maritime nations, it was not availed of by the more powerful notably Great Britain, for many years, in consequence of which our losses of carriage were more gradual and less noticed than they would have been had the discrimination ceased upon its adoption. This act is even now in force, and nations are not yet done asking for its benefits. The treaties following it have brought us not one, but destroyed all advantages we had under protection by discriminating duties.

During the four years of the civil war American ships lost in carrying our imports about 30 per cent, and our exports 45 per cent. From the close of the war until 1890 these losses have been about 14 per cent in carrying imports and 17 per cent of exports.

The following table shows the losses in our carrying before, during, and since the war:

Period.	Imports.	Exports.
	<i>Per cent.</i>	<i>Per cent.</i>
Before the war, 31 years, from 1829 to 1860.....	33.60	14.20
During the war, 4 years.....	30.10	46
Since 1865, 25 years.....	13.30	17.07
Percentage of carriage, 1830.....	93.60	86.30
Percentage of carriage, 1890.....	16.60	9.03
Loss from 1830 to 1890.....	77	77.27

This table covers sixty years of the period of maritime reciprocity under treaties with foreign countries.

On the 7th of January, 1824, another act was passed which impaired discriminating duties. The last act on the subject was approved May 24, 1828, styled in its time "A bill for the relief of England," which withdrew all protection to American ships and shipbuilding that these branches of industry had enjoyed under early acts of Congress.

This act is as follows:

That upon satisfactory evidence being given to the President of the United States by the Government of any foreign nation that no discriminating duties of tonnage or impost are imposed or levied in the ports of said nation upon vessels wholly belonging to citizens of the United States, or upon the produce, manufactures, or merchandise imported in the same from the United States, or from any foreign country, the President is hereby authorized to issue his proclamation declaring that the foreign discriminating duties of tonnage and impost within the United States are and shall be suspended and discontinued so far as respects the vessels of the said foreign nation, and the produce, manufactures, and merchandise imported into the United States in the same from the said foreign nation or from any other foreign country, the said suspension to take effect from the time of such notification being given to the President of the United States, and to continue so long as the reciprocal exemption of vessels belonging to citizens of the United States and their cargoes, as aforesaid, shall be continued, and no longer.

Notwithstanding the war of 1812, under the policy of discriminating duties American carrying continued to prosper until England became alarmed at our great progress. Having failed to break down our shipping by war, she persuaded the United States to adopt maritime reciprocity. In 1827, the year before the final act of Congress was passed for the abandonment of the policy of discriminating duties, the London Times said:

It is not our habit to sound the tocsin on light occasions, but we conceive it to be impossible to view the existing state of things in this country without more than apprehension and alarm. Twelve years of peace, and what is the situation in Great Britain? The shipping interest, the cradle of our navy, is half ruined. Our commercial monopoly no longer exists; we have closed the western Indies against America from feelings of commercial rivalry. Its active seamen have already engrossed an important branch of our carrying trade to the East Indies. Her starred flag is now conspicuous on every sea, and will soon defy our thunder.

Yet in face of this confession of the success and growth of American shipping under discriminating duties, the next year Congress was induced to give up the last remnant of protection to shipping.

After thirty years of trial and experience under protection and discriminating duties, Daniel Webster said, in 1825:

We have a commerce which leaves no sea unexplored; navies which take no law from superior force.

Discriminating duties were partially repealed in 1815 and their suspension was made possible on certain conditions by the act of 1828. The following table, taken from the reports of the Commissioner of Navigation and the records of the Treasury Department, shows the growth of American carrying under discriminating duties and its decline under maritime reciprocity:

Comparative statement showing proportion of American foreign commerce carried in American ships from 1789 to 1896.

GROWTH—1789 TO 1896.

PERIOD OF PROTECTED CARRYING UNDER DISCRIMINATING DUTIES.

Year.	Foreign trade shipping.	Imports.	Exports.	Total.
	<i>Tons.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
1789	123,893	17.5	30	23.75
1790	346,254	41	40	40.5
1791	363,110	53	52	55
1792	411,438	67	61	64
1793	367,734	82	77	79.5
1794	438,863	91	86	88.5
1795	529,471	92	88	90
1796	576,733	94	90	92
1797	597,777	92	88	90
1798	603,376	91	87	89
1799	657,142	90	87	88.5
1800	657,107	91	87	89
1801	630,558	91	87	89
1802	557,760	88	85	86.5
1803	585,510	86	83	84.5
1804	660,514	91	86	88.5
1805	744,224	93	89	91
1806	798,507	93	89	91
1807	810,163	94	90	92
1808	765,252	93	88	90.5
1809	906,855	88	84	86
1810	981,019	93	90	91.5
1811	763,607	90	86	88
1812	758,636	85	80	82.5
1813	672,700	71	65	68
1814	674,633	58	51	54.5
1815	854,295	77	71	74
1816	800,760	73	68	70.5
1817	804,851	79	74	76.5
1818	589,954	85	80	82.5
1819	581,230	87	82	84.5
1820	583,657	90	89	89.5
1821	593,825	92.7	84.9	88.7
1822	582,701	92.4	84.1	88.4
1823	600,003	92.1	87.4	89.9
1824	636,807	93.4	88.7	91.2
1825	665,409	95.2	89.2	92.3
1826	696,221	95	89.6	92.5
1827	701,515	94.3	87.5	90.9
1828	757,908	91.4	84.5	88.9

Comparative statement, etc.—Continued.
DECLINE—1829 TO 1896.

PERIOD OF UNPROTECTED CARRYING UNDER RECIPROCITY.

Year.	Foreign trade shipping.	Imports.	Exports.	Total.
	Tons.	Per cent.	Per cent.	Per cent.
1829	592,859	93	86	89.5
1830	537,563	93.6	86.3	89.9
1831	598,136	91	80.6	86.5
1832	614,121	89.4	75.8	83.1
1833	648,869	90.7	75.5	83.8
1834	749,376	89	74.4	83
1835 (nine months only)	788,173	90.2	77.3	84.5
1836	753,094	90.3	75.4	84.3
1837	683,205	86.5	77.6	82.6
1838	702,962	90.6	82.8	84.2
1839	702,400	88.7	78.3	84.3
1840	763,838	86.6	79.9	82.9
1841	788,898	88.4	77.8	83.3
1842	823,746	88.5	76.3	82.3
1843 (nine months only)	856,990	77.1	77	77.1
1844	900,471	86.7	70.5	78.6
1845	904,476	87.3	75.8	81.7
1846	943,307	87.1	76.2	81.7
1847	1,047,454	77.2	65.3	70.9
1848	1,168,707	82.9	71.1	77.4
1849	1,258,756	81.4	68.9	75.2
1850	1,439,694	77.8	65.5	72.5
1851	1,544,663	75.6	69.8	72.7
1852	1,705,650	74.5	66.5	70.5
1853	1,916,471	71.5	67.1	69.5
1854	2,151,918	71.4	69.3	70.5
1855	2,348,358	77.3	73.8	75.6
1856	2,302,190	78.1	70.9	75.2
1857	2,268,196	71.8	60.2	70.5
1858	2,301,148	72	75	73.7
1859	2,321,674	63.7	69.9	66.9
1860	2,379,296	63	69.7	66.2
1861	2,494,894	60	72.1	65.5
1862	2,173,537	44.8	54.5	50
1863	1,926,886	43.3	40	41.4
1864	1,486,749	24.6	30	27.5
1865	1,518,350	29.9	26.1	27.2
1866	1,387,756	25.1	37.7	32.7
1867	1,515,645	28	39.1	33.9
1868	1,494,389	33	36.6	35.1
1869	1,496,220	31.3	34.9	33.1
1870	1,448,846	33.1	37.7	35.6
1871	1,363,652	31	32.6	31.9
1872	1,359,040	26.8	29.8	29.2
1873	1,378,533	27	25.7	26.4
1874	1,389,815	30.2	24.6	27.2
1875	1,515,598	29.2	23.7	26.1
1876	1,553,705	30.8	25.4	27.7
1877	1,570,600	31.5	23.7	26.9
1878	1,589,348	32.2	22.6	25.3
1879	1,451,505	31.6	17.6	23
1880	1,314,402	22	13.7	17.4
1881	1,297,035	19.9	13.3	16.5
1882	1,259,492	19.2	12.8	15.8
1883	1,269,681	20.7	13.4	16
1884	1,276,972	22.4	14.4	17.2
1885	1,262,814	21.3	13.7	15.3
1886	988,041	20	13.6	15.5
1887	989,412	18.6	12.2	14.3
1888	919,302	18.5	11.79	14
1889	999,619	17.08	11.62	14.3
1890	928,062	16.68	9.03	12.9
1891	988,719	15.85	9.26	12.5
1892	977,624	17.66	8.11	12.3
1893	883,199	15.5	8.8	12.2
1894	899,698	19.4	8.7	13.3
1895	822,347	15.5	8.2	11.7
1896	829,833	15.7	8.5	12

It will be seen from this comparative statement that in the first six years of protection our import carriage in American ships reached 94 per cent and our export carriage 90 per cent. This was an extraordinary growth. Thereafter we could not expect to reach these figures every year, but did in 1807; and in 1825 we carried 95.2 per cent of imports and 89.2 per cent of exports. The average proportionate carriage for the period of protection—thirty-nine years—including the war of 1812, was, for imports, 85.64 per cent, and for exports 76.81 per cent. Our carriage in 1829 was, imports, 93 per cent, and exports 86 per cent. From these high figures it has dwindled down in 1896 to 15.7 per cent for imports and 8.5 per cent for exports.

A careful study of the tables just read tells the whole story as to the merits of the policy of discriminating duties on one hand, and free carrying under maritime reciprocity on the other. They show clearly and unmistakably the good results that followed discriminating duties from 1789 to 1830, and they show, with equal clearness, the baneful effects shipping suffered from 1830 to 1896, a period of sixty-six years under maritime reciprocity, the decline being about 77 per cent.

Placing these tables side by side, we have the naked facts. No amount of sophistry, no amount of explanation, no amount of specious argument can change these facts and the results of these two policies. All impartial minds must agree, in the face of this showing, that the policy of maritime reciprocity has not only been a failure, but under it American shipping in our foreign trade and throughout the world has been well-nigh ruined. The other conclusion forces itself upon the mind that shipping to grow and prosper as an industry must be protected as it was in the early history of the Government. Protection is the American principle, and there is no reason why it should stop when it reaches the ocean. If needed, American industries should enjoy protection and have encouragement wherever they are, on sea or on land. If protection to industries on land and to shipping in our coastwise trade has been necessary and maintained for a hundred years, why should it not have been continued as to industries on the high seas? They are quite as important as manufacturing and other interests are on land.

SHIPPING LEGISLATION SINCE 1830.

Between 1830 and 1860 there was little or no legislation in favor of shipping, except the subsidy act of 1845, which was in operation about twelve years, being repealed by an act of Congress approved by President Buchanan June 14, 1858. During the existence of this act American carrying in our foreign trade increased, but declined after its repeal. While in force, in order to counteract its good effects, Great Britain increased her subsidies to English shipping from \$3,000,000 to \$5,000,000 per annum.

For the last thirty years, although there has been from time to time much discussion in and out of Congress on the subject of building up the merchant marine and lamentations that American carrying was constantly declining, and general expressions that something should be done looking to its revival, yet during this period, while many acts of Congress were passed bearing on the subject, only four have been important enough to be mentioned. These are as follows:

The act approved February 18, 1867, appropriating \$500,000 for China mail service and \$150,000 for Brazil mail service;

Act approved June 1, 1872, authorizing the Postmaster-General

to make a contract with the Pacific Mail Steamship Company for foreign mails between San Francisco, Japan, and China;

Act approved June 6, 1872, providing that all foreign materials for building vessels for use in the foreign trade should be admitted free of duty; and an

Act approved March 3, 1891, commonly known as the postal subsidy act.

It is not necessary now to discuss the merits of this legislation, for the reason that with all these acts in full force carrying in our foreign trade has constantly declined. All attempts for fifty years to aid shipping by mail pay and subsidies have been failures, and it still remains for Congress, in the face of these failures, to adopt a protective policy for the upbuilding of the American merchant marine.

NAVIGATION LAWS OF GREAT BRITAIN.

It would take too much time to give a complete history of the navigation laws of Great Britain passed during the last two hundred and fifty years, and only a brief outline of their provisions can be mentioned here showing their object and what they accomplished.

The famous navigation act was passed to encourage English merchant shipping. It was first promulgated in 1651 under Cromwell, but remodeled in 1660 under Charles II. It was devised to regulate the following:

1. Coasting trade.
2. Fisheries.
3. Commerce with the colonies.
4. Commerce with the countries of Europe.
5. Commerce with Asia, Africa, and America.

Under its regulations the following restrictions were imposed:

1. Coasting trade was exclusively restricted to British vessels; crews wholly English.
2. Double duties were imposed on products of foreign fisheries.
3. Commerce with colonies exclusively restricted to British vessels. Though reciprocity with colonies from time to time was introduced when it would not be hurtful to British shipping.
4. Commerce with European countries was restricted to British vessels or to vessels owned by the country exporting the commodities. All imports in foreign ships were subjected to discriminating duties by tariff act of 1652.
5. Commerce with Asia, Africa, and America was exclusively restricted to British vessels. Nothing from these countries could be imported into England through any foreign country.

Only those ships were considered British whose hulls were built in England, and three-fourths of whose crews were English subjects.

This act remained in force from one hundred and twenty to one hundred and thirty years without material change. The success of the American Revolution was one of the main causes of its modification.

In 1825 the act was entirely remodeled. It was again revised in 1833 and 1845, by which latter revision the original act was so completely restored that it seemed to all intents and purposes to have been once more put into full operation. A proviso, however, authorized the Government, in consequence of treaties made with foreign powers, to make such and so many notable exceptions that these exceptions have almost destroyed the rule. In 1849 the

act was definitely repealed by Lord John Russell, crowning the efforts of Peel and Cobden to establish free trade.

There can be no doubt that the navigation act gave a great and lasting impulse to the British merchant marine.

Adam Smith, despite his horror and intolerance of all protective measures, made an exception in favor of the navigation act, which he regarded as a wise and patriotic law. It was in his eyes not only an act regulating commerce, but a measure of public safety.

RECIPROCITY GRADUALLY APPLIED.

Step by step the encircling ring of protection was broken, but never with such rapidity that English shipping could suffer from the change of conditions. To each country in turn in which England desired freedom for her ships she granted freedom in her home and colonial ports. Nothing was done out of consideration for her competitors. The result speaks for itself. Great Britain to-day controls 53 per cent of the carrying trade, owns half the floating property of the globe, unfurls her flag over one-quarter of its area, and rules nearly one-third of its population. Could this position have been achieved or maintained save by first excluding foreign-built vessels from her commerce, and by discriminating duties, together with subsidies and mail pay on an enormous scale, and other forms of support?

England, under this system of laws in full force for about one hundred and thirty years, laid the foundation for the present prosperous condition of her shipping and commercial supremacy. We are told that England has free trade in shipping and maritime reciprocity, and, as a result, controls one-half the carrying of the world, and therefore this policy is best for the United States. But the conditions are not the same. In the matter of shipping the United States is in one sense now where England was when she enacted her navigation laws, and we are not as well off as when we adopted discriminating duties in 1794. If the United States had enjoyed for one hundred and thirty years the benefits of such navigation laws and had followed them by discriminating duties, large subsidies, and mail pay, then our people might be willing to adopt free trade in shipping. We would then start in the struggle on equal footing. Great Britain adopted free trade on land before she adopted it on the sea, and the United States would do well not to adopt free trade in shipping until after it is tried on land.

Extract from Nimmo's report on foreign commerce and the practical workings of maritime reciprocity (Executive Document No. 76, House of Representatives, Forty-first Congress, third session.)

England clung to her own maritime code of Cromwell and Charles II until the year 1849, refusing us all reciprocal relations of commerce beyond the direct trade between Great Britain and the United States or between the United States and her colonies. She held to her colonial trade with the tenacity of a death grip, declaring the entire commerce between the different parts of her empire to be a part of her coastwise trade.

The emancipation of the commerce of the United States from the hostile maritime policy of England was one of the prominent causes of the formation of our National Government in 1787. The celebrated "colonial controversy" continued for forty years. In 1788 England prohibited all intercourse in American vessels with her colonies, thus securing to her own ships the advantages of three profitable voyages in one, viz, from England to the United States, thence to the British West Indies, and thence home. From this policy she was finally compelled to recede on account of the retaliatory course pursued by the United States. It is not surprising that at this early period this contest should have excited profound national interest. The question of retaliation against England, or of submission to her imperious rule, agitated the country for many years. In 1818 an act was passed closing

American ports against British vessels coming from ports which were closed to American vessels. After several restrictive acts on the part of England, and retaliatory acts on the part of the United States, England finally removed the disabilities of American vessels in the direct trade with her colonies, and the United States relaxed its retaliatory measures. During this whole controversy the United States, while resisting each act of encroachment upon her rights as an independent nation, at all times extended to England the offer of a fair and true reciprocity.

Finally, in 1849, England, a tardy follower of the policy of free shipping, which we inaugurated in 1828, passed the act (12 and 13 Vict., chapter 29, June 23, 1849) abolishing almost all of her former maritime laws. Under the authority conferred upon the President by the act of 1828, the Secretary of the Treasury promptly issued his order to collectors of customs informing them that British vessels and their cargoes would thenceforth be admitted to our ports from all parts of the world upon the same terms as to duties, imports, and charges as American vessels.

THE INTRENCHED POSITION OF GREAT BRITAIN.

The advantages that help to perpetuate England's maritime supremacy are:

1. Her enormous tonnage; more than the combined tonnage of all other nations.

Supported by—

- (a) The British Lloyd system of surveys and classifications, discriminating in favor of British-built vessels. Consuls can act as Lloyds agents everywhere.
 - (b) Discriminations of Association of Marine Insurance Underwriters, consequent upon Lloyds classification of risks.
 - (c) Mail subsidies amounting to about \$4,000,000 annually, on which Great Britain is content to suffer a seeming loss of about \$2,500,000 annually.
2. Her enormous tonnage; more than the combined tonnage of all other nations—Continued.
Supported by—
 - (d) Subventions to fast steamship lines as armed cruisers, about \$250,000 annually.
 - (e) Ships manned more cheaply; less number sailors and low wages.
 - (f) Ships supplied more cheaply.
 - (g) Ships surer of cargoes, having markets everywhere.
 - (h) Ships, passenger and freight, enjoy prestige for safety.
 - (i) Tax rate and insurance on ships very low.
 - (j) Income from ships high in proportion to English rate of interest.
 - (k) Ships' supplies taken from goods in bond, i. e., duty free.
 - (l) Dock equipment for repairing finest in the world.
 - (m) Less cost of repairs, low price of labor, and low rent of docks.
 3. National pride and interest in all marine affairs. The executive practically with full power in matters of subsidies and aid to shipping.
 4. The possession of the "beaten track" of international commerce.
 5. An enormous foreign trade, extending around the world.

5. A thoroughly established international credit and banking system, accommodating the debtor nations. It is said that the capital and surplus of international banking houses of London alone, which aid British commerce throughout the world, amount to nearly \$400,000,000, or five times the capital and surplus of the national banks of the city of New York.
6. An unrivaled consular system.
7. A board of trade that is national in its character, with full executive power; while the United States has not even a department of commerce.
8. A vast system of submarine and overland electric cables, which help to make England the commercial brain and center of the globe.
9. A round-the-world Empire, which, with its growing system of politico-commercial railways, canals, and steamship lines, under the patronage of the Imperial treasury, have long since unified its colonial dominions and holds the world's commerce in a British net of steam, steel, and electricity.
10. A navy which is a guaranty of safety in time of international complications.
11. England's position as the great trade center to which all commercial highways lead.
12. The persistent and seemingly incurable indifference of Americans toward even the maintenance of the shipping we have, let alone increasing it. England's shipping grows by reason of our apathy.

To all these should be added—

The wage-earning power of the merchant marine of Great Britain, amounting to about \$75,000,000 annually.

The freight and passenger earning power, estimated at about \$500,000,000 annually.

The consumption of coal, iron, and steel for her ships.

The profits from shipbuilding and ship repairing.

BRITISH LLOYDS REGISTER ASSOCIATION.

Lloyds Register has been known for the last sixty or seventy years as one of the chief agencies used in building up shipping in England and breaking down that of other countries, notably that of the United States. While it is the business of this association to inspect, rate, and classify British and foreign ships, yet they do not insure hulls and cargoes. The business of insurance, however, is conducted by its members, individually, entirely outside of and separate from the corporation. Lloyds Register has agents in all the ports of the world, and they give preference in inspection, rating, and classification to British ships. This enables British ships not only to be insured cheaper, but to get readier cargoes, while American vessels have to wait for cargoes which are charged higher insurance on account of the ships having a lower classification. Through this system of inspecting, rating, and insurance American sailing vessels have been driven out of many ports of the world, especially our own, both on the Atlantic and the Pacific coasts. There are instances, owing to these discriminations, where American vessels have waited months for cargoes.

The British Lloyds Register is one of the most important aids to British shipping.

United States Consul Jones writes to the Department of State from Newcastle-on-Tyne, September 30, 1882, as follows:

The local marine office at London pays out £10,000 per month (\$600,000 per year) in salaries. The wages paid to British seamen during 1881 amounted to £10,000,000 (\$50,000,000), and the premiums paid on marine insurance during the same year are stated at £10,000,000 (\$50,000,000). Look whither we will, and the beneficial influence of shipping is patent; and it is a growing influence, already exceeding in capital invested the mines and iron works of the Kingdom combined, and only excelled in this regard by agriculture and railways.

The Commissioner of Navigation in his report for 1885 says:

It was the great disparagement by Lloyds' agents in the ports of China and Japan that prejudiced shippers against the steamships of our Pacific Mail—the *Peking* and *Tokio*—in 1874 and 1875.

But Consul Jones proves even more forcibly this influence, he says again:

Shipping creates a great demand for iron and steel in their various forms and qualities, as well as for engines and boilers, chains and anchors, sails and ropes, for every variety of hardware, crockery, and glassware, and for upholstery and carpets, beds and bedding, electric appliances and telephones. Employment is afforded directly and indirectly to an army of men and women of every social grade and intellectual caliber, from the wealthy ship-builder, with his estate in the midlands and his seat in Parliament, to the hard-worked puddler at the furnace.

Insurance companies and clubs give employment to thousands; government officers, customs employees, surveyors, savings-bank clerks, stevedores, and many more derive their livelihood from the traffic of shipping.

Men and boys in the British mercantile navy during 1880 numbered 190,380.

United States Consul Morey, of Ceylon, writes as follows:

To my knowledge, for a period of twelve years, and in a great measure even to the present day, beautiful and staunch American vessels have been unemployed in foreign ports, or accepted of freights too low to much more than pay expenses, while crank old foreign craft, just at the tail end of a high class and prone to damaging their cargoes, have loaded for the United States at high rates with cargo bought with American money on American orders, and simply on the plea that, being classed at Lloyds, the rates of insurance were largely in their favor.

Only members of Lloyds are allowed the benefits, protection, and information furnished daily by agents appointed for the purpose, and there is scarcely a port of consequence in the world where one is not stationed. "British consuls are allowed to serve as (these) agents;" also "for (British) navigation companies."

While England has at the head of her shipping a member of the cabinet, and the local marine office at London pays out \$600,000 annually in the way of salaries, the United States simply maintains a Bureau of Navigation at a cost of about \$15,000 per annum. Against this entrenched position and immense advantages which British shipping enjoys, and under these unequal conditions nothing short of discriminating duties will avail.

CHARACTER OF PROTECTION TO SHIPPING BY EUROPEAN COUNTRIES.

According to the report of the Commissioner of Navigation in 1894, the forms of aid adopted by European countries to build up shipping and shipbuilding are as follows:

First, *direct bounties for the construction* of vessels, engines, and boilers in domestic yards, as is the present practice of France, Italy, and Austria.

Second, *indirect bounties for the construction* of vessels in domestic yards in the form of a Government bounty for every mile navigated by a vessel so built, or in the form of large mail payments to vessels so built. France, Italy, and Austria adopt this course also, and Germany to a limited extent.

Third, *navigation bounties* for every mile traversed by a vessel under the national flag, regardless of its place of build. France held this policy from 1881 to 1892, and it has just been adopted by Austria.

Fourth, *mail compensation*, (a) operating as subsidy in France, Italy, and Austria, though designed in part for political and commercial purposes; (b) ordinary payments for services rendered with no excess, except so far as

required to insure regularity of communication or for political or commercial purposes; (c) ordinary payments solely for commercial purposes.

Fifth, payments to selected merchant steamships as reserved cruisers or transports.

Showing that all these countries protect shipping in some form or other under treaties providing for maritime reciprocity, while the United States does practically nothing.

DISCRIMINATING DUTIES.

The objections made to restoring the policy of discriminating duties are:

(a) Treaties with foreign countries providing for maritime reciprocity stand in the way.

(b) Such a policy if established would provoke retaliation on the part of Great Britain and other ship owning countries.

(c) It is antiquated, narrow, illiberal, and has long since been discarded by the United States and European countries.

(d) The conditions are not the same now as when it was in force in the early history of the Government.

The policy of discriminating duties is only a form of protection indeed, protection is based on discrimination. We protect our manufacturing industries by discriminating in their favor and against foreign manufactured products. If the United States had sixty years ago abandoned the policy of protection and it should, be proposed now to revive the law and restore duties by imposing a tax of 50 per cent on the value of one-half the goods, wares, and merchandise imported from foreign countries, the same or stronger arguments would be made in opposition to such a bill that are now made against restoring discriminating duties in favor of American shipping. Such a proposition would be set down as narrow, illiberal, and antiquated. It would be said at once that we would have instant retaliation from the nations of Europe which we could not stand. But the nations of Europe do not retaliate now. Yet the people of the United States know and believe after one hundred years of trial that protection and levying duties on foreign products has been in many ways of incalculable benefit to the country. But, Mr. President, the protection that I ask for American shipping and that comes from discriminating duties is not the kind that costs individuals or the Government anything.

FEATURES OF THE BILL.

The bill simply imposes an ad valorem duty of 10 per cent in addition to existing duties, or in case of no duty, a duty of 10 per cent, on all goods, wares, and merchandise imported into the United States in foreign vessels. If these same products should be imported in American ships, then there is no additional duty, and if free they would still remain free if brought in American ships. The bill does not prohibit or exclude foreign vessels from carrying our foreign commerce, as the navigation laws of Great Britain did once. The bill leaves to the importer the choice of bringing his goods in foreign ships and paying an additional duty of 10 per cent on their value for this privilege, or of bringing them in American ships and paying no additional duty. Great Britain kept just such a law in force for nearly two hundred years, not repealing it until 1849. The bill grants protection enjoyed by industries on land and shipping in the coastwise trade to American interests on the high seas. Whatever limitation or restriction is imposed by the policy of discriminating duties is in the direction of better protection to

home manufactures and home industries and in favor of shipping and building American ships—two good results. The bill, however, is not intended in any sense to raise revenue; its sole purpose is to build up American shipping.

It is suggested that instead of increasing the duty 10 per cent it should be reduced 10 per cent on goods imported in American ships. This is a form of protection, and would be better than continued neglect. But it is submitted that if duties on goods imported in American ships should be reduced 10 per cent, then the revenues would be reduced in the same proportion, and in order to cut down we must somewhere increase the duties above those necessary to pay the expenses of the Government. Then again, under this proposition, what is to be done with products admitted free? On these, there being no duty, no reduction is possible, and these goods could be imported in foreign vessels just as in vessels of the United States in the future as in the past.

BILL NOT PERFECT.

It is not claimed that the bill under consideration is perfect or will bring all needed relief. It will have to be supplemented by further legislation. It is claimed, however, in its behalf that the principle has been tried nearly forty years and produced the most beneficial results, and to restore discriminating duties now would be a start in the right direction. It is possible in some matters of detail the bill before the Senate will need amendment. Any amendment that will help the bill will be welcome. All I contend for is the principle of discriminating duties, believing that once adopted we will see clearly our way to restore American carrying. The bill is plain, simple, direct, and easily understood. It strikes out boldly to render help to an industry that is languishing and without help must perish. When the makers of the Government, immediately after the adoption of the Constitution, desired to encourage and build up shipping, they adopted the policy set forth in this bill. They passed other acts in aid of shipping, all of them short, direct, and to the point, and this was all that was done. They did not formulate and bring into Congress a complicated system of navigation laws, full of technicalities and full of details, drafted to meet every requirement and every objection that could be raised. They saw what was needed, and that unless something should be done American shipping on the high seas would disappear, and provided what they conceived to be the proper remedy. All the acts on the subject were passed in five years, and would not cover a page in our Revised Statutes. They were parts of laws on different subjects mainly the tariff, and, like the bill under consideration, consisted only of a few lines.

The Government was then in its infancy, in debt and without credit, with a population of only 3,000,000, the people poor, and without money. We now have 70,000,000 of population and unsurpassed credit. In the face of all the difficulties that met the makers of the Government, they proceeded without hesitation, without doubt, without fear of opposition or of retaliation, to take care of all the interests of the new Government on sea as well as on land. They succeeded beyond their expectations, and the result in the growth of our industries on sea and land was the most remarkable in history. Just the same determination and same purpose is required now. The United States is able to enforce any policy it may adopt.

IMPORTANT BRITISH TESTIMONY.

The great free trader, Adam Smith, advocated prohibition and discrimination in favor of British shipping. In his *Wealth of Nations* he says:

There seems, however, to be two cases in which it will generally be advantageous to lay some burden upon foreign for the encouragement of domestic industry. The first is when some particular industry is necessary for the defense of the country. The defense of Great Britain, for example, depends very much upon the number of its sailors and shipping. The act of navigation, therefore, very properly endeavors to give the sailors and shipping of Great Britain the monopoly of the trade of their own country, in some cases, by absolute prohibitions, and in others by heavy burdens upon the shipping of foreign countries.

A British historian in speaking of the provision in the navigation law of Great Britain which prohibited goods being imported into England except in vessels belonging to British owners and built by British builders says:

The result of that act far transcended the wildest dream of Lombard and Venetian avarice or the grandest schemes of Spanish and Portuguese conquest. It not only secured to the people who enacted it the greatest share of the world's carrying trade, but the trade also knew its master and followed with becoming servility.

Mr. McGregor, secretary to the British board of trade and author of *McGregor's Statistics*, in discussing the policy of discriminating duties and its effect on the shipping of other nations when in force, says:

In the American navigation laws countervailing duties were imposed upon all foreign vessels trading to the United States of half a dollar a ton duty beyond what should at any time be paid by American ships; and further, that goods imported in foreign vessels should pay a duty of 10 per cent over and above what was payable on the same description of goods when imported in American vessels. These countervailing duties were directed against the navigation of Great Britain, and grounded on the same principles as the British navigation laws. Various measures to counteract the American system were devised by the British Government and they failed upon the principles of our continuing to maintain in full force the navigation laws. To all intelligent men it became evident that we had engaged in an unequal struggle, and that the real effect of our policy was to give a bounty on the importation of the manufactured goods of other countries into the United States, to the gradual exclusion both of our manufactures and ships from the ports of America.

This is the testimony of an eminent British authority on the subject of discriminating duties and their beneficial effects on American shipping and should carry conviction to all Americans entertaining any doubt on the subject.

WHAT MUST BE DONE FOR SHIPPING.

American carrying must be built up under the operation of law, a law that will discriminate in favor of American ships in carrying our foreign trade, especially our imports. If we had abandoned seventy years ago the policy of excluding foreign-built vessels from our coastwise trade, that trade to-day would be largely in the hands of foreign shipowners and in a condition as deplorable as our ocean carrying. Had we continued the policy of protection to our carrying, shipping in our foreign trade to-day would be in as prosperous condition as our manufacturing interests. The policy of discriminating duties is not an experiment, it is not untried; on the contrary, it was on trial for a long period under the most unfavorable conditions and produced the best results.

It was just as hard or harder to compete with Great Britain and win from her 90 per cent of the carrying of our foreign commerce in the early history of the Government as it would be now. The policy of discriminating duties is the policy of protection to American industries on the seas. It is part of the great American policy which we have adhered to for more than one hundred years, and

experience has shown that we must always have an American policy for American industries on sea as well as on land.

The policy of excluding all foreign vessels from our coast, lake, and river commerce has produced wonderful results. It has built up this branch of our shipping and shipbuilding until the carrying power of vessels engaged in this commerce represent 9,300,000 tons.

Experience teaches that protection is the wisest and best policy to encourage and build up an industry not established in competition with one already established. If the United States had reached its true position on the seas and controlled its share of the carrying trade of the world, had a merchant marine and shipyards making all the conditions in favor of shipping the same as those of other nations, then possibly discriminating duties would not be needed.

RESULTS THAT WOULD FOLLOW THE RESTORATION OF DISCRIMINATING DUTIES.

It is believed that the adoption of discriminating duties, with such supplemental legislation that might be found necessary in the light of experience, the results would be as beneficial as in the early history of the Government and felt at once. First. It would give us immediately a large share in carrying our foreign commerce, all of our imports and part of our exports, and a share in carrying the commerce of countries not owning ships. Second. It would increase shipbuilding; new shipyards would spring up on all our coasts, causing the expenditure of hundreds of millions of capital. Third. Shipbuilding would stimulate other industries of all kinds; it would give employment to thousands of skilled and other workmen. Fourth. It would save to the people of the United States annually nearly \$100,000,000 now paid to foreign shipowners for carrying our imports, with the chance in a few years of saving another hundred millions by the increase of shipping and the carrying of a large part of the world's commerce in American bottoms. Fifth. It would not only build up shipping in the foreign trade, but it would be the means of extending our trade in the foreign markets of the world.

THE PEOPLE HAVE DECLARED FOR DISCRIMINATING DUTIES.

The policy of discriminating duties as the best means of restoring shipping is constantly gaining in favor with the people. It was indorsed in the platforms of fourteen State conventions held last year, and in the platform of the St. Louis Republican national convention in the following words:

We favor restoring the early American policy of discriminating duties for the upbuilding of our merchant marine and the protection of our shipping in the foreign carrying trade, so that American ships—the product of American labor employed in American shipyards, sailing under the Stars and Stripes, and manned, officered, and owned by Americans—may regain the carrying of our foreign commerce.

This indorsement was followed by the hearty approval of the candidate of that convention in his letter of acceptance, dated August 27, 1896, an extract from which is as follows:

The declaration of the Republican platform in favor of the upbuilding of our merchant marine has my hearty approval. The policy of discriminating duties in favor of our shipping, which prevailed in the early years of our history, should be again promptly adopted by Congress and vigorously supported until our prestige and supremacy on the seas is fully attained.

We should no longer contribute directly or indirectly to the maintenance of the colossal marine of foreign countries, but provide an efficient and complete marine of our own.

The candidate of the St. Louis convention, now the honored Executive of the great Republic, was triumphantly elected on the principle of protection to our interests on land and sea. He believes in both, and that American vessels flying the American flag should occupy and use the seas and oceans of the world in common with other nations, and such protection should be granted shipping as will allow them to do so. In this position he is sustained by a majority of his countrymen. Reference to party action in support of this bill is made to show that discriminating duties are attracting wide attention, and not that it is or should be a party question. The results that would follow its passage are so far-reaching that it should be lifted above party feeling. I sincerely hope, Mr. President, that it will not be made a party question, but be supported by all parties.

The foreign shipping interest opposing this bill can afford to buy every steamship line belonging to the United States engaged in our foreign carrying trade rather than see this bill become a law.

RETALIATION.

One of the reasons urged against the passage of the bill under consideration is that Great Britain and other ship-owning countries will retaliate. But just how or in what way the opponents of the bill do not clearly set forth. The damage to our shipping that might follow retaliation is imaginary. Under the operation of maritime reciprocity and neglect, we have scarcely any shipping left in our foreign trade. It would be far better to carry in American ships our imports or 50 per cent of our foreign commerce, which we would do under discriminating duties, with retaliation against us, than to carry only 11 per cent, as we do now, with no retaliation.

Washington said:

There can be no greater error than to expect or calculate upon real favors from nation to nation.

Great Britain will always do at the time whatever her statesmen may deem to be in her interest. If they should think retaliation the best weapon with which to oppose discriminating duties, they would adopt it and enforce it vigorously. But if Great Britain and other countries should adopt retaliation, how would that affect American carrying? It would take from American ships the slight part they now have in carrying exports from the United States, which is insignificant. Taking this small business from American ships by way of retaliation for adopting the policy of discriminating duties, could not prevent American ships from carrying nearly a thousand millions of imports from foreign countries, making their gross earnings a hundred millions per annum; whereas their earnings now amount only to about \$20,000,000 per annum from carrying both our exports and imports.

But should European countries adopt retaliation, they must do it in a way not to increase the cost of our farm products to their people. Two-thirds of all our exports to Great Britain are food products, and she can not afford to increase the price of these products to her people. It is doubtful whether England would retaliate; to do so would be to adopt protection and reverse her free-trade policy. Why do not England and other European countries retaliate against our levying duties of from 40 to 50 per cent on their manufactured products which we import? Simply because it is not to their interest to retaliate; and for the same reason it will not be

to their interest to retaliate against discriminating duties in favor of American carrying. The best answer, however, to this fear of retaliation is our experience in the early history of the Government, under discriminating duties at a time when the Government was just beginning its national life, our population small, and our resources undeveloped. During the entire period the United States maintained discriminating duties England adhered to the same policy. Not only did she cling tenaciously to the policy of discriminating duties, but she retaliated in every way she could against American carrying under discriminating duties. But all to no purpose. In the face of her retaliation and opposition American carrying increased, and this increase was maintained until 1823, when we abandoned discriminating duties for maritime reciprocity. Shipowning nations will do everything in their power short of war to oppose the passage of this bill or any other measure that will increase American shipping. Nearly all nations have adopted protection to shipping in some form or other. In doing so there has been no retaliation. Why should any nation retaliate against the United States for adopting the form of protection that best suits its purposes? The nations which now protect shipping have chosen their way of doing so. Why should not the United States choose its way of protecting shipping in the manner proposed in the bill under discussion? We would simply exercise our rights just as other nations exercise theirs in choosing the forms of protection they prefer.

If under discriminating duties in the early history of the Republic our commerce increased so rapidly in the face of opposition and retaliation on the part of England, why should there be any apprehension or fear, now that we are strong, have 70,000,000 of population, and lead the world in almost all branches of industry save shipping? Then, again, if retaliation should be adopted by Great Britain, it would likely become general, in which event England, having the largest part of the carrying of the world's commerce, would have most to lose.

The following table by Mulhall shows how the carrying power of the world is distributed:

Flag.	Carrying power.	Ratio.
	<i>Tons.</i>	
British.....	27,720,000	56.6
Scandinavian.....	4,240,000	8.8
German.....	3,870,000	8.0
French.....	2,410,000	4.9
Spanish.....	2,020,000	4.2
United States.....	1,680,000	3.4
Italian.....	1,410,000	2.8
Russian.....	1,280,000	2.4
Various.....	4,280,000	8.9
Total.....	48,840,000	100

It will be seen from this that England has more carrying power than all other nations of the world combined. Her interest on the high seas is greatest, and she will hesitate long before putting it in peril by retaliation or otherwise. The United States has so little shipping in the foreign trade that in case of retaliation she will have but little to lose but much to gain by discriminating duties.

The London Times in a recent article, after reviewing the discussions in the United States on the subject of reviving American shipping for fifty years, concludes with the following:

While, therefore, it would be a rash thing to assert that the American merchant navy will never seriously compete with the British marine, it is safe enough to assume that the Union Jack is not likely to have anything to fear from the Stars and Stripes for a long time to come.

COMMERCIAL TREATIES WITH OTHER COUNTRIES.

It is urged in opposition to the passage of the bill under consideration that it would be a violation of certain commercial treaties entered into with Great Britain and other nations, and that these treaties should not be violated with impunity. When the United States wishes to restore its shipping and become independent on sea as on land, a treaty with England, covered with the dust of nearly a century, is brought forth, and we are solemnly told its sacred provisions must not be violated, and we must remain bound hand and foot, powerless to help ourselves, though what is proposed is right and proper and would benefit our interests. No treaty should stand in the way of our having what belongs to us as a matter of right and having our fair share of the carrying trade of the world. Of course no treaty should be violated as long as it is in force, but this bill expressly proposes in terms to abrogate all treaties or parts of treaties in conflict with the provisions of the bill. Among the ways a treaty may be terminated or abrogated one is by act of Congress. This was in contemplation of the contracting powers when these treaties were entered into and ratified.

The bill under consideration proposes to abrogate only parts of the treaties. But the question arises, How about the other provisions? Will they remain in force or not? Is the abrogation by one of the contracting powers of a clause, or a part of a treaty, without the consent of the other an abrogation of the whole treaty? It is not necessary to discuss this question, because if the act abrogates all of these treaties, it would be far better for the United States than continuing the policy of maritime reciprocity.

Under these treaties providing maritime reciprocity American shipping on the high seas has declined.

The second article of the treaty with Great Britain, ratified December 22, 1815, provides:

The same duties shall be paid on the importation into the United States of any articles the growth, produce, or manufacture of His Britannic Majesty's territories in Europe, whether such importation shall be in vessels of the United States or in British vessels; and the same duties shall be paid on the importation into the ports of any of His Britannic Majesty's territories in Europe of any article the growth, produce, or manufacture of the United States, whether such importation shall be in British vessels or in vessels of the United States.

The discriminating duties on imports were wholly abandoned by Great Britain in 1849, and not until then, when she took advantage of our act of 1828.

The terms of the same article of the treaty of 1815 as to discriminating tonnage duties read as follows:

No higher or other duties or charges shall be imposed in any of the ports of the United States on British vessels than those payable in the same ports by vessels of the United States, nor in ports of His Britannic Majesty's territories in Europe on vessels of the United States than shall be payable in the same ports by British vessels.

These are the hurtful provisions of this treaty, and are substantially the same in all the treaties with other countries.

The treaties are fully set forth in the volume of *Treaties and Conventions between the United States and Other Powers, 1776 to 1887*, and are with the countries following, with important article in each one cited:

- Argentina. Art. V, Apr. 19, 1855, page 9.
 Austria-Hungary. Art. II, Feb. 10, 1831, page 23.
 Belgium. Arts. II, III, June 29, 1875, page 76.
 Bolivia. Art. IV, Jan. 8, 1863, page 91.
 Brazil. Art. IV, Mar. 18, 1829, page 106.
 China. Art. III, Oct. 5, 1881, page 184.
 Costa Rica. Art. V, May 26, 1852, page 223.
 Denmark. Art. III, Oct. 14, 1826, page 232.
 Dominican Republic. Art. VI, Oct. 24, 1867, page 246.
 Ecuador. Art. IV, Sept. 23, 1842, page 256.
 France. Art. V, Feb. 12, 1823, page 314.
 Great Britain. Art. II, Dec. 22, 1815, page 410.
 Greece. Art. II, Aug. 30, 1833, page 502.
 Guatemala. Art. IV, July 28, 1852, page 509.
 Germany (Hanover). Art. I, Apr. 24, 1847, page 523.
 Germany (Hanseatic League). Art. I, June 2, 1828, page 533.
 Germany (Mecklenburg). Art. I, Aug. 2, 1848, page 654.
 Germany (Prussia). Art. II, Mar. 14, 1829, page 917.
 Haiti. Arts. X and XI, July 6, 1865.
 Hawaii. Art. IV, Nov. 9, 1850, page 541.
 Honduras. Art. V, May 30, 1865, page 567.
 Italy. Art. V, Nov. 23, 1871, page 582.
 Korea. Art. V, June 4, 1883, page 218.
 Liberia. Art. III, Mar. 18, 1863, page 632.
 Madagascar. Art. IV, Mar. 13, 1883, page 644.
 Mexico. Art. V, Apr. 5, 1832, page 665.
 New Grenada. Art. IV, June 12, 1848, page 196.
 Netherlands. Art. III, Feb. 26, 1853, page 764.
 Nicaragua. Art. V, Aug. 13, 1863, page 780.
 Paraguay. Art. V, Mar. 12, 1860, page 831.
 Peru. Art. IV, July 27, 1874, page 877.
 Portugal. Art. II, Apr. 24, 1841, page 82.
 Prussia. Art. II, May 11, 1833, page 39.
 Russia. Art. II, May 11, 1833, page 933.
 Salvador. Art. IV, Mar. 13, 1874, page 958.
 Spain (Cuba and Puerto Rico). Art. I, Oct. 27, 1836, page 1203.
 Sweden and Norway. Art. II, Jan. 19, 1828, page 1059.
 Turkey. Art. VIII, July 2, 1862, page 803.
 Venezuela. Art. VI, Sept. 25, 1861, page 1132.

Seven of these treaties were made before 1830. Six in the decade ending 1840. Six were adopted in the ten-year period ending 1850. Four were made previous to our civil war, and fifteen have been made since 1860.

In entering into the treaties providing for maritime reciprocity the United States abandoned discriminating duties, which was the greatest protection American shipping ever enjoyed, and under which it prospered as it never has since. The true intent and meaning of these treaties was that as between the contracting powers ocean carrying should be free and reciprocal and in effect put upon an equal footing. The United States has observed the spirit of these treaties, and has rendered but little or no aid to take the place of the protection enjoyed under discriminating duties. Other nations, especially Great Britain, France, Germany, and Italy, have not observed the spirit of the treaties, but increased their subsidies and mail pay to ships and adopted other forms of aid to build up and protect their shipping. These treaties are and have been a detriment to the United States, and have only served foreign powers. They take from us as a nation and a people and give nothing in return. They are one-sided in their operations, against American interests, and should be abrogated. All of them contain a provision that they may be abrogated by giving one year's notice. If this bill becomes a law, it would be the duty of

the President to give notice of the abrogation of that part of the treaty in conflict with the act. With this in view, and for other reasons, the act is to take effect fifteen months after its approval. The treaties made prior to 1828 contain provisions by which they lapse by time unless renewed.

COST OF OCEAN FREIGHT TO AMERICANS TO CARRY THEIR FOREIGN
COMMERCE.

The cost of ocean freight is estimated to be 15 per cent of the value of exports and 10 per cent of the value of imports, or an average of 12½ per cent of the value of exports and imports for carrying the same.

The value of our exports and imports is about seventeen hundred millions of dollars per annum. The cost of carrying these products is two hundred millions per annum, the amount annually paid by Americans for carrying what they produce and sell and what they buy. To this must be added about thirty millions for carrying passengers, making in all two hundred and thirty millions. Of this freight and passenger business, American shipowners carry about 10 per cent, or nearly two hundred millions, and therefore receive one-tenth of the cost of the ocean freight, which would be nearly \$20,000,000, and foreigners the balance, or two hundred millions. If by any policy this \$200,000,000 per annum, or the half of it, could be paid to American instead of foreign shipowners, thereby keeping this immense sum of money at home, what a change it would make in the balance of trade in our favor, and what a stimulus it would be to shipbuilding and other branches of industry. The United States paid \$50,000,000 more in 1896 to foreign steamship companies for carrying our imports and exports than the amount of taxes collected from internal-revenue sources, and \$20,000,000 more than was collected in duties in 1892 under the McKinley tariff. In other words, foreign steamship companies tax our people for carrying what they buy and sell more than they are taxed under the internal-revenue laws or more than they were taxed under the McKinley tariff.

By reason of tariff agitation political parties gain and lose control of the Government. At almost every meeting of a new Congress business is thrown into confusion because of possible changes in the tariff, whether duties should be higher or lower in particular cases; but there is no contest and no excitement in Congress about restoring our shipping and paying annually to foreign corporations for carrying our exports and imports more than is involved in the whole tariff. The tariff should be taken out of politics and the restoration of our shipping should never be made a question nor enter into politics.

In one sense the two hundred millions we pay to foreign shipowners is a loss to our people. It is unlike almost any other expenditure. Substantially we get nothing in return for it; nothing that adds to the wealth of the country. When we buy goods and products from other nations and pay gold for the same, we get the goods in return, and they constitute part of the wealth of the nation. But when we pay out two hundred millions annually for ocean freight on goods we buy and sell, when we could keep it at home by paying it to American shipowners, we simply deplete the resources of the country and make the people poorer. One of the causes of the depression in business is due to the drain of two hundred millions of gold annually paid by the people of the United States to foreign steamship companies for ocean freights. No nation, however rich, can stand this great drain for a long time.

In discussing this subject recently Mr. Charles H. Cramp, of Cramp & Sons, of Philadelphia, said:

For this drain there is no recompense. It is sheer loss. It is the principal cause of our existing financial condition.

So long as this drain continues, no tariff and no monetary policy can restore the national prosperity.

Until we make some provision to keep at home some part at least of the three hundred and odd millions annually sucked out of this country by foreign shipowners and shipbuilders, no other legislation can bring good times back again.

It is a constant stream of gold always flowing out.

The foreign shipowner who carries our over-sea commerce makes us pay the freight both ways.

For our exports we get the foreign market price less the freight.

For our imports we pay the foreign market price plus the freight.

The result of all this is that while this country has never known such industrial stagnation and such financial distress, England has never known such industrial activity and financial prosperity as now.

Ex-United States Commissioner of Navigation Capt. W. W. Bates, in his book, *American Marine*, published in 1892, on page 25, says:

An amount of money not less than \$4,500,000,000, or an average of \$150,000,000 annually, for thirty years past, has been paid out to foreign ships for ocean transportation. To stop this drain nothing effective has been done, the political mind seeming to be fully occupied with other questions of local or secondary importance.

Thirty years is but a span in the life of a nation; yet we have paid, in this short period, nearly as much as the cost of our civil war to foreign shipowners for carrying our exports and imports.

By restoring the policy of protection and discriminating duties adopted in the early history of the Government, and in force for forty years, a large part of this vast sum could be saved to our people.

BUSINESS PRINCIPLES ARE THE SAME EVERYWHERE, AND APPLY WITH EQUAL FORCE TO THE GOVERNMENT AND TO INDIVIDUALS.

It would be unwise and unsafe for a merchant doing a large business to intrust to his rivals and competitors the hauling and delivery of the goods he might buy and sell.

Corporations or individuals doing a business of buying and selling seventeen hundred million dollars of products per annum would never allow rivals or competitors to control the transportation of these products. The parties doing the business would not be willing to lose the profits to be made on the transportation, and beyond this they would not be willing to put their business under the control of rivals, for fear it might happen that they might not be able or would refuse to do the transportation. So it is with the Government. It should adopt a policy that would allow its own people to have the business and enjoy the profits resulting from carrying its foreign commerce, and added to this, in emergencies or in case of war be independent and not run the risk of having its commerce destroyed. The United States only strengthens the hands of its rivals in shipping and commerce by giving them the carrying of what our people buy and sell.

COST OF OUR CONSULAR SERVICE.

The consular service costs annually about \$400,000. It was established and is still maintained for the extension of our trade in the various ports and districts where established. It will be found that a large part of this sum is yearly expended in salaries to con-

suls at ports where American vessels are rarely seen. We send consuls to Glasgow, Hull, Cardiff, Manchester, Belfast, Dublin, Cork, Portsmouth, Amsterdam, Stockholm, Christiania, Berjen, Palermo, Venice, Athens, Constantinople, Bayonne, Genoa, Naples, Rotterdam, Copenhagen, and all ports on the Baltic and Black seas, and during the year 1895 not an American vessel touched at any of these great ports. If the American people are to allow shipping to continue to decline, and finally disappear from the high seas, why maintain a foreign consular service at so great an expense?

WE IMPROVE OUR HARBORS FOR THE BENEFIT OF FOREIGN SHIPPING.

The United States appropriates annually millions of dollars to improve its harbors, largely for the benefit of foreign shipowners. Foreign steamship companies carry nearly all of our foreign commerce and own or control most of the valuable water fronts in our ports. Some of the British steamship lines pay as much as \$100,000 a year rent for dock privileges in New York. In looking over miles of docks in the harbor of New York only foreign flags flying from the masts of foreign ships are seen, while the American flag is rarely seen and for the most part floats over ferryboats, river, and coastwise vessels.

SUBSIDIES.

For more than thirty years there has been constant discussion as to the condition of American shipping, the necessity of restoring it, and suggestions as to the best remedies to this end. Committees of the House and Senate have been appointed under resolutions to investigate and report, and Congress, in obedience to these reports, has passed some acts to aid shipping, but notwithstanding all that has been said and done, shipping has constantly declined.

The plan or remedy for restoring shipping by subsidies and mail pay has been strongly advocated. If this form of aid had been adopted when discriminating duties were abandoned seventy years ago, or even thirty years ago, and we had kept pace with Great Britain in all other forms of support and encouragement to shipping, we might depend upon subsidies and mail pay as a remedy now. A member of the British Parliament, Hon. J. Henniker Heaton, said in 1894, in the *North American Review*:

As a consequence of refusing \$5,000,000 a year in subsidies during thirty years to native shipowners, or \$150,000,000, the United States had to pay in the same period no less than \$3,000,000,000 for freights, while their mercantile marine dwindled into insignificance.

With all the advantages, commercial and maritime, which Great Britain enjoys, we can never by equal or even greater subsidies regain our lost shipping. Great Britain has fifty years the advantage of the United States in the growth and development of shipping. She is established and firmly entrenched, and in possession of 56 per cent of the world's carrying trade, and this percentage is increasing; her merchants and bankers are established in all the important ports of the world; she has 15,000 vessels afloat, manned by more than 200,000 seamen; is rich in accumulated capital, and enjoys low rates of interest.

These are advantages that only come by time; they can not be bought with money. Enjoying all these advantages, Great Britain in any struggle for commercial supremacy or to hold her shipping would naturally appropriate two dollars for every one the United States might appropriate in the way of subsidy. From 1848 to 1891, a period of forty-four years, England spent in the way of

subsidies and mail pay \$8 for every \$1 the United States spent, and for every \$2.70 we paid American ship for carrying our mails we paid \$1 to foreign ships. This of itself would defeat us; but if she only appropriated an equal amount, we could not afford to compete with her for the carrying of the world's commerce or take from her any part she now carries of our foreign commerce. To cope with Great Britain on the high seas by subsidies the United States should be put on equal footing. Any reasonable amount of subsidies and mail pay to owners of American ships will not put American shipping on an equal footing with that of Great Britain. If we had abandoned protection to manufactures for seventy years, we could not hope to build them up to what they are now by any system of bounties or money aid in the face of competition from Europe under free trade. A condition of prostration in any industry may come about that any amount of money in the way of aid can not cure. When this point is reached, law must intervene to overcome unequal conditions.

England goes so far in the way of aiding some steamship companies as to guarantee out of her treasury dividends on their stock. The people of the United States will never agree to guarantee dividends on American steamship companies' stock.

In 1894 the loss to Great Britain in mail subsidies was \$2,250,000 over and above the receipts for carrying the mails. It is estimated that her subsidies, mail pay, and other aids amount annually from \$3,500,000 to \$4,000,000, which in twenty years would amount to \$70,000,000. Another objection to aid by subsidies is, it can not be general and discriminates in favor of the lines receiving it and against those that do not. Aid should be general and extend equally and alike to all kinds of shipping, both steam and sail. Discriminating duties would help all shipping alike.

The founders of the Government did not attempt to subsidize shipping. They did not favor this policy, or, if so, they did not have the money to carry it out. Practically we are in the same position. We can not subsidize shipping on a scale that will be effective and commensurate with its needs, because the people will not consent to appropriating the public money for this purpose. To aid and subsidize shipping to the extent that would be necessary in face of the opposition of Great Britain and other ship-owning countries would require hundreds of millions of dollars to be appropriated from the Treasury.

The American people will not submit to this. They will not consent to building up private and corporate industries by taking money out of the Treasury; but a policy that will keep money in the country they will unquestionably sustain.

Subsidies and payments for the ocean mail service of Great Britain and the United States from 1843 to 1891.

Year.	Great Britain.	United States.			Percentage paid—	
		Subsidy and mail payments—			To American steamers.	To foreign steamers.
	Subsidy to British steamers.	To American steamers.	To foreign steamers.	Total amount paid.		
1843	\$3,250,000	\$100,500	-----	\$100,500	100	-----
1849	3,180,000	235,086	-----	235,086	100	-----
1850	5,313,985	619,924	-----	619,924	100	-----
1851	5,390,000	1,465,818	-----	1,465,818	100	-----
1852	5,510,635	1,655,241	-----	1,655,241	100	-----
1853	5,805,400	1,880,273	-----	1,883,273	100	-----
1854	5,950,559	1,903,286	-----	1,903,286	100	-----
1855	5,741,633	1,936,715	-----	1,936,715	100	-----
1856	5,713,560	1,886,766	-----	1,886,766	100	-----
1857	5,133,485	1,589,153	-----	1,589,153	100	-----
1858	4,679,415	1,177,303	323,758	1,211,061	97.2	2.8
1859	4,740,179	1,079,220	125,350	1,204,570	89.5	10.5
1860	4,349,760	707,245	147,085	854,330	82.7	17.3
1861	4,703,285	570,953	235,932	806,885	70.7	29.3
1862	4,105,353	80,636	293,932	374,618	21.6	78.4
1863	4,188,275	79,397	336,677	416,074	19.1	81.9
1864	4,503,050	64,356	376,085	440,441	14.6	85.4
1865	3,981,995	66,572	408,856	475,428	14	86
1866	4,227,018	245,605	468,324	713,929	34.4	65.6
1867	4,079,966	411,065	456,138	867,203	47.4	52.6
1868	4,047,586	625,239	390,907	1,016,146	61.5	38.5
1869	5,481,630	757,964	343,726	1,101,690	68.8	31.2
1870	6,107,761	791,389	315,944	1,115,333	70.9	29.1
1871	6,070,741	690,661	275,331	975,025	71.7	28.3
1872	5,693,500	805,788	221,103	1,026,891	78.4	21.6
1873	5,665,296	815,400	228,757	1,044,157	78.1	21.9
1874	5,697,346	750,296	238,098	988,394	75.9	24.1
1875	4,860,000	740,361	236,233	976,644	75.8	24.2
1876	4,420,261	580,063	173,547	756,610	76.9	23.1
1877	3,976,580	283,355	162,061	448,896	63.8	36.2
1878	3,914,990	40,152	159,828	199,980	20.1	79.9
1879	3,768,230	41,251	158,775	200,026	20.6	79.4
1880	3,873,136	38,780	161,029	199,800	19.4	81.6
1881	3,601,350	42,552	197,515	240,067	17.5	82.5
1882	3,538,335	40,645	239,856	280,501	14.4	85.6
1883	3,608,800	48,077	268,281	316,358	15.2	84.8
1884	3,608,355	53,170	279,051	332,321	16	84
1885	3,642,065	49,048	282,855	331,903	14.8	85.2
1886	3,662,805	43,319	286,072	329,391	13.1	86.9
1887	3,625,915	76,727	335,946	412,673	18.5	81.5
1888	3,490,864	86,890	376,528	463,418	18.7	81.3
1889	3,184,425	109,828	505,573	515,401	21.3	78.7
1890	*3,500,000	120,170	420,507	540,677	22.2	77.8
1891	*3,500,000	147,561	443,204	590,765	24.9	75.1
Approximate total	197,027,789	25,546,330	9,482,947	35,037,277	*43.2	*56.8

*Average.

The table shows:

First. Great Britain about doubled her subsidies on the establishment of American subsidized lines. When the antisubsidy party in Congress gained the majority and repealed subsidies, Great Britain ceased to increase and even began to decrease her subsidies.

Second. After the repeal in 1858 of the subsidy act of 1845, Great

Britain decreased her subsidy payments to British lines. This she could do without damage to them, since the support withdrawn by Congress from our own lines was partly given to the British lines after 1858.

When the war came on we were paying 30 per cent of the cost of our foreign mail service to foreign shipping. Prior to 1858 we had paid nothing to foreign ships for this service.

Third. After the war, when Congress again tried to support an American ocean mail service, Great Britain again increased her subsidies. Feeling again safe, from 1874 to 1878 England reduced her appropriations for subsidies and mail pay.

The United States pays in the way of subsidy and mail pay to what is called the American Line, owned by the International Navigation Company, about \$700,000 per annum. This may seem an enormous subsidy; but I am informed this payment does not nearly equalize this line with its active British competitors, which are operated on a lower scale of wages and enjoy liberal mail pay and subsidies.

The steamship companies that now enjoy subsidies naturally do not want other companies to have them.

It is stated that for the year 1895-96 the Government made, in transporting foreign mails on American ships, \$800,000—that is, received this sum over and above expenses—and for the last ten years, it is stated that the United States has made, clear of all expenses, in transporting foreign mails in American ships, \$10,000,000. This enormous amount came out of the owners of American vessels, while England not only pays her steamers a liberal compensation for carrying the mail, but makes good in certain cases losses sustained by steamship lines. More than forty years ago Great Britain authorized by law a board of trade and made its president a member of the ministry, in order that her shipping and shipbuilding interests might be better looked after, fostered, and encouraged.

Great Britain now aids her shipping by mail pay and subsidies simply because she is established and has more than half of the world's carrying trade. When she began the struggle for the mastery of the seas and for commercial supremacy, she combined the policy of discriminating duties and subsidies, and before that the exclusion or prohibition of foreign vessels in her foreign trade. If it should suit her purposes better at this time, she would adopt the policy of discriminating duties or prohibition, or both. But with her advantages over other nations, subsidies suit her purposes better.

But why should the United States adopt a plan or policy to aid and build up shipping that involves the expenditure of money when one is at hand that has been tried and brought success and will bring it again without the expenditure of a dollar?

SUBSIDIES PAID BY GREAT BRITAIN TO AID SHIPPING.

From 1800 to 1895 Great Britain paid out in the way of subsidies to aid shipping about \$300,000,000, besides additional funds from the Board of Admiralty and other sources. Added to this, from 1858 to 1890 the United States paid to British ships for carrying American mails \$8,628,530. Think of this vast sum being paid out of the Treasury of the United States to foreign steamship companies for carrying our mail.

The following, taken from the testimony before the Merchant Marine and Fisheries Committee of the House in 1890, shows:

Subsidies paid by Great Britain to shipping.

Year.	Amount.	Remarks.
To 1800.....	\$5,200,000	From report British commission of revenue inquiry.
To 1810.....	8,623,200	Averaging \$392,200 yearly.
To 1816.....	4,725,000	Secretary's report of examination, British finance committee.
1817 to 1820.....	1,655,000	
1821 to 1830.....	5,855,000	
1831 to 1837.....	6,000,000	Making to this date, \$25,023,000.
1838 to 1850.....	25,000,000	From the General Post-Office alone.
Do.....	37,000,000	Additional from mercantile marine fund.
1851 to 1860.....	60,000,000	From the General Post-Office alone, subsidies not included.
1861 to 1865.....	25,000,000	From the General Post-Office fund alone in five years.
1866.....	4,227,018	From the General Post-Office fund alone in one year.
1867.....	4,079,966	Do.
1868.....	4,047,586	Do.
1869.....	5,431,690	Do.
1870.....	6,107,761	Do.
1871.....	6,070,741	Do.
1872.....	5,693,500	Do.
1873.....	5,665,296	Do.
1874.....	5,697,346	Do.
1875.....	4,800,000	Do.
1876.....	4,420,000	Do.
1877.....	4,255,130	Do.
1878.....	3,313,809	Do.
1879.....	3,801,205	Do.
1880.....	3,885,260	Do.
1881.....	3,592,230	Do.
1882.....	3,524,330	Do.
1883.....	3,603,300	Do.
1884.....	3,603,355	Do.
1885.....	3,642,065	Do.
1886.....	3,632,505	Do.
1887.....	3,625,915	Do.
1888.....	3,490,864	Do.
1889.....	3,184,425	Do.
Total.....	283,173,938	

FREE SHIPS.

The policy of free ships, which is in substance the authority under law to buy foreign-built ships and admit them to American registry, is seriously urged as the best remedy to revive American shipping. Maritime reciprocity, which we have had for seventy years, is partial free trade in shipping. To adopt the policy of free ships would give us absolute free trade in shipping. We would then have a protective policy for industries on land, and for industries on the sea just the opposite. If it be true that shipping goes hand in hand with other industries, and in a certain sense stimulates them, why should we not adopt the same policy as to shipping that we do as to industries on land? Why have one policy for industries on the sea and another for those on land? England's greatest industry is shipping, and she protects it by subsidies, and in many other ways, and yet in the face of this protection we are asked to have free trade in shipping

and no aid or protection, as the best means to compete with England and revive American shipping.

So far as our shipbuilding interest is concerned, the free-ship policy would reduce the United States to a state of dependence and vassalage. If the United States had in the beginning adopted the policy of free trade instead of protection, on the ground that we should buy manufactured products abroad because we could get them cheaper, our manufacturing interests to-day would be in the deplorable condition our shipping is. But for the protective policy adopted in the early history of our Government, and adhered to since, we could not have built up our manufacturing interests. The object of imposing duties on foreign-made products was not only for the purpose of getting needed revenue to pay the expenses of the Government, but its greater and wider purpose was to build up the manufacturing interests so that we might be independent of all the world. The same rule applies to shipbuilding and shipping interests. Because we can buy ships cheaper from foreign shipbuilders is not a sufficient reason for doing so. If we should pursue this policy, we never would build our own ships, we never would have a merchant marine or a navy.

We have had partial free trade in shipping for seventy years. We are now asked to adopt the policy of absolute free trade in shipping as a remedy to rescue American shipping from the condition it is in as a result of maritime reciprocity. Free trade in shipping is urged as a remedy for the evils brought on by partial free trade.

DISCRIMINATING DUTIES THE WISER POLICY.

Foreign ships now carry nine-tenths of our foreign commerce. Free-ship advocates say that we should buy ships abroad to carry the one-tenth we now carry in American-built ships, so as to increase shipping. Ex-Commissioner of Navigation Bates, in my opinion the best informed man in the country on the subject of shipping, says in his report for 1890:

If ships were given American owners, they could not run them gainfully against subsidized, bounty-paid, insurance-protected, cheaper manned European vessels, except on equalized footing all around.

He adds:

Without protection our vessels can not get or hold competitive employment.

If we had 100 of the finest steamers afloat, we could not run them in competition with foreign ships. The conditions are not the same. We are not on an equal footing with Great Britain and other shipowning countries on the high seas. If we attempted to make conditions equal by subsidies and mail pay, the policy now adopted by Great Britain, we would be met with greater subsidies. So that it is not a question of free ships or cheap ships, but it is a question of getting business for ships after we have them. We can only do this by protection and discrimination, just as we do now and have for one hundred years discriminated in favor of our industries on land against foreign industries.

By discriminating laws we make it profitable and in the interest of our people to buy home products and not foreign-made products. We must, by a like policy, make it profitable to American ships to carry our foreign Commerce. Shipbuilding means shipowning. The nation that builds ships is always an owner of ships.

The mistake made by the United States for seventy years has been in treating shipping as a private industry and of no national concern; that it did not need encouragement and protection as indus-

tries on land; that maritime reciprocity and free carrying was all that was necessary to build it up. With Great Britain shipping has always been of national concern and national importance and has received more protection and aid than any industry ever enjoyed in any country.

In discussing the subject of protection to English shipping, Mr. Blaine, in his celebrated reply to Mr. Gladstone in 1890, said:

It will not escape Mr. Gladstone's keen observation that British interests in navigation flourish with less rivalry and have increased in greater proportion than any other of the great interests of the United Kingdom. I ask his candid admission that it is the one interest which England has protected steadily and determinedly, regardless of consistency and regardless of expense. Nor will Mr. Gladstone fail to note that navigation is the weakest of the great interests in the United States, because it is the one which the National Government has consistently refused to protect.

The United States has become independent of all the world in everything on land. We can produce all that is needful for the wants of a great people, but when we come to the sea, notwithstanding our coast line, our position, and natural advantages, we are helpless, impotent, and dependent.

If we buy ships abroad, we have the ships, it is true, but as a nation we lose the money we pay for them, we lose the business of building the ships, the employment for our people by giving it to foreigners, and lose the market for the raw and manufactured products that enter into shipbuilding, we destroy our shipyards, and become utterly dependent on foreign countries in one of the most important branches of industry. Even if we could buy ships cheaper abroad, in the long run it would pay us to build them at home. If the argument for free ships is good as a plan to build up our merchant marine, why should this plan not apply with equal force to building war ships? Why have different plans for interests so nearly alike? If it is better to buy ships abroad to build up our merchant marine, it would be better for the same reason to buy our war ships abroad and close up all American shipyards.

A MERCHANT MARINE ESSENTIAL TO A NAVY.

No nation can maintain successfully for any length of time a navy unless there is behind it a merchant marine. Shipping is the element out of which a navy must grow. In the United States we are building a navy without having a merchant marine behind it to support it. This is something like making a head without a body. We should first have a merchant marine and then a navy and native Americans to man both. We have not enough native American seamen to man the war ships we now have. If we build up shipping and shipbuilding, it will increase our home commerce and our lake and coastwise trade. We are in the infancy of our industries on our lakes, rivers, and foreign seas. During the next century seagoing ships built in American shipyards will leave Chicago and other lake cities for the ports of the world.

No nation can be truly independent and have and maintain a navy and merchant marine that does not build its own ships.

Senator King, of New York, on March 15, 1892, said:

Navigation and maritime industry, for a peculiar reason, call for national protection, for the art of navigation is an expedient of war as well as of commerce, and in this respect differs from every other branch of industry. Though it was once doubted, doubt no longer exists that a navy is the best defense of the United States. And this maxim is not more true than that a naval power never has existed, and never can exist, without a commercial marine; hence the policy of encouraging and protecting the ships and seamen of the United States.

If the United States in 1860 had had a merchant marine and a navy equal in proportion to that we had in 1812, under discriminating duties, it is safe to say that our civil war could not have lasted more than a year. But for the want of a navy and merchant marine the war lasted four years, and cost nearly a million of lives and thousands of millions of dollars, most of which might have been saved.

FREE SHIPS WOULD INJURE OUR DOMESTIC SHIPPING.

Free ships would inevitably impair our coastwise, lake, and river carrying and cause it to decay as our carrying has in our foreign trade. Foreign shipbuilding would mean foreign shipowning. It is the shipbuilding interest quite as much as shipowning that puts tonnage afloat, gives it employment—the one goes with the other.

If we were to admit foreign-built ships to American registry and to a share in the carrying of our foreign commerce, it is very doubtful whether or not ships, being once admitted to American registry, and by this means nationalized, could by law be excluded from taking part in our coastwise, lake, and river trade. When a foreign-built ship is admitted to American registry, it becomes entitled to the privileges and rights of vessels built at home, and under the law it is doubtful whether it could be prohibited from taking part in our coastwise, lake, and river trade. Under the inherent rights of property, it becomes a question, if an American citizen owns a vessel duly registered, whether he can by law be prevented from carrying on his business in the home shipping trade. So that free ships in our foreign trade would be a menace to our home shipping and tend to break down and destroy our shipbuilding business, and the next step would be free ships in our coastwise, lake, and river trade, and the hauling down of the American flag where it has floated for a hundred years over a prosperous industry in the hands of American owners and carried on in American-built ships.

PROTECTED SHIPOWNING WOULD STIMULATE SHIPBUILDING.

Whenever we protect carrying, and thereby gain business for American ships, building of ships will follow. This has been our experience in our coastwise, lake, and river trade, where we have built for a hundred years, in our own shipyards, the best ships for that business in the world. American carrying has not suffered in the foreign trade because of the inability to build good ships in the United States as much as it has from want of protection. For seventy years we have not been on an equal footing with other nations in the shipping business. While Great Britain and other European nations have free ships, yet for a long time they have protected shipbuilding by bounties and otherwise. It may be safely said that all the maritime powers of the world protect their shipping and shipbuilding. The spending in British shipyards of \$100,000,000 annually for home and foreign war-ship construction is of itself equivalent to an enormous bounty to British shipbuilders. Give the people of the United States business for their ships and there will be no doubt about shipbuilding and shipowning being successful in the United States.

FAILURE OF THE FREE-SHIP POLICY.

After full and fair trial, the free-ship policy has been a signal failure in France, Germany, Austria, and Italy. Norway has increased her shipping under free ships. This is due to the fact of

low wages and low prices of supplies and other conditions peculiar to that country. England, after building up her shipping through discriminating duties and subsidies on an enormous scale, until she has the advantage over all other nations, adopts the policy of free ships because it is to her interest. She advocates free ships because she builds ships for the nations that buy them, and naturally she wants all other nations, the United States especially, to adopt free ships. In 1894 the new tonnage built in her shipyards amounted to over 1,000,000 tons, 13 per cent of which was sold to other countries.

INCREASE OF BRITISH SHIPPING UNDER MARITIME RECIPROCIDY.

Under maritime reciprocity in fifty years, according to Mulhall, British shipping has increased 210 per cent, while that of other nations has increased 103 per cent, and that of the United States constantly declined. During this period British shipping has increased from carrying 34 per cent of the world's commerce to carrying 56 per cent of it. If this rate of increase continues, it is only a question of time when Great Britain will absorb the carrying of the commerce of the world.

SEA POWER IN HISTORY.

Through all history, ships and commerce have been associated with riches and power. Great ships and shipping interests have always brought power and contributed to the prosperity and wealth of the people owning them. Humboldt says:

Contact with the ocean has been one of the chief influences in forming character of nations as well as adding to their wealth.

The Phœnicians, by reason of their shipping and commercial supremacy, became the wealthiest and most civilized of the early Eastern nations.

In their turn the Athenians, the Ionic Greeks, and the Spartans dominated the civilized world directly through their prowess on the sea. In truth, were it not for the fact that the Greeks as a whole were a maritime people, future history might have been modified. On land they could scarcely cope with Darius and Xerxes, but at sea they were easily victorious. At this age the seamen were trained in all the walks of commerce and served as the national bulwark in time of war.

Carthage, the daughter of Phœnicia, up to the middle of the second century before Christ achieved a position through her maritime commerce at that time unrivaled in the history of the world. This commerce, destroyed by Rome, was transferred to the conqueror, which for five hundred years remained easily the ruling power of the earth both on land and sea.

As Rome decayed, the Norsemen, the Danes, and their kinsfolk became the dominant peoples of northern Europe, and solely by reason of their seamanship the British Isles, France, and Germany became their colonies.

Venice, a comparatively small center of population, was, from the beginning of the tenth to the sixteenth century, perhaps the most wonderful example of development due directly to this same cause. For upward of three centuries of her history there was no sea in the civilized world not laden with her commerce and frequented by her ships. It is a remarkable fact that the governors of Venice and the rulers of Egypt at the beginning of the sixteenth century (1504) carefully considered a plan for the construction of that great work of the nineteenth century, connecting the commerce of the west with that of the east—the Suez Canal. Side by side with

Venice came Genoa. Then followed Portugal and Spain. What these two nations accomplished in commerce, navigation, and colonization the world will never be permitted to forget. America owes its discovery to the commercial enterprise of these nations. Stimulated by the success of the Spaniards and Portuguese, and competing successfully with them, came the Dutch, who after a short struggle made their fatherland the great warehouse of Europe.

England, jealous of the Dutch on account of their enormous foreign traffic, and disliking their republican government, deliberately determined upon the destruction of both. This determination bore fruit in the navigation laws of the Commonwealth, regarded by Englishmen and legislators with a reverence akin to awe. Not willing to wait the results of the navigation laws, four years after their passage Great Britain waged war against the Dutch for the purpose of breaking down their carrying. Admiral Monk, in 1665, being asked the reason of the war against the Dutch, replied, "What we want is more of the trade which the Dutch now have." In order to gain this trade the Dutch were crushed.

During the reign of Louis XIV perhaps the most brilliant period of French history was passing. In 1669 Colbert, the minister of marine, instituted a system of discrimination and bounty which made the French marine the most prosperous in that part of the seventeenth century. No single statesman has ever contributed so materially to the prosperity of France as did Colbert.

TRADE FOLLOWS THE FLAG.

It is said that trade follows the flag; that is to say, trade follows shipping. Wherever ships go trade follows.

The people of the United States, without distinction of party, earnestly desire to enlarge and extend their foreign trade; to sell more of their manufactured and agricultural products. The best means to this end is to increase our carrying. No nation can have its just and proper share in its foreign commerce and in the foreign markets unless it is an owner and builder of ships. The nation that owns shipping has a great advantage in extending its trade and commerce over a nation that has no ships. The nation that carries the products it sends to foreign markets can establish and maintain its trade better than a nation that simply sells its surplus products and leaves other nations to do the carrying. Shipping and trade go hand in hand. The United States has a large foreign trade, but this would be doubled if its people owned ships and had a merchant marine in proportion. The greatest difficulty in the way of extending our foreign trade and selling our surplus products is that the people of other countries own the shipping, and naturally try to sell products of their own country.

A nation productive as the United States should carry in its own ships a large part of its foreign commerce; at least the goods it buys and part of all it sells.

Apart from shipping being the means of extending foreign trade in other countries, it is profitable from the standpoint of transportation. Our people should make the profits that come from the transportation in ships and are paid to other nations. If the people of the United States could make the earnings from carrying what they buy and sell, instead of paying nearly \$200,000,000 annually to other nations, the result would be a saving of this amount. In 1895

there were 329,553 arrivals and 401,322 departures to and from the ports of the United States, a total of 731,380 passengers, nine-tenths or about 650,000 of whom were carried in foreign vessels at an average of \$50 per head, or \$32,500,000 made by foreign shipowners out of business which belongs to Americans.

ADVANTAGES TO THE WHOLE COUNTRY OF BUILDING UP AMERICAN SHIPPING.

It is generally supposed that shipping only concerns our Atlantic and Pacific coast States, but this is unfounded. No industry affects the country more widely and generally than shipping. The farmer, as well as the producers of coal, lumber, iron, steel, lead, copper, and zinc and most all other products are interested in building up the shipping and shipyards of the country. Ninety per cent of the farm products which are exported are carried in foreign bottoms. If these products could be transported in vessels of the United States, it would stimulate and help all branches of business at home.

PASSING THIS BILL WOULD GIVE BUSINESS TO AMERICAN SHIPS.

The passage of this bill would provide business for our ships which they do not now have and can not get under present conditions. Under the provision that this act will not take effect for fifteen months after its passage, ships can be built and gotten ready for the new business that will come to them. The objection is made, however, that we have not enough ships to do this increased business and that we can not build them as cheaply as other countries, and therefore could not compete with the cheaper made foreign ships, even with discriminating duties in our favor.

Taking into consideration the cheapness of construction of shipping on our lakes and in our coastwise trade, and the reduced cost of iron, steel, lumber, and other materials which enter into shipbuilding, it may be safely claimed that with a large and regular business in shipbuilding the United States can build the ordinary freight vessel as cheaply as England and very soon the great ocean steamer. Bearing on this point President Cleveland in his last annual message said:

It is gratifying to state that our ships and their outfits are believed to be equal to the best that can be manufactured elsewhere, and that such notable reductions have been made in their cost as to justify the statement that quite a number of vessels are now being constructed at rates as low as those that prevail in European shipyards.

This sustains my contention. We have rigidly excluded foreign shipbuilders from competing or taking part in building our war ships. The result has been that home competition has grown up under which, because of the demand of the Government, our people have equipped vast shipbuilding plants, one of them at least equal to any abroad; and we now build war ships as good and as cheaply as any country. With a like demand, ocean steamers should be built in the United States as cheaply as in any place in the world.

The policy of discriminating duties would contribute to both building and running ships. Under present conditions capital will not invest in American ship owning because it can have no assurance that after ships are built they can get business.

We import annually from South and Central American countries, Mexico, and the West Indies about one hundred and ninety-five millions of products. These are comparatively non-ship own-

ing countries; we export to them ninety-one millions of products. If American ships should carry the imports from these countries to the United States, they could compete and take from foreign bottoms the return cargoes, or the carrying of ninety-one millions of exports.

Here is the carrying of nearly three hundred millions of products, 90 per cent of which is now done in foreign ships, which, if this bill becomes a law without retaliation or opposition of any kind, will come to our ships, and they can not get it in any other way.

If I am right in assuming that the carrying of our imports in our own ships must follow the adoption of discriminating duties, it would give to American bottoms nearly \$100,000,000 annually without the cost of one dollar to the people or the Government. No opposition can prevent this result. Under discriminating duties as provided in this bill, without cost of any kind, ocean carrying would seek American ships.

This view is indorsed and well expressed in the following extract from an able editorial by Alex. R. Smith in the journal, *Seaboard*, of New York, devoted to the cause of American shipping:

There is no single act outside of a thoroughly protective tariff that would do so much to restore prosperity to the United States in all parts of the country as the passage of the discriminating duty bill.

If American ships could have the carrying of our imports, which would give them regularly the incoming cargo to the United States, this would put them in a position to compete with foreign ships for outgoing cargo, especially tramp ships coming to our ports in ballast. It is estimated that more than 5,000 foreign vessels came to our ports in 1894 in ballast in search of cargoes. It may be said that other shipowning countries, especially Great Britain, would retaliate, and not allow American vessels to haul their imports. In case of retaliation we might transport in American ships only a small share of our exports to shipowning countries, but we would be in the position to take the business of carrying exports from the United States to countries not owning ships; we would gain this in addition to carrying our imports in our own ships. It is believed that among the good results that will follow the passage of this bill, one will be, and not the least, it will hasten the creation of a department of commerce, so much needed and so ably championed by the distinguished chairman of the Senate Committee on Commerce.

THE EFFECT ON SHIPBUILDING AND OTHER INDUSTRIES.

Prince Bismarck said:

The merchant service is the handmaid of all other industries, and of agriculture, manufactures, and commerce. On the day when the freight trade is given over to foreigners a mortal blow will be dealt to all the industries of the country.

This is true. While the progress of the United States in building up its industries on land has excited the wonder of the world, yet greater and more substantial progress would have been made had we been able to develop and build up with equal pace our industries on the sea. What we have accomplished in our material progress has been without the aid of one of the most important auxiliaries to our prosperity. Thomas Jefferson said that "agriculture, manufactures, commerce, and navigation are the four pillars of prosperity." In order that our material development should be

symmetrical, all of these should go hand in hand; but we have moved forward with one of these great interests neglected for seventy years, until now it is in a languishing condition and not helpful to the other branches of industry.

If by the passage of this bill we take from foreign shipowners the carrying of our imports, we will have gone a great way in the struggle to restore our shipping.

CAUSES OF THE DECLINE OF AMERICAN CARRYING.

It is needless to discuss the causes of the decline of American carrying further than to endeavor to learn from them, if possible, what may be done to help revive and restore it. Among the causes that have contributed to this decline may be mentioned:

First. The abandonment of the policy of protection to American shipping by discriminating duties under treaties with foreign nations and giving instead of this protection no aid or encouragement whatever.

Second. Competition of American shipping, without aid of any kind, with foreign shipping, highly protected, aided, and subsidized.

Third. In the absence of any protection or aid to American shipping it has had to pay heavy taxes at home, higher rates of interest, and higher wages than foreign shipping with which it competes.

Fourth. The hostile discrimination of British Lloyd's Register in inspecting, rating, and classifying American ships, obliging them to pay the highest rate of insurance on cargoes and take the lowest rate of freight and wait the longest in various parts of the world for charters. Added to this the war of English insurance companies in the United States against insuring cargoes carried in American-built ships.

STEAMSHIP LINES FROM NEW YORK.

Of the 60 ocean passenger and freight lines leaving New York only 7 are American, the balance foreign. These lines transport freight and passengers to and from New York to all parts of the known world. Fifty-three of these ocean lines belong to foreign corporations. They have nearly a thousand vessels earning profits by carrying the goods that Americans buy and sell when American steamship companies should be doing the largest part of this business. The problem is, how can we secure this business for our people? Some say by subsidies, others by free ships, and others that these foreign corporations should not be disturbed in keeping and increasing this business, because treaties stand in the way. Against this network of ocean lines, stretching all over the globe, subsidies could not avail and free ships would be futile. The best remedy is discrimination in favor of American ships under law.

THE AMERICAN FLAG ABROAD.

The United States consul at Hamburg, in 1892, in response (through the customary official channels) to certain inquiries concerning American shipping interests at that port, wrote the State Department as follows:

It seems a very sad commentary to have to make on the shipping of our country when I reply to the first four interrogatories of the Treasury by saying that during the year in question there was not a single American steamer of any sort or tonnage entered at this port. Nor can I find in the records of this consulate, covering a period of over thirty-five years, a trace of any others, with the exception of the year 1838, when one steamer of about 1,900 gross tons

happened in. I can not but believe that such an announcement would astound most of our people, when it is considered that Hamburg, a city of over half a million souls, is, after Liverpool and New York, the largest shipping port in the world; that it is by far the most important seaport and distributing center of the Continent; that in its harbor can be seen the flag of every third-rate power in the world that has a seacoast; that so large a part of it has been built with American dollars; that its import and export trade with the United States is larger by much than that with any other country, and that one steamship line alone dispatches, on an average, over three steamers a week the year around, carrying passengers to the United States, while the same number bring them back from there. Not only have none of our steamers participated in the carrying trade of this port for years, but of sailing vessels bearing our flag there were during the year ending June 30, 1894, but *two*; during 1893, 1892, and 1891, *two* each, and during 1890, *none*.

The Commissioner of Navigation, in his report for 1893, after quoting this letter, adds:

Hamburg is not an exceptional city, for the reports of consuls at other ports tell a like story.

That every bushel of grain which left New York last year for Europe was carried under a foreign flag;

That of the 23,329 entries last year of vessels bearing the flag of every nationality other than the British at the ports of Great Britain and Ireland the Stars and Stripes appeared only 78 times, and that of these, 45 times the flag was borne by four steamships;

That of 15,875 entries in 1891 (the latest year for which figures are at hand) of vessels bearing the flag of every nationality but the German at ports of the German Empire, American merchantmen are not even separately enumerated, but are classed as part of "scattering," 22 vessels, of 16,000 registered tons;

That of 12,774 entries of vessels, measuring 10,612,438 tons, bearing the flag of every nationality other than the Italian, which entered the ports of Italy during 1893, only 57 vessels, of 17,635 tons, with crews aggregating 453 men, carried the American flag, and of these 13 vessels, of 14,114 tons, with crews aggregating 315 men, were pleasure yachts.

That the American pleasure yachts, 6 in number, which touched at Gibraltar last year nearly equaled in tonnage our entire merchant fleet in the Mediterranean, whither ninety years ago the United States dispatched Preble and Decatur to assert the rights of American shipping;

That of 11,000 vessels which have passed through the Suez Canal in the last three years only 6 have borne the American flag, and 2 of these were war vessels.

During the year 1894 only one American vessel entered Bergen, the second port of the Kingdom of Norway, while 1,279 vessels of other nations entered and cleared at this important port.

From 1885 to 1895—nine years—only 15 American vessels passed through the Suez Canal, 4 of which were war ships and yachts. In 1896 no American vessel of any kind passed through, while 3,407 foreign vessels used the canal, with a tonnage of 8,594,000 tons, the receipts for toll amounting to about \$16,000,000.

In 1894 15,663 British vessels entered and cleared at various ports of the United States. During the year 1895 the entries and clearances of American vessels in Great Britain were 83. During this same year the number of vessels in foreign trade entered and cleared in ports of Great Britain aggregated 124,168.

In 1894 the aggregate tonnage entered and cleared in ports of Great Britain was 80,636,000 tons, of which 536,446 were under the United States flag, or precisely two-thirds of 1 per cent. During the same year the aggregate tonnage in foreign trade entered and cleared at United States ports was 19,989,663 tons, of which 10,841,524 tons was British, or 54 per cent.

At London, in 1894, the aggregate tonnage was 14,433,380 tons, of which only about 17,000 tons were American.

At Liverpool the same year the aggregate tonnage was 10,489,573 tons, of which 86,639 tons were American.

At Cardiff (Wales) the trade aggregated a tonnage of 10,478,391, of which not a single ton was American.

There are 53 steamships running in regular lines from England, France, Germany, and Canada to Sydney, against 2 from the United States.

Out of the 523 steamers which last year entered the port of Buenos Ayres, a city of 700,000 inhabitants, not one was American.

In 1895 a person starting around the world was asked to make a note during the trip of the number of times he might see the American flag flying on American vessels. The report made after the trip was that he did not see the American flag once on an American vessel.

Of the ten chief maritime nations of the world, the United States and Italy have shown a decline since 1875. Germany, almost without a seacoast as compared with the United States, stands ahead of her in shipping in the foreign trade.

In the year 1894 Mexico and Central and South America bought \$520,000,000 of foreign products, 6 per cent only of which was carried in American ships.

In the year 1894 the voyages made by American merchant vessels between the United States and Europe were 252, while European vessels made 10,233 voyages.

The tonnage of American vessels in our West Indian and South American trade in recent years has declined from about 87 per cent to 68 per cent, and with South America from 93 per cent to 75 per cent, and English vessels have gained what we lost.

In 1893, 3,045 English ships entered Argentine ports, while only 103 American ships touched at those ports.

Only 3.4 per cent of the world's shipping is American. British ships carry about 67 per cent of our foreign commerce.

In 1893 there were employed in the British merchant marine 216,177 persons, 85 per cent being native Englishmen.

In 1894 there were employed in American domestic and foreign shipping about 70,000 persons, 30 per cent being native Americans and 70 per cent foreigners.

The facts and figures just recited are humiliating to all Americans; indeed, they show how little claim we have to be called a maritime nation when we should to-day have the greatest merchant marine and be the greatest maritime power on the globe.

Mr. President, I have tried in what I have said to present the cause of American shipping to the Senate and to the country, with the earnest wish that Congress will do something looking to its restoration. If I do nothing more than draw attention to the facts and help to add to the interest already aroused in this great subject, I will feel amply rewarded for whatever I have done or may do hereafter. If any plan better than the one proposed here can be suggested, I will accept it, though it must be insisted, Mr. President, that the policy of discriminating duties, sanctioned by the founders of our Government and tried for more than thirty years, with the best results, has again received the approval of the people in the last national election, and should at least have another trial at the hands of Congress.

American ocean carrying, so long neglected, is not the cause of any party nor of any particular interest; it belongs to no section; it concerns the whole country, its future prosperity and welfare; it has become the cause of 70,000,000 of people; henceforth they will

take care of it; in their keeping it will no longer languish; it will not die, but prosper and grow and bless the country as in days gone by.

I feel, Mr. President, sooner or later, the patriotic cause of up-building American shipping will triumph, and Americans will enjoy and use their common share in the oceans of the world and have their part in its carrying trade; that the time is not distant when the American flag will be seen on every sea and float from vessels of the United States in all the ports of the earth, and American merchants, business men, and bankers will be established and doing remunerative business in all the commercial centers of the world. In laboring to secure for our common country these splendid achievements and great blessings, statesmanship can have no higher aim, patriotism no loftier purpose, and the benedictions of a grateful people will descend on those who may help in this great movement.

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