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American Bottoms

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May 2nd 1891

That the title of my paper may not mislead anyone I beg to say at the outset that I shall confine myself to the bottoms of vessels built in the United States, for commerce with foreign countries and carrying the United States Flag. There is a complaint abroad very much indulged in by members of Congress, that there are not enough of such bottoms, that the increase in their number is, or is soon to become a public necessity. To state it in another way, it is said that one of our great industries has become partially or almost wholly paralyzed and that it must in some way be revived, even at the expense of a transfusion of life from some other industry.

I propose in this paper to give some of the facts connected with the condition of our shipping, and others pertinent to that subject, to point out some of the difficulties that stand in the way, and to make some suggestions anent the subject as to what must be done, if anything is to be done, to remedy the evil. As a matter of necessity I should have to deal to a considerable extent with figures and statistics commonly supposed to be founded on figures. As a source of entertainment, figures do not ordinarily excite much hilarity. It is said that figures can not lie, and it may be that part of our dislike for them is due to that fact. A man who cannot and will not say lie – embellish the skeleton fact with the flesh of life and color of same, may be a very worthy man, but not very entertaining. I will, however in this case confine myself to round numbers and not lead you to believe in their absolute accuracy.

They will be near enough to the mark to illustrate the subject. In getting statistics I shall deal with those existing between 1830 and 1880, as those are accessible to any one who may wish to go deeper into the subject, than your patience will permit me to do now. We are accustomed to speak of our Republic as a great and glorious country. That is a satisfying mouth filling phrase, suitable to all occasions and what is more, it is true, true of everything except our shipping. We can hardly realize how rapidly this country has grown from 1780 282-1880 in everything except its commerce.

In	1830	our population was	13,000,000
	1840	our population was	18,000,000
	1850	our population was	23,000,000
	1860	our population was	32,000,000
	1870	our population was	39,000,000
	1880	our population was	50,000,000
	1890	our population was	60,000,000

In other words from 1840 to 1880 the increase was 300 percent. The increase has been in a geometrical ratio too, say 5,000,000 for each of the first two decades 8,000,000 for each of the 2nd two decades, & 10,000,000 for each of the 3rd two decades.

Such an increase was never before known in the history of the world. During the same time, say from 1830 to 1880, our exports of domestic and foreign products have increased from 103,000,000 between 1830 and 1840 to about 5,000,000,000, between 1870 and 1880, steadily increasing all the time, and this too in the face of our protective system, which would indicate that the law of supply and demand is stronger than any chain that theorists can put around the country, a fact that is well to keep in mind.

During the same time the increase in railroad mileage has been from 23 miles in 1830 to 84,393 miles in 1880, and it more than doubled between 1880 and 1890, so that interstate communication, and communication with the seaboard especially, has kept pace with the increase of population and with all the demands of business. Now as a contrast to the foregoing evidences of material prosperity, I will give some figures, taken at random from different authorities as to our shipping.

In 1857 American ships carried 5/7 of our outgoings and incoming business, and foreign ships 2/7. In 1878 the position was exactly reversed, American ships carried 2/7 and foreign ships 5/7. In 1856 American ships carried 70 percent of our commerce, in 1880 only 17 percent and in 1881 only 10 percent though the volume of commerce had doubled, even on domestic inland tonnage, by that I mean vessels built in the United States, declined 27 percent from 1861 to 1881 while our domestic out land tonnage declined 54 percent in the same time.

The decline in ship building from 1855 to 1880 was 73 percent. In 1840 American vessels carried 83 percent of our commerce, in 1882 only 15 1/2 percent. It is said that in 1881 not a bushel of grain was exported in American vessels. In 1879 about 33,000,000 was paid for outgoing and incoming freights fully 5/6 of which went to foreign vessels. One despairing writer says that the loss by reason of the decline in building and using American vessels was fully 100,000,000 a year, more than 1/3 of the annual product of iron and steel & 1/2 the value of the cotton product.

As a contrast again to the figures I have just given, the tonnage of Great Britain increased from 1856 to 1880 over 8 times or 800 percent; that of Germany over 6 times, or 600 percent, and that of Sweden and Norway over 60 times. I have not at hand the exact statistics as to France, but so far as I have examined them they showed that French commerce has neither increased nor decreased materially, of late years. I have not undertaken to give figures as to the increase of material wealth in the United States. That is clearly enough indicated in the figures as to exports and imports. They show that our purchasing power has been steadily increasing. Does it not seem strange that with such notable prosperity in every department of industry excepting perhaps farming that the great industry of ship building and manning them have sunk into insignificance? We are not isolated from the rest of the world by any means.

We do not live within our selves, so as to have no occasion to carry on commercial intercourse with foreign countries and yet an observer who should look at nothing but our ship building and carrying trade would say here undoubtedly is a people who have almost succeeded in shutting themselves up in their own country, producing and consuming their own supplies, and have by their so-called system of protecting home industries double locked and barred their doors. Opinions as to the cause of the situation and its remedy vary. Statesmen view the situation through the colored glasses furnished them by their respective political parties. I will endeavor to suggest some of the causes of the decline, without respect to politics for this goodly country affords one place, at least, where politics whether partisan, bipartisan or non-partisan does not control the expression of our candid opinions. Undoubtedly the change in the material used has had something to do with the decline.

Formerly with our immense forests, and our ingenious native labor, wooden vessels were cheaply constituted, and shipbuilding in this country attained a high rank as compared with other countries. We even built vessels for foreign markets. This amounted in 1855 to 65,000 tons, showing that we had a surplus of such products over our own demands. But with the growing use of iron and steel in the construction of seagoing vessels, our building for commercial purposes declined, for with the protection accorded to iron and steel in this country, the price to the consumer rose so that the builder could not possibly compete with his foreign competition and the difference in the price of iron here and abroad, suitable for ship building has been from 20.00 to 35.00 per ton according to quality, a difference which becomes practically prohibitory. I take an illustration given by one of the congressional committees in a report made in 1884, with respect to the construction of two first-class passenger and freight steamships for the Pacific trade of 2131 tons each, having a speed of 13 knots. These would require 3,709,845 lbs of iron for each. The duty on this would be 1 1/2 cents per lb, or about 26.00 per ton. The duty on the other material would carry the whole up to about 34.00, as the steamers were estimated to cost about 134.00 per ton. In other words the same vessel could be built in England at \$100.00 per ton as could be built here for \$134.00 per ton, estimating only the cost of the material, saying nothing about the difference in the cost of labor, as to which there is a great disparity in favor of the English builder.

In brief, estimating the cost of materials alone, a vessel that would cost 213,000.00 to build in England would cost 286,317.00 to build here, quite a living profit in favor of the English, and one that would require a considerable subsidy to overcome. I need only add that the difference in the cost of Equipment, wages for manning &C, are so much higher here than in England, that another very serious burden is in that respect imposed upon our shipping interests. Just as certain as water will find its level, if it has room and time, will forcing the price of one thing up, force the price of every thing up in any way dependent upon or connected with that one thing. There are many small burdens that might be mentioned, which for want of time, I cannot give in detail. I refer to taxes and charges, antiquated requirements respecting wages. These may be illustrated by the farmer's old plow nearly or quite worn out, which he does not have repaired or sharpened, because he intends some time, when he can raise the money, to get a new one.

If we could afford to put a new merchant marine afloat, these chafing regulations would disappear, with the retirement of the old one. I need not say much as to the decline of our domestic or inland shipping, for the rapid evolution of the railroad has undoubtedly been the greatest factor in destruction of that, and we need not stop to consider the lesser evils.

I do not intend to discuss the advantage, or necessity, of having a merchant marine of our own, all will admit that. In the first place, situated as we are, with such an extent of sea coast we have little or no use for a standing army, but every use for a standing Navy. But a merchant marine is the nursery of a Navy, as all history shows. So that without a merchant marine we can not have a Navy.

Spain and France have both furnished us examples of the result of trying suddenly to create a Navy out of landsmen. Napoleon said he might have successfully invaded England, if he could have got his marine corps to be able to stand on shipboard without spreading their legs so wide. To take only a civil view of the subject, a prosperous merchant marine would open up wonderful outlets for enterprise and industry. By far too much of our business now, especially in our large cities, is carried on in the same way that the two boys carried on business who stayed in the barn all day and swapped jack knives.

It is but little more profitable than playing cent-ante on the square. But speculation of some sort we must have, and if we had a merchant marine it would furnish a safety valve for the escape of much enterprise that now reacts upon itself and proves injurious to the body politic. It would also furnish a profitable outlet for, and increase the price of our bread stuffs, a consideration I would recommend to the next convention of the Farmers Alliance. What remedies have been suggested? First and foremost; and always present with us, is that of the subsidy. Let the government pay new steamship lines a subsidy say those who would like to have a hand in the subsidy. The first practical difficulty is to insure the object being accomplished for which the subsidy is paid. In common phrase, who will hold the man who holds the subsidy. The Union Pacific Rail Road furnishes an instructive lesson on this point.

But suppose we get by that difficulty, it is obvious that no subsidy will be sufficient that will not put our shipbuilders and proprietors on a par with the English. But England already pays from 3,000,000 to 5,000,000 a year in the way of subsidies, and France pays as much if not more, so with Germany and Italy. We couldn't tax the farmers any more heavily. They would stand no more of that sort of transfusion of blood, we can't well tax the ordinary consumer, or the man who lives on his income any more heavily, for he is now about ready to turn his property over to the tax gatherer, if he will agree to pay taxes including back taxes. We should have to [toll] the men who produce the material for ship building an amount equal to the difference between the cost of ships here and abroad, in other words all ship building and fitting materials on the [free] list. Perhaps if that were done, the subsidies that might be paid would set off the difference in wages. Mr. Blaine with his usual sagacity, has seen clearly the futility of attempting to do anything in the way of revising our merchant marine with directly or indirectly modifying

the tariff. In his report to the President, June 19th 1890, speaking of reciprocity with the South American Republics, he says, "The lack of means for reaching their markets has been the chief obstacle in the way of increased exports. This carrying trade has been controlled by European Merchants, who have forbidden an exchange of commodities. The merchandise we sell in South America is carried there in American ships, or foreign ships chartered by American commission houses. The merchandise we buy in South America is brought to us in European vessels, that never take return cargoes, but sail for Liverpool, Harvre, Bremen, or Hamburg, with wheat, corn or cotton. There they load again for South America with manufactured goods and continue their triangular voyages, paying for the food they buy of us with the proceeds of the sale of their manufacturers, that we could supply, if we controlled the carrying trade.

To remedy this, his proposition was to exchange courtesies with the South American Republics by mutually abolishing the duties of all articles that might be the subject of commerce between the respective countries. I can only say, by way of criticism, that the remedy proposed is altogether too homeopathic, meaning no offense to our brethren who believe in small pills taken medically. It seems to me if Congress went so far and no further they would mightily stimulate foreign shipbuilding for the purpose of taking advantage of the opening so furnished, and our American ship builders would have to devise some plan similar to that said to be in use by some wine merchants, who export our native wines to Europe for the purpose of giving them Character and import the[m] back for use.

In conclusion, I think the patient has been so seriously impaired that nothing but free air and numerous ocean voyages will restore him.

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