

Why Our Merchant Marine Vanished

A FICTION which, through protectionist reiteration, has become American commercial dogma is that we lost our pre-eminent position on the seas because we were too busy developing an empire in the West. Now that ships are being sent to the bottom of the seas faster than they can be replaced, this buncombe is again gaining currency.

Before the Civil War—before the days of tariffs intended to strangle our foreign trade—American merchantmen dominated the seas. We had the world's fastest ships, most daring seamen, most enterprising captains. The fleet which flew the Stars and Stripes carried over three-quarters of the goods exported from this country, and American "tramps" were known in every port of the world.

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By 1880 our merchant fleet was a pitiful remnant. Before World War No. 1 it was almost a Swiss Navy.

Why? Because we had railroads to build? Because our wages were too high? Because we refused to substitute steam for sails? Nonsense. These are the covering excuses advanced by our protection monopolists. Our ships were driven off the seas by our tariff policy.

England, which started on a free trade policy in 1847, took the business away from us. When we refused to buy goods from the world we lost our customers; our ships had no cargoes to carry. Shipping disappeared simply because our non-trading idiocy killed the business.

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As a consequence of our tariff policy, the cost of building and repairing ships in this country became prohibitive, as compared with the cost in free-trade England. Protected materials cost more than free trade materials. Indeed, some of our protected industries deliver their products abroad at a lower price than they quote to domestic buyers; for example, steel.

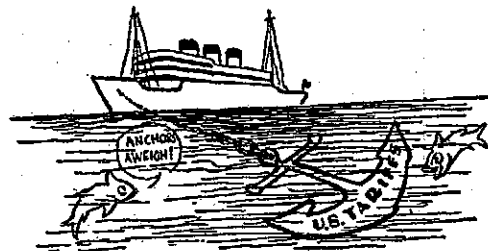
It therefore is more profitable to build and repair ships in British yards than in American. Our tariff policy not only drove our ships off the seas, but also drove shipbuilding off our coasts.

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World War No. 1 turned the country's eyes seaward again. There was business to be had. Not good, healthy business—the exchange of goods for goods—but the ghoulish business of profiting

by the preoccupation of other nations with destruction. We had to have ships to deliver coal to our Navy; we had been depending on foreign merchantmen. We had to deliver war munitions, before we started delivering men, to the Allies. And we had only eighty-one ships (less than 500,000 tons) in foreign trade.

There was business to be done. So we started to build a merchant marine. We launched over



three million tons in 1918, over four million the next year, and two and a half million in 1920. And then we let this ten million tons of shipping facilities rot.

The billions of taxes involved literally rusted in our docks. Many of these ships were sold at a mere fraction of the cost, as junk. Why? Because our protective tariff would not permit them to go to work. They had no cargoes to carry.

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Now again there is ghoulish business to be had. During the first eighteen months of the present tragic affair, Germany has sunk a net four and a half million tons of shipping—net after replacements of over two and a half million. Experts predict that from three to five millions more will disappear this year.

Of course our shipyards will in time make up the deficiency. Even though through long years of idleness we have lost the skill and our yards have decayed, where there are wages there will be workers. It will take time. But eventually we will build again as many ships as the world can use.

Then what? These ships, built mainly with tax money, since private capital avoids this grisly business as transitory and ultimately unprofitable, will be tied up to disintegrate. Our seamen and our repair shops will be idle. All because our tariff policy kills the cargoes, and cargoes are the life of a merchant marine.