

## THE SHIP SUBSIDY BILL.

If there is one pretense more bold than the rest under which the pending subsidy bill is pushed, it is that it will help our foreign mail service.

At page 52 Mr. Chamberlain suggests that:

"A reduction in the special rates proposed for steamships of 14 knots or upward will preclude the possibility of establishing new lines of American mail steamships to different quarters of the globe, and would thus defeat one of the most important public objects of the measure. \* \* \* The rates proposed for American mail steamships by both (Senate and House) bills, on the other hand, must share in the uniform reduction when the maximum expenditure has reached the limit, \$9,000,000."

This reminds us of Senator Frye's claim that of the \$9,000,000 per annum, contemplated as subsidy, only \$7,500,000 should be really so considered; since on his theory, we are now paying \$1,500,000 for mail service, for which the United States, under the subsidy bills, would pay nothing.

The fact, however, is—as no one would more promptly admit than will Mr. Frye and Mr. Chamberlain—that, while there might sometimes be a little benefit to the United States from free mail carriage to offset against subsidies paid, its amount would be petty and uncertain.

For, in the very nature of things, we must employ to carry our mails the best and fastest ships to be secured. When the pending contract with the International was made, its ships—the Paris and the New York—and the newly built St. Paul and St. Louis, were among the fastest in existence. Since that time, however, and notably within the last two years, marine engineering has so developed that, whereas ten years since there was none faster, and only four others as fast as the International's (then) two steamers; in 1900 there were floated nine which surpass them in speed—three by one knot per hour, two by two knots per hour, and four by three knots per hour. Moreover, line after line has contracted for ships of from 23 to 24 knots speed, until within five years, a 20 to 21-knot ship (even now not considered an eligible carrier for fast mail between here and Europe) will be a leisurely-going tub, as compared with the faster steamers that will then carry our mails.

But under the subsidy bill, we are not likely to have American mail steamers. In the first place its promoters admit that such is not the case.

(House Hearings, p. 34):

"Mr. Clyde: We know, as practical men, that the 21-knot ship is a bad ship for the shipowner; and we know from the inquiries we have made as to what ships will be built if this bill is passed—

that all the vessels contemplated will be vessels of moderate speed, none of them exceeding 17 knots."

In the second place, the bill is so drafted as to discourage the building of really fast steamers by American shipyards. It is on every hand conceded that the cost of building, fitting, and running a steamer increases very rapidly and out of all proportion to the speed attained. And when we remember that, though scheduled by Lloyd's as 20-knot steamers—and so rated only last year by Mr. Chamberlain—the International's flyers are now considered by Mr. Chamberlain as competent to draw subsidy as 21-knot vessels (see p. 198) we evidently have the data in view of which the subsidy bill was drafted.

The International's four steamers could not hope, even on a temporary test, to be rated as over 21-knot speed; hence, though the bill provides special speed subsidy at 2.36 per gross ton per 100 miles on 21-knot steamers, while giving only 1.4 cents for the next fastest (17-knot) American steamers in existence, it provides for no higher rate for swifter vessels; and, therefore, it offers least inducement of all to the building of faster steamers than 21 knots. The provisions of the bill as to "speed" subsidy, therefore, are not intended to induce the building of a single fast American mail ship, but rather to pauperize the four superannuated "greyhounds" of the American Line to the tune (when the Paris shall be back in service) of some \$1,500,000 a year.

Instead, therefore, of any prospect that our government will save \$1,500,000 by free carriage of mails in subsidized ships, the fact is that the International's mail contracts are mainly in respect of vessels that already are or will soon become unfit for mail carriage at all; so that our government must in any case contract with faster steamers.

This particularly applies to shipping in the Atlantic trade. That is to say: The International's four great subsidy grabbers—the New York, the Philadelphia (formerly Paris), the St. Paul and the St. Louis—last year received \$647,278 from the United States for mail carriage under contracts which, though proper when made, can never be renewed. It is now proposed by the pending bills to double even this enormous subsidy for ten years to come after they shall have practically ceased to be eligible for carrying the mails at all.

Indeed, a scandal has already arisen in this connection. At page 13 of the Report of the Superintendent of Foreign Mails, dated October 23, 1900, appears the following:

"The rules under which the mails for trans-Atlantic destinations were for many years assigned to the fastest vessels available for their conveyance—that is to say, in the case of two steamers leaving New York for Great Britain at or

about the same time, the mails were assigned to the steamer which, according to the record of its three voyages just preceding the assignment, delivered the mails in the shortest time in London—has not been rigidly adhered to during the year just closed, preferences having been given to vessels flying the flag of the United States."

It is not here specifically stated what American vessels were thus favored, but on the next page is given a schedule of all ships whose records were kept in this connection. This includes no other American ships than the International's St. Paul, St. Louis and New York (the Paris now being rebuilt), and shows that for the mail service between New York and London, their average records for the last three months noted (April-June, 1900.) were:

St. Paul.....	178.2 Hours
St. Louis.....	185.6 "
New York.....	185.8 "

As compared with the time for similar carriage by other steamers as follows:

Kaiser Wilhelm der Grosse, (North Ger. Lloyd).....	162.3 Hours
Lucania (Cunard).....	169.5 "
Campania (Cunard).....	172.8 "
Oceanic (White Star).....	171.1 "
Kaiser Frederick (Hamburg-American).....	174.1 "
Fuerst Bismark (Hamburg-American).....	176.0 "

In other words, Mr. McKinley's post-office department is deliberately preferring slow ships to faster ones for trans-Atlantic mails.

How grave is the favoritism thus shown the International can be best appreciated by an instance:

According to Bullinger's Guide the steamers advertised to convey the United States mails from New York to the United Kingdom and the continent, on November the 7th, 1900, were the St. Paul, scheduled to leave at 10 a. m., and the Teutonic, scheduled to sail at noon.

On the voyage from Southampton to New York, the St. Paul, of the International Navigation Company (American Line) met with an accident to one of her propellers, on account of which she only reached New York on November the 4th, and, after the extent of the damage had been ascertained, she was withdrawn from the service to be laid up for several months on account of repairs.

Upon the withdrawal of the St. Paul, of the American Line, it was naturally understood that the mails to be despatched on November the 7th, would be sent by the Teutonic, of the White Star line. On Thursday, November the 8th, it was, however, ascertained to be the fact that the mails on Wednesday, November 7th, were not despatched by the Teutonic, of the White Star Line, but were sent instead by the International's slow steamer Friesland—normally some two or three days slower than the Teutonic, and in fact arriving this time about a week later.

It would probably occur to no one