AS ROOT SAW SOUTH AMERICA

There Lies Greatest Opportunity for North American Enterprise.

A LIMITLESS FIELD OPEN.

First Move Must Be to Learn What Latin America Wants, and Then to Produce It.

Secretary of State Says Those Seeking Trade Must Speak Spanish; That American Banks Must Be Opened in All Commercial Centres; That We Must Conform to Their Credit System, and That Courtesy Counts for Much—Our Merchant Marine Must Be Revived With Subsidies, Given as Europe Gives Them.

KANSAS CITY, Nov. 20.—Secretary of State Elihu Root, speaking before the Trans-Mississippi Commercial Congress, this evening, said:

"A little less than three centuries of colonial and national life have brought the people inhabiting the United States by a process of evolution, natural and with the existing forces inevitable, to a point of distinct and radical change in their economic relations to the rest of mankind.

"During the period now past the energy of our people, directed by the formative power created in our early population by heredity, by environment, by the struggle for existence, by individual independence and by free institutions, has been devoted to the internal development of our own country. The surplus wealth produced by our labors has been applied immediately to reproduction in our own land. We have been cutting down forests and breaking virgin soil and fencing prairies and opening mines of coal and iron and copper and silver and gold and building roads and canals and railroad and telegraph lines and cars and locomotives and mills and furnaces and schoolhouses and colleges and libraries and hospitals and asylums and public buildings and storehouses and shops and homes. We have been drawing on the resources of the world in capital and in labor to aid us in our work. We have gathered strength from every rich and powerful nation and expended it upon these home undertakings; into them we have poured hundreds of millions of money attracted from the investors of Europe. We have been always a debtor nation, borrowing from the rest of the world, drawing all possible energy toward us and concentrating it with our own energy upon our own enterprises. The engrossing pursuit of our own opportunities has excluded from our consideration and interest the enterprises and the possibilities of the outside world. Invention, discovery, the progress of science, capacity for organization, the enormous increase in the productive power of mankind, have accelerated our progress and have brought us to a result of development in every branch of internal industrial activity marvellous and unprecedented in the history of the world.

FIRST AMERICAN SURPLUS.

"Since the first election of President McKinley the people of the United States have for the first time accumulated a surplus capital beyond the requirements of internal development. That surplus is increasing with extraordinary rapidity. We have paid our debts to Europe and have become a creditor instead of a debtor nation; we have faced about; we have left the ranks of the borrowing nations and have entered the ranks of the investing nations. Our surplus energy is beginning to look beyond our own borders, throughout the world, to find opportunity for the profitable use of our surplus capital, foreign markets for our manufacturers, foreign mines to be developed, foreign bridges and railroads and public works to be built, foreign rivers to be turned into electric power and light. As in their several ways England and France and Germany have stood, so we in our own way are beginning to stand and must continue to stand toward the industrial enterprise of the world.

"That we are not beginning our new rôle feebly is indicated by $1,518,561,666 of exports in the year 1905 as against $1,117,813,971 of imports, and by $1,743,864,500 exports in the year 1903 as against $1,226,863,843 of imports. Our first steps in the new field indeed are somewhat clumsy and unskilled. In our own vast country, with oceans on either side, we have had too little contact with foreign peoples readily to understand their customs or learn their languages; yet no one can doubt that we shall learn and shall understand and shall do our business abroad as we have done it at home with force and efficiency.

SOUTH AMERICA'S ADVANCE.

"Coincident with this change in the United States the progress of political development has been carrying the neighboring continent of South America out of the stage of militarism into the stage of industralism. Throughout the greater part of that vast continent revolutions have ceased to be looked upon with favor or submitted to with indifference, the revolutionary general and the dictator are no longer the objects of admiration and imitation, civic virtues command the highest respect, the people point with satisfaction and pride to the stability of their Governments, to the safety of property and the certainty of justice, nearly everywhere the people are eager for foreign capital to develop their natural resources and for foreign immigration to occupy their vacant land. Immediately before us, at exactly the right time, just as we are ready for it, great opportunities for peaceful commercial and industrial expansion to the South are presented. Other investing nations are already in the field—England, France, Germany, Italy, Spain; but the field is so vast, the new demands are so great, the progress so rapid, that what other nations have done up to this time is but a slight advance in the race for the grand total. The opportunities are so large that figures fail to convey them.

GREAT NEWLY AWAKENED CONTINENT.

"The area of this newly awakened Continent is 7,502,848 square miles, more than two and one-half times as large as the United States without Alaska and more than double the United States including Alaska. A large part of this area lies within the temperate zone, with an equable and invigorating climate, free from extremes of either heat or cold. Further north in the tropics are enormous expanses of high tablelands stretching from the Atlantic to the foothills of the Andes, and lifted far above the tropical heats; the fertile valleys of the western Cordilleras are cooled by perpetual snows even under the equator; vast forests grow untouched from a soil of incredible richness. The plains of Argentina, the great uplands of Brazil; the mountain valleys of Chile, Peru, Ecuador, Bolivia and Colombia are suited to the habitation of any race however far to the North its origin may have been; hundreds of millions of men can find healthful homes and abundant sustenance in this great territory.

"The population in 1900 was only 42,461,381, less than six to the square mile. The density of population was less than one-eighth of that in the State of Missouri, less than one-sixtieth of that in the State of Massachusetts, less than one-seventieth of that in England, less than one per cent. of that in Belgium.

"With this sparse population the production of wealth is already enormous. The latest trade statistics show exports from South America to foreign countries of $745,530,000, and imports of $499,858,600. Of the five hundred millions of goods that South America buys we sell them but $63,246,525, or 12.6 per cent. Of the seven hundred and forty-five millions that South America sells we buy $152,092,000, or 20.4 per cent., nearly two and a half times as much as we sell.

WONDERFUL GROWTH.

"Their production is increasing by leaps and bounds. In eleven years the exports of Chile have increased 45 per cent. from $54,030,000, in 1894, to $78,840,000, in 1905. In eight years the exports of Peru have increased 100 per cent. from $13,899,000, in 1897, to $28,758,000, in 1905. In ten years, the exports of Brazil have increased 66 per cent. from $134,062,000, in 1894, to $223,101,000, in 1905. In ten years the exports of Argentina have increased 168 per cent. from $115,868,000, in 1895, to $311,544,000, in 1905.

"This is only the beginning; the coffee and rubber of Brazil, the wheat and beef and hides of Argentina and Uruguay, the copper and nitrates of Chile, the copper and tin of Bolivia, the silver and gold and cotton and sugar of Peru, are but samples of what the soil and mines of that wonderful continent are capable of yielding. Ninety-seven per cent. of the territory of South America is occupied by ten independent republics living under constitutions substantially copied or adapted from our own. Under the new conditions of tranquillity and security which prevail in most of them their eager invitation to immigrants from the old world will not long pass unheeded. The pressure of population abroad will inevitably turn its stream of life and labor toward those fertile fields and valleys; the streams have already begun to flow; more than 200,000 immigrants entered the Argentine Republic last year; they are coming this year at the rate of over 300,000.

GERMAN IMMIGRATION.

"Many thousands of Germans have already settled in southern Brazil. They are most welcome in Brazil; they are good and useful citizens there as they are here; I hope that many more will come to Brazil and every other South American country, and add their vigorous industry and good citizenship to the upbuilding of their adopted home.

"With the increase of population in such a field, under free institutions, with the fruits of labor and the rewards of enterprise secure, the production of wealth and the increase of purchasing power will afford a market for the commerce of the world worthy to rank even with the markets of the Orient as the prize of business enterprise. The material resources of South America are in some important respects complementary to our own; that continent is weakest where North America is strongest as a field for manufactures; it has comparatively little coal and iron. In many respects the people of the two continents are complementary to each other; the South American is polite, refined, cultivated, fond of literature and of expression and of the graces and charms of life, while the North American is strenuous, intense, utilitarian. Where we accumulate, they spend. While we have less of the cheerful philosophy which finds sources of happiness in the existing conditions of life, they have less of the inventive faculty which strives continually to increase the productive power of man and lower the cost of manufacture.

EACH CAN LEARN FROM THE OTHER.

"The chief merits of the peoples of the two continents are different; their chief defects are different. Mutual intercourse and knowledge cannot fail to greatly benefit both; each can learn from the other; each can teach much to the other, and each can contribute greatly to the development and prosperity of the other. A large part of their products find no domestic competition here; a large part of our products will find no domestic competition there. The typical conditions exist for that kind of trade which is profitable, honorable and beneficial to both parties.

"The relations between the United States and South America have been chiefly political rather than commercial or personal. In the early days of the South American struggle for independence the eloquence of Henry Clay awakened in the American people a generous sympathy for the patriots of the South as for brethren struggling in the common cause of liberty. The clear eyed, judicious diplomacy of Richard Rush, the American Minister at the Court of St. James, affected a complete understanding with Great Britain for concurrent action in opposition to the designs of the Holy Alliance, already contemplating the partition of the Southern Continent among the great powers of Continental Europe. The famous declaration of Monroe arrayed the organized and rapidly increasing power of the United States as an obstacle to European interference and made it forever plain that the cost of European aggression would be greater than any advantage which could be won even by successful aggression.

MONROE DOCTRINE STILL VIRILE.

"That great declaration was not the chance expression of the opinion or the feeling of the moment; it crystallized the sentiment for human liberty and human rights which has saved American idealism from the demoralization of narrow selfishness and has given to American democracy its true world power in the virile potency of a great example. It responded to the instinct of self-preservation in an intensely practical people. It was the result of conference with Jefferson and Madison and John Quincy Adams and John C. Calhoun and William Wirt—a combination of political wisdom, experience and skill not easily surpassed. The particular circumstances which led to the declaration no longer exist; no Holy Alliance now threatens to partition South America; no European colonization of the west coast threatens to exclude us from the Pacific. But those conditions were merely the occasion for the declaration of a principle of action. Other occasions for the application of the principle have arisen since; it needs no prophetic vision to see that other occasions for its application may arise hereafter. The principle declared by Monroe is as wise an expression of sound political judgment to-day, as truthful a representation of the sentiments and instincts of the American people to-day, as living in its force as an effective rule of conduct whenever occasion shall arise, as it was on the 2d of December, 1823.

"These great political services to South American independence, however, did not and could not in the nature of things create any relation between the people of South America and the people of the United States except a relation of political sympathy.

BLAINE'S VIEW OF FUTURE.

"Twenty-five years ago Mr. Blaine, sanguine, resourceful and gifted with that imagination which enlarges the historian's understanding of the past into the statesman's comprehension of the future, undertook to inaugurate a new era of American relations which should supplement political sympathy by personal acquaintance, by the intercourse of expanding trade, and by mutual helpfulness. As Secretary of State under President Arthur he invited the American nations to a conference to be held on the 24th of November, 1882, for the purpose of considering and discussing the subject of preventing war between the nations of America. That invitation, abandoned by Mr. Frelinghuysen, was renewed under Mr. Cleveland, and on the 2d of October, 1889, Mr. Blaine, again Secretary of State under President Harrison, had the singular good fortune to execute his former design and to open the sessions of the first American conference at Washington. In an address of wisdom and lofty spirit, which should ever give honor to his memory, he described the assembly as:

"'an honorable, peaceful conference of seventeen independent American Powers, in which all shall meet together on terms of absolute equality; a conference in which there can be no attempt to coerce a single delegate against his own conception of the interests of his nation; a conference which will permit no secret understanding on any subject, but will frankly publish to the world all its conclusions; a conference which will tolerate no spirit of conquest, but will aim to cultivate an American sympathy as broad as both continents; a conference which will form no selfish alliance against the older nations from which we are proud to claim inheritance—a conference, in fine, which will seek nothing, propose nothing, endure nothing that is not, in the general sense of all the delegates, timely, wise and peaceful.'

"The policy which Blaine inaugurated has been continued, the Congress of the United States has approved it, subsequent Presidents have followed it. The first conference at Washington has been succeeded by a second conference in Mexico, and now by a third conference in Rio de Janeiro, and it is to be followed in years to come by further successive assemblies in which the representatives of all American States shall acquire better knowledge and more perfect understanding and be drawn together by the recognition of common interests and the kindly consideration and discussion of measures for mutual benefit.

BLAINE AHEAD OF HIS TIME.

"Nevertheless, Mr. Blaine was in advance of his time. In 1881 and 1889 neither had the United States reached a point where it could turn its energies away from its own internal development and direct them outward toward the development of foreign enterprises and foreign trade, nor had the South American countries reached the stage of stability in government and security for property necessary to their industrial development.

"Now, however, the time has come; both North and South America have grown up to Blaine's policy, the production, the trade, the capital, the enterprise of the United States have before them the opportunity to follow, and they are free to follow, the pathway marked out by the farsighted statesmanship of Blaine for the growth of America, North and South, in the peaceful prosperity of a mighty commerce.

"To utilize this opportunity certain practical things must be done. For the most part these things must be done by a multitude of individual efforts; they cannot be done by Government. Government may help to furnish facilities for doing them, but the facilities will be useless unless used by individuals; they cannot be done by resolutions of this or any other commercial body; resolutions are useless unless they stir individual business men to action in their own business affairs. The things needed have been fully and specifically set forth in many reports of efficient consuls and of highly competent agents of the Department of Commerce, and they have been described in countless newspaper and magazine articles; but all these things are worthless unless they are followed by individual action. I will indicate some of the matters to which every producer and merchant who desires South American trade should pay attention:

LEARN HIS WANTS.

"1. He should learn what the South Americans want and conform his product to their wants. If they think they need heavy castings, he should give them heavy castings and not expect them to buy light ones because he thinks they are better. If they want coarse cottons, he should give them coarse cottons and not expect them to buy fine cottons. It may not pay to-day but it will pay to-morrow. The tendency to standardize articles of manufacture may reduce the cost and promote convenience, but if the consumers of the River Plate demand a different standard from the consumers of the Mississippi, you must have two standards or lose one market.

"2. Both for the purpose of learning what the South American people want and of securing their attention to your goods you must have agents who speak the Spanish or Portuguese language. For this there are two reasons; one is that people can seldom really get at each other's minds through an interpreter, and the other is that nine times out of ten it is only through knowing the Spanish and Portuguese languages that a North American comes to appreciate the admirable and attractive personal qualities of the South American and is thus able to establish that kindly and agreeable personal relation which is so potent in leading to business relations.

ADOPT HIS CREDIT SYSTEM.

"3. The American producer should arrange to conform his credit system to that prevailing in the country where he wishes to sell goods. There is no more money lost upon commercial credits in South America than there is in North America, but business men there have their own ways of doing business; they have to adapt the credits they receive to the credits they give. It is often inconvenient, disagreeable and sometimes impossible for them to conform to our ways, and the requirement that they should do so is a serious obstacle to trade. To understand credits it is, of course, necessary to know something about the character, trustworthiness and commercial standing of the purchaser, and the American producer or merchant who would sell goods in South America must have some means of knowledge upon this subject. This leads naturally to the next observation I have to make.

"4. The establishment of banks should be brought about. The Americans already engaged in South American trade could well afford to subscribe the capital and establish an American bank in each of the principal cities of South America. This is, first, because nothing but very bad management could prevent such a bank from making money; capital is much needed in those cities, and 6, 8 and 10 per cent. can be obtained for money upon just as safe security as can be had in Kansas City, St. Louis or New York. It is also because the American bank would furnish a source of information as to the standing of the South American purchasers to whom credit may be extended, and because American banks would relieve American business in South America from "the disadvantage which now exists of making all its financial transactions through Europe instead of directly with the United States. It is unfortunately true that among hundreds of thousands of possible customers the United States now stands in a position of assumed financial and business inferiority to the countries through whose banking houses all its business has to be done.

LEARN TO RESPECT HIM.

"5. The American merchant should acquire himself, if he has not already done so, and should impress upon all his agents, that respect for the South American to which he is justly entitled and which is the essential requisite to respect from the South American. We are different in many respects in character and methods. In dealing with all foreign people it is important to avoid the narrow and uninstructed prejudice which assumes that difference from ourselves denotes inferiority. There is nothing that we resent so quickly as an assumption of superiority or evidence of condescension in foreigners; there is nothing that the South Americans resent so quickly. The South Americans are our superiors in some respects; we are their superiors in other respects. We should show to them what is best in us and see what is best in them. Every agent of an American producer or merchant should be instructed that courtesy, politeness, kindly consideration are essential requisites for success in the South American trade.

CHANCE FOR INVESTMENTS.

"6. The investment of American capital in South America under the direction of American experts should be promoted, not merely upon simple investment grounds, but as a means of creating and enlarging trade. For simple investment purposes the opportunities are innumerable. Good business judgment and good business management will be necessary there, of course, as they are necessary here, but, given these, I believe that there is a vast number of enterprises awaiting capital in the more advanced countries of South America capable of yielding great profits, and in which the property and the profits will be as safe as in the United States or Canada. A good many such enterprises are already begun. I have found a graduate of the Massachusetts Institute of Technology, a graduate of the Columbia school of mines and a graduate of Col. Roosevelt's Rough Riders smelting copper close under the snow line of the Andes; I have ridden in an American car upon an American electric road, built by a New York engineer, in the heart of the coffee region of Brazil, and I have seen the waters of that river, along which Pizarro established his line of communication in the conquest of Peru, harnessed to American machinery to make light and power for the city of Lima. Every such point is the nucleus of American trade—the source of orders for American goods.

"7. It is absolutely essential that the means of communication between the two countries should be improved and increased. This underlies all other considerations and it applies to the mail, the passenger and the freight services. Between all the principal South American ports and England, Germany, France, Spain, Italy, lines of swift and commodious steamers ply regularly. There are five subsidized first class mail and passenger lines between Buenos Aires and Europe; there is no line between Buenos Aires and the United States. Within the past two years the German, the English and the Italian lines have been replacing their old steamers with new and swifter steamers of modern construction, accommodation and capacity.

AMERICA'S SEVEN SHIPS.

"In the year ending June 30, 1905, there entered the port of Rio de Janeiro steamers and sailing vessels flying the flag of Austria-Hungary, 120; of Norway, 142; of Italy, 165; of Argentina, 264; of France, 349; of Germany, 657; of Great Britain, 1,765; of the United States, no steamers and 7 sailing vessels, two of which were in distress!

"An English firm runs a small steamer monthly between New York and Rio de Janeiro; the Panama Railroad Company runs steamers between New York and the Isthmus of Panama; the Brazilians are starting for themselves a line between Rio and New York. That is the sum total of American communications with South America beyond the Caribbean Sea. Not one American steamship runs to any South American port beyond the Caribbean. During the past summer I entered the ports of Para, Pernambuco, Bahia, Rio de Janeiro, Santos, Montevideo, Buenos Aires, Bahia Blanca, Punta Arenas, Lota, Valparaiso, Coquimbo, Tocopilla, Callao and Carthagena—all of the great ports and a large proportion of the secondary ports of the southern continent.

SAW OUR FLAG ONLY ONCE.

"I saw only one ship, besides the cruiser that carried me, flying the American flag. The mails between South America and Europe are swift, regular and certain; between South America and the United States they are slow, irregular and uncertain. Six weeks is not an uncommon time for a letter to take between Buenos Aires or Valparaiso and New York. The merchant who wishes to order American goods cannot know when his order will be received or when it will be filled. The freight charges between the South American cities and American cities are generally and substantially higher than between the same cities and Europe; at many points the deliveries of freight are uncertain and its condition upon arrival doubtful. The passenger accommodations are such as to make a journey to the United States a trial to be endured and a journey to Europe a pleasure to be enjoyed. The best way to travel between the United States and both the west coast and the east coast of South America is to go by way of Europe, crossing the Atlantic twice. It is impossible that trade should prosper or intercourse increase or mutual knowledge grow to any great degree under such circumstances. The communication is worse now than it was twenty-five years ago. So long as it is left in the hands of our foreign competitors in business we cannot reasonably look for any improvement. It is only reasonable to expect that European steamship lines shall be so managed as to promote European trade in South America rather than to promote the trade of the United States in South America.

DECLINE OF OUR MARINE.

"This woful deficiency in the means to carry on and enlarge our South American trade is but a part of the general decline and feebleness of the American merchant marine, which has reduced us from carrying over 90 per cent. of our export trade in our own ships to the carriage of 9 per cent. of that trade in our own ships, and dependence upon foreign shipowners for the carriage of 91 per cent. The true remedy and the only remedy is the establishment of American lines of steamships between the United States and the great ports of South America adequate to render fully as good service as is now afforded by the European lines between those ports and Europe. The substantial underlying fact was well stated in the resolution of this Trans-Mississippi Congress three years ago:

"'That every ship is a missionary of trade; that steamship lines work for their own countries just as railroad lines work for their terminal points, and that it is as absurd for the United States to depend upon foreign ships to distribute its products as it would be for a department store to depend upon wagons of a competing house to deliver its goods.'

"How can this defect be remedied? The answer to this question must be found by ascertaining the cause of the decline of our merchant marine. Why is it that Americans have substantially retired from the foreign transport service? We are a nation of maritime traditions and facility; we are a nation of constructive capacity, competent to build ships; we are eminent, if not preeminent, in the construction of machinery; we have abundant capital seeking investment; we have courage and enterprise shrinking from no competition in any field which we choose to enter. Why then have we retired from this field in which we were once conspicuously successful?

CAUSE OF DECLINE.

"I think the answer is two fold.

"1. The higher wages and the greater cost of maintenance of American officers and crews make it impossible to compete on equal terms with foreign ships. The scale of living and the scale of pay of American sailors are fixed by the standard of wages and of living in the United States, and those are maintained at a high level by the protective tariff. The moment the American passes beyond the limits of his country and engages in ocean transportation he comes into competition with the lower foreign scale of wages and of living. Mr. Joseph L. Bristow, in his report upon trade conditions affecting the Panama Canal, dated June 14, 1905, gives in detail the cost of operating an American steamship with a tonnage of approximately 3,500 tons as compared with the cost of operating a specified German steamship of the same tonnage, and the differences aggregate $15,315 per annum greater cost for the American steamship than for the German—that is, $4.37 per ton. He gives also in detail the cost of maintaining another American steamship with a tonnage of approximately 3,500 tons as compared with the cost of operating a specified British steamship of the same tonnage, and the differences aggregate $18,298.68 per annum greater cost for the American steamship than for the British—that is, $7.31 per ton. It is manifest that if the German steamship was content with a profit of less than $15,000 per annum and the British with a profit of less than $18,000 per annum, the American ships would have to go out of business.

OTHERS PAY SUBSIDIES.

"2. The principal maritime nations of the world, anxious to develop their trade, to promote their shipbuilding industry, to have at hand transports and auxiliary cruisers in case of war, are fostering their steamship lines by the payment of subsidies. England is paying to her steamship lines between six and seven million dollars a year—it is estimated that since 1840 she has paid to them between two hundred and fifty and three hundred millions. The enormous development of her commerce, her preponderant share of the carrying trade of the world and her shipyards crowded with construction orders from every part of the earth indicate the success of her policy. France is paying about eight million dollars a year, Italy and Japan between three and four millions each. Germany, upon the initiative of Bismarck, is building up her trade with wonderful rapidity by heavy subventions to her steamship lines and by giving special differential rates of carriage over her railroads for merchandise shipped by those lines. Spain, Norway, Austria-Hungary, Canada—all subsidize their own lines. It is estimated that about $28,000,000 a year is paid by our commercial competitors to their steamship lines.

"Against these advantages to his competitor the American shipowner has to contend; and it is manifest that the subsidized ship can afford to carry freight at cost for a long enough period to drive him out of business.

UNNATURAL COMPETITION.

"We are living in a world not of natural competition but of subsidized competition. State aid to steamship lines is as much a part of the commercial system of our day as State employment of Consuls to promote business.

"It will be observed that both of these disadvantages under which the American shipowner labors are artificial; they are created by governmental action; one by our own Government in raising the standard of wages and living, by the protective tariff, the other by foreign Governments in paying subsidies to their ships for the promotion of their own trade. For the American shipowner it is not a contest of intelligence, skill, industry and thrift against similar qualities in his competitors; it is a contest against his competitors and his competitors' Governments and his own Government also.

"Plainly these disadvantages created by governmental action can be neutralized only by governmental action, and should be neutralized by such action.

REMEDIES PROPOSED.

"What action ought our Government to take for the accomplishment of this just purpose? Three kinds of action have been advocated.

"1. A law providing for free ships, that is, permitting Americans to buy ships in other countries and bring them under the American flag. Plainly this would not at all meet the difficulties which I have described. The only thing it would accomplish would be to overcome the excess in cost of building a ship in an American shipyard over the cost of building it in a foreign shipyard, but since all materials which enter into an American ship are entirely relieved of duty, the difference in cost of construction is so slight as to be practically a negligible quantity and to afford no substantial obstacle to the revival of American shipping. The expedient of free ships, therefore, would be merely to sacrifice our American shipbuilding industry, which ought to be revived and enlarged with American shipping, and to sacrifice it without receiving any substantial benefit. It is to be observed that Germany, France and Italy all have attempted to build up their own shipping by adopting the policy of free ships, have failed in the experiment, have abandoned it, and have adopted in its place the policy of subsidy.

"2. It has been proposed to establish a discriminating tariff duty in favor of goods imported in American ships; that is to say, to impose higher duties upon goods imported in foreign ships than are imposed on goods imported in American ships. We tried that once many years ago and have abandoned it. In its place we have entered into treaties of commerce and navigation with the principal countries of the world expressly agreeing that no such discrimination shall be made between their vessels and ours. To sweep away all those treaties and enter upon a war of commercial retaliation and reprisal for the sake of accomplishing indirectly what can be done directly should not be seriously considered.

THE OBVIOUS METHOD.

"3. There remains the third and obvious method—to neutralize the artificial disadvantages imposed upon American shipping through the action of our own Government and foreign governments by an equivalent advantage in the form of a subsidy or subvention. In my opinion, this is what should be done; it is the sensible and fair thing to do. It is what must be done if we would have a revival of our shipping and the desired development of our foreign trade. We cannot repeal the protective tariff; no political party dreams of repealing it; we do not wish to lower the standard of American living or American wages. We should give back to the shipowner what we take away from him for the purpose of maintaining that standard; and unless we do give it back we shall continue to go without ships. How can the expenditure of public money for the improvement of rivers and harbors to promote trade be justified upon any grounds which do not also sustain this proposal? Would any one reverse the policy that granted aid to the Pacific railroads, the pioneers of our enormous internal commerce, the agencies that built up the great traffic which has enabled half a dozen other roads to be built in later years without assistance?

WOULD NOT BE GIFTS.

"Such subventions would not be gifts. They would be at once compensation for injuries inflicted upon American shipping by American laws and the consideration for benefits received by the whole American people—not the shippers or the shipbuilders or the sailors alone, but by every manufacturer, every miner, every farmer, every merchant whose prosperity depends upon a market for his products.

"The provision for such just compensation should be carefully shaped and directed so that it will go to individual advantage only so far as the individual is enabled by it to earn a reasonable profit by building up the business of the country.

"A bill is now pending in Congress which contains such provisions; it has passed the Senate and is now before the House Committee on Merchant Marine and Fisheries; it is known as Senate Bill No. 529, Fifty-ninth Congress, First Session. It provides specifically that the Postmaster-General may pay to American steamships, of specified rates of speed, carrying mails upon a regular service, compensation not to exceed the following amounts: For a line from an Atlantic port to Brazil monthly, $150,000 a year; for a line from an Atlantic port to Uruguay and Argentina monthly, $187,500 a year; for a line from a Gulf port to Brazil monthly, $137,500 a year; for a line from each of two Gulf ports and from New Orleans to Central America and the Isthmus of Panama weekly, $75,000 a year; for a line from a Gulf port to Mexico weekly, $50,000 a year; for a line from a Pacific coast port to Mexico, Central America and the Isthmus of Panama fortnightly, $120,000 a year. For these six regular lines a total of $720,000. The payments provided are no more than enough to give the American ships a fair living chance in the competition.

"There are other wise and reasonable provisions in the bill relating to trade with the Orient, to tramp steamers and to a naval reserve, but I am now concerned with the provisions for trade to the south. The hope of such a trade lies chiefly in the passage of that bill.

POSTAL RECOMMENDATIONS.

"Postmaster-General Cortelyou in his report for 1905 said:

"'Congress has authorized the Postmaster-General, by the act of 1891, to contract with the owners of American steamships for ocean mail service, and has realized the impracticability of commanding suitable steamships in the interest of the postal service alone by requiring that such steamers shall be of a size, class and equipment which will promote commerce and become available as auxiliary cruisers of the navy in case of need. The compensation allowed to such steamers is found to be wholly inadequate to secure the proposals contemplated; hence advertisements from time to time have failed to develop any bids for much needed service. This is especially true in regard to several of the countries of South America with which we have cordial relations, and which for manifest reasons should have direct mail connections with us. I refer to Brazil and countries south of it. Complaints of serious delay to mails for these countries have become frequent and emphatic, leading to the suggestion on the part of certain officials of the Government that for the present and until more satisfactory direct communication can be established important mails should be despatched to South America by way of European ports and on European steamers, which would not only involve the United States in the payment of double transit rates to a foreign country for the despatch of its mails to countries of our own hemisphere, but might seriously embarrass the Government in the exchange of important official and diplomatic correspondence.

"'The fact that the Government claims exclusive control of the transmission of letter mail throughout its own territory would seem to imply that it should secure and maintain the exclusive jurisdiction, when necessary, of its mails on the high seas. The unprecedented expansion of trade and foreign commerce justifies prompt consideration of an adequate foreign mail service.'

MAIL SERVICE PROFITABLE.

"It is difficult to believe, but it is true, that out of this faulty ocean mail service the Government of the United States is making a large profit. The actual cost to the Government last year of the ocean mail service to foreign countries other than Canada and Mexico was $2,965,624.21, while the proceeds realized by the Government from postage between the United States and foreign countries other than Canada and Mexico was $6,008,807.53, leaving the profit to the United States of $3,043,183.32; that is to say, under existing law the Government of the United States, having assumed the monopoly of carrying the mails for the people of the country, is making a profit of three million dollars per annum by rendering cheap and inefficient service. Every dollar of that three millions is made at the expense of the commerce of the United States. What can be plainer than that the Government ought to expend at least the profits that it gets from the ocean mail service in making the ocean mail service efficient. One quarter of those profits would establish all these lines which I have described between the United States and South and Central America and give us, besides a good mail service, enlarged markets for the producers and merchants of the United States who pay the postage from which the profits come.

ROOSEVELT'S VIEWS.

"In his last message to Congress President Roosevelt said:

"'To the spread of our trade in peace and the defence of our flag in war a great and prosperous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neutral markets, and in case of need to reenforce our battle line. It cannot but be a source of regret and uneasiness to us that the lines of communication with our sister republics of South America should be chiefly under foreign control. It is not a good thing that American merchants and manufacturers should have to send their goods and letters to South America via Europe if they wish security and despatch. Even on the Pacific, where our ships have held their own better than on the Atlantic, our merchant flag is now threatened through the liberal aid bestowed by other governments on their own steam lines. I ask your earnest consideration of the report with which the Merchant Marine Commission has followed its long and careful inquiry.'

"The bill now pending in the House is a bill framed upon the report of that Merchant Marine Commission. The question whether it shall become a law depends upon your Representatives in the House. You have the judgment of the Postmaster-General, you have the judgment of the Senate, you have the judgment of the President; if you agree with these judgments and wish the bill which embodies them to become a law say so to your Representatives. Say it to them individually and directly, for it is your right to advise them, and it will be their pleasure to hear from you what legislation the interests of their constituents demand.

FORCE OF PUBLIC OPINION.

"The great body of Congress are always sincerely desirous to meet the just wishes of their constituents and to do what is for the public interest; but in this great country they are continually assailed by innumerable expressions of private opinion and by innumerable demands for the expenditure of public money; they come to discriminate very clearly between private opinion and public opinion, and between real public opinion and the manufactured appearance of public opinion; they know that when there is a real demand for any kind of legislation it will make itself known to them through a multitude of individual voices. Resolutions of commercial bodies frequently indicate nothing except that the proposer of the resolution has a positive opinion and that no one else has interest enough in the subject to oppose it. Such resolutions by themselves, therefore, have comparatively little effect; they are effective only when the support of individual expressions shows that they really represent a genuine and general opinion.

BUSINESS MEN'S DUTY.

"It is for you and the business men all over the country whom you represent, to show to the Representatives in Congress that the producing and commercial interests of the country really desire a practical measure to enlarge the markets and increase the foreign trade of the United States, by enabling American shipping to overcome the disadvantages imposed upon it by foreign Governments for the benefit of their trade and by our Government for the benefit of our home industry."

Safe investments are not always quickly found. While seeking, deposit your funds with us, at interest.

The Trust Company of America
135 Broadway, New York
38 Wall St., New York
95 Gresham St., London, E. C.
CAPITAL AND SURPLUS $12,500,000.

What We Offer

As the originator in New York and for twenty years the chief exponent of title insurance, this company offers the ultimate of protection to its policyholders.

Our expert and experienced service is not confined to title insurance alone, but extends to every feature of any real estate transaction.

A consultation costs nothing and entails no obligation.

TITLE GUARANTEE AND TRUST CO
Capital & Surplus, - $11,000,000
176 Broadway, New York.
175 Remsen Street, Brooklyn.
350 Fulton Street, Jamaica.
Brooklyn Banking Dept., 186 Montague St.

"A SPLENDID STORY."—N. Y. Times.

Jack London's
White Fang

"JACK LONDON is as sure of himself among the primitive forces of the Northern wilds as was Kipling in his pictures of Indian life, and there seems no sign of a lessening of the powerful human interest with which he is able to invest their sombre forests. . . His vigorous unconventionality and sympathetic understanding of nature and of her children in the rough, never combined to better advantage than in 'White Fang.' . . . White Fang is as enthralling a hero as any novel of them all can boast. . . . It is a splendid story, but it is more than a story—it is a wonderful study in animal nature and development."
—New York Times Saturday Review.

Jack London's
White Fang

"Typical, graphic, tense, powerful, gripping the reader with a power that knows no breaking till the story ends. . . . Shows more gentle feeling and more charm than anything else the author has written."
—Chicago Evening Post.

Illustrated in colors from drawings by Charles Livingstone Bull, and with special cover design.
Cloth, 12mo, $1.50

THE MACMILLAN COMPANY, Publishers.

ILLUSTRATED BOOKS PUBLISHED TODAY

Through the Gates of the Netherlands By MARY E. WALLER
A graphic and fascinating account of a picturesque country and people by the gifted author of "The Wood-Carver of Lympus." One of the most entertaining and instructive books of travel in foreign lands ever written. With 24 illustrations in photogravure. 8vo. Cloth, gilt top, in box. $3.00 net. Postage 20 cents.

The Land of Enchantment By LILIAN WHITING
A vivid presentation of the scenic marvels and the resources and development of life in the great Southwest—from Pike's Peak to the Pacific. With 35 striking illustrations from photographs. 8vo. Cloth, gilt top, in box. $2.50 net. Postage 20 cents.

The Stars and Stripes And Other American Flags By PELEG D. HARRISON
A comprehensive flag history, giving fully the origin and development of our national standard and all other flags as well, with chapters on salutes, flag legislation, together with songs and stories associated with "Old Glory." With 8 flag illustrations in color. 8vo. Cloth, gilt top. $3.00 net. Postage 23 cents.

PUBLISHED BY LITTLE, BROWN & COMPANY, BOSTON AT ALL BOOKSELLERS

THE number of men who fear they can't be fitted in a ready-to-wear suit grows less and less.

The reason is because first-class custom and ready-to-wear suits, seen side by side, reveal no advantages of appearance one over the other.

If the saving means anything to you why not have a Brokaw Winter Suit?

$17 up.

ESTABLISHED OVER HALF A CENTURY

ASTOR PLACE AND FOURTH AVE.

BROKAW BROTHERS