

Protectionism takes to the seas

by *Lionel_Van_Deerlin*

Hard to believe, but seaport cities stand to take a hit as the end result of a law Congress passed some 125 years ago - a measure that made no sense then, and even less today.

The Shipping Act of 1886, as it first was called, was designed to assure a vigorous U.S. maritime industry. Those hopes never were realized, but the spirit of bad law - like some nightmarish nemesis from the past - remains in place and now threatens the West Coast's bustling cruise business.

It's something California's delegation in Congress could well use its clout to correct. Otherwise, a considerable investment San Diego and others have made to become a port of call for those free-spending cruise passengers would seem misspent. Indeed, the federal government's strict enforcement of archaic rules against foreign-flag vessels could lead to something unimaginable until now - an outrageous monopoly for a single cruise company based in Hawaii.

What sort of rules? Well, try this one: A passenger ship flying the flag of Norway or Panama, let's say, would be required to spend two days in a foreign port between stops at two U.S. ports. Intending no slight against our neighbor to the south, I'd have to suppose that 48 hours in Ensenada, Mexico, in exchange for the right to dock eight hours in California, means they wouldn't sail to the West Coast at all.

Which, of course, reflects the general intent, more than a century ago, of lawmakers whose aim was to strong-arm the rest of the world on the high seas. It was a move very similar to other misguided and eventually disastrous "protective" actions like the Smoot-Hawley tariffs of the early 1930s, or a recently abandoned effort to guard outdated American steel production against Japanese competition. Vindictive actions like these simply don't work.

So, right here, a little history. Two decades after the Civil War, with the conversion from sail to steam, American imperialists dreamed of a vast fleet of merchant ships flying the Stars & Stripes across seven oceans. To encourage such a buildup, Congress gave us the Shipping Act of 1886. Back then, of course, the ambitious plans centered on commerce along the eastern seaboard - the ports of Boston, New York, Baltimore and Charleston. Some viewed those coastal waters as an American equivalent of ancient Rome's "mare nostrum" (our sea) to dominate the Mediterranean. Many 19th century leaders thought preferential tariffs and other artificial barriers would prove advantageous for a young, ambitious country in pursuit of its place in the sun.

For reasons best explained by geography, America was not destined for maritime greatness on a scale of Great Britain, Norway or the Netherlands. These smaller industrial powers depended on colonialism and foreign commerce. Our frontiers lay instead within our own continent. For us, the prairie schooner - the westbound covered wagon - had become our substitute for ocean-going vessels.

Nonetheless, shipbuilders and other elements of maritime commerce have refused to let the flames flicker. Unhampered by changing times, preferential shipping laws became even more restrictive in the 20th century. And they stand inviolate today, strangely out of place and, until now, politically untouchable.

Possibly without intent to harm San Diego or other port cities, some very special interests are arrayed against a prosperous cruise business. First, perhaps, an anemic U.S. shipbuilding industry that cannot compete economically with foreign yards in the absence of huge government contracts. The industry's pathetic plight was amply illustrated a half-dozen years ago when Mississippi Sen. Trent Lott, hustling for his home state's Pascagoula shipyard, persuaded the Senate to approve a requirement that any foreign cruise company hoping to utilize U.S. ports must first underwrite construction of at least two new vessels in U.S. shipyards. Happily, the validity of such preferential nonsense has yet to be tested.

Another factor in the fuss over cruise ships is organized labor, properly concerned about its abysmal level of wages paid to workers aboard those foreign-flag vessels. But history tells us the only sure remedy for low labor standards is achieved through organizing the distressed workers to fight for change - and not by setting ridiculous, often unenforceable government standards for a fleet's operation. Even a once crucial regulation over the services offered by airlines - telling major carriers where they must fly, and with what frequency - was largely abandoned with elimination of the Civil Aeronautics Board. Persuasions of the marketplace often prove the most effective regulator.

Meanwhile, San Diegans may well be looking with nostalgia at what might have been. And if they want to wish somebody "bon voyage," they might have to go to Los Angeles to do it.

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