

in a position to monopolize this new industry, and just before the breaking out of the American war she was already furnishing vessels to other nations. The American nation to that time had become a keen competitor for the carrying trade, and the United States flag was to be seen floating in all parts of the world. On the breaking out of the war privateers soon made the American flag disappear from the various oceans where it had been floating proudly before, and England became the sole mistress of the seas. This monopoly had the effect of drawing to that industry a larger amount of capital than perhaps would have been attracted to it had things been left to follow their natural course, for we all know that capital is easily drawn into any new channel which promises a fair remuneration. No doubt the building of iron vessels and steamers must at the beginning have been a good thing for those engaged in it, and must have given hopes to those who were anxious to establish communication with foreign ports that their ventures would turn out as successful as it did at first. However, it was not long before this branch of industry and this carrying trade was overdone. More vessels and steamers were built than were required; as an example of what I state, I remember that it was stated shortly after the commencement of the commercial crisis that there were in Liverpool some 200 steamers of a large tonnage lying idle, which must have represented a large capital which had become quite unproductive. Look at the amount of loss which this kind of property would involve, for we all know of late years so many improvements have taken place in the mechanical appliances for propelling steamers, by which steam could be generated at half the cost, so that steamers of a few years standing were not worth anything like their original cost. Now what were the effects of this carrying trade upon the general industries of England. Joint stock companies were formed for the purpose of establishing steam communications with all the accessible ports of the