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Ocean Shipping

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U. S. Navy

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OCEAN SHIPPING

Address by
Captain Bennett M. Dodson, U. S. Navy
at the Naval War College
26 November, 1952

1. Introduction

Good morning, Gentlemen! My topic this morning is "Ocean Shipping".

The purpose of this presentation is to lay the foundation for two important lectures to follow.

The first lecture will be delivered on 2 December by Vice Admiral William M. Callaghan, Commander, Military Sea Transportation Service, on the subject of M. S. T. S.

The second will be delivered 20 January by Vice Admiral Cochrane, former Chairman of the Federal Maritime Board, and now Dean of the Engineering School at M. I. T. His subject is "The Merchant Marine and National Power".

2. Scope

In this presentation I shall review:

1. The size and function of the world's merchant fleet.
2. The development of the U. S. National Shipping Policy.
3. The organizations involved in operating both commercial and military shipping.
4. And, the current commercial shipbuilding program of the world.

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Throughout I shall point out certain features which are a direct concern of the Armed Forces.

3. Ocean Carriers

My first sub-topic with the broad subject of "ocean carriers". I am talking about ocean commercial ships of all nations that ply the seas during peace and war.

I shall start with one simple figure. There are about 14,000 seagoing commercial ships in the world. Now, these do not include ships operating exclusively on lakes, bays, and sounds.

This figure of 14,000 is not so impressive when we consider that it includes all those in size down to 1,000 gross tons. You will recall that the Liberty or Victory type is around 10,000 dead-weight tons capacity.

4. Tonnage

I must digress for a moment to clarify a complication that arises in measuring the relative size of fleets.

No single figure will accurately describe the size of a ship, but we can get a fair idea, by using three figures which are expressions of volume, weight, and carrying capacity.

In a commercial ship we are primarily interested in carrying capacity. This expressed in *dead-weight* tons of 2,240 pounds.

But, when we have such divergent cargoes as feathers and lead, we must resort to a measure of *volume*—hence we have the term *gross ton* which is defined as being equivalent to 100 cubic

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feet of the internal cubic capacity of the ship. Thus a ship of 10,000 gross tons has an internal capacity of $\frac{1}{2}$ million cubic feet. If one half of this space is available for cargo and passengers, then we may say the *net tonnage* is 5,000 tons (still a measure of volume).

The Navy uses the *displacement ton* which represents the weight of the ship and all that is in her, expressed in terms of long tons of 2,240 pounds.

Just one more now—we must have a way of determining both the weight and cubic space required to stow a given lot of cargo. Thus we have a *measurement ton*, which is based on the assumption that a given lot of homogenous cargo weighing one long ton requires 40 cubic feet of stowage space. So we know at once, if we have 1,000 *measured tons* of cargo to load into a ship, it will add 1,000 long tons in weight to the ship and will require 4,000 cubic feet for stowage.

All you have to remember about this tonnage business is:

A *dead-weight ton* is an indication of how much a ship can carry in weight.

A *gross ton* is a measure of the *total volume* of the ship.

A *net ton* is the amount a ship can *carry* in volume.

A *displacement ton* is used to indicate the *weight* of the ship.

And, when speaking of cargo, we use *measurement tons*.

5. Breakdown of Number of Ships

Returning now to the matter of these 14,000 ships. They are engaged in commerce—providing the ancient requirements of

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supply and demand for goods throughout the world. The primary motive of this activity is *profit*. Since three fourths of the world's trade is by water, one can appreciate the importance of these ships to the economy of the world.

These ships include everything from the great ocean liners sailing the Western Ocean to the thousand-ton coal burner carrying coal from Newcastle to Copenhagen—and to the small steamers collecting wool in New Zealand ports for distribution to the woolen markets in Sydney, from whence it will be shipped to Glasgow, Boston, and Yokohama.

Of these 14,000 ships in the world, 3,550 belong to the United States (thus the U. S. owns 25% of the world's shipping); another 3,000 belong to Britain and the Commonwealths; 500 fly the “hammer and sickle” of the Soviet Union; Syria and Guatemala each have one ship; and so on throughout the maritime world, with the United States, Britain, and the Scandinavian countries predominating—but with some recent contenders again entering the picture; namely, Japan with 465 and Germany with 274.

Then there are the fabulous Greek shipping magnets controlling 10% of the world's shipping, flying nearly every flag of the maritime world with a complex cartel system of partnerships, corporations, and interlocking directorates.

And, finally, there are 560 ships registered in Panama—but owned by nearly everybody except Panamanians.

6. U. S. Ocean Carriers

Let's have a closer look at the inventory of U. S. controlled ocean carriers. From the total of 14,000 ocean-going ships in the

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world, I said the U. S. controlled 3,550. Note that I said U. S. *controlled*. That means that some U. S. owned ships fly foreign flags.

I can give you a major breakdown of ownership of these 3,550 ships:

<u>U.S. CONTROLLED OCEAN CARRIERS</u>	
	<u>As of 1 Oct. 1952</u>
U.S. Privately Owned - U.S. Flag	1,275
U.S. Privately Owned - Foreign Flag	209
U.S. Government Owned and Operated	169
U.S. Government Owned in Reserve Fleet	<u>1,897</u>
TOTAL	3,550

Of the 1,275 ships U. S. privately owned and under U. S. flag, 825 are dry cargo and 450 are tankers. Of these 825 dry cargo ships, 74 are under time charter to M. S. T. S. Of the 169 ships under government operation, 54 are under bare boat charter to private operators for commercial operations, and 115 are operated by private steamship lines under a General Agency Agreement for M. S. T. S.

Of the 3,550 ships under U. S. control, I have tabulated them in categories as follows:

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<u>U. S. CONTROLLED SHIPS</u>	
I - Major Cargo Types	2,460
II - Minor Cargo Types	137
III - Merchant Type Military Auxiliaries (Reserve Fleet)	187
IV - Passenger-Cargo and Transports	154
V - Tankers	612
60 Minor Types and 28 in Reserve	_____
Total	3,550

Of the 2,460 in Group I, about 1,900 are in the Reserve Fleet. The 187 in Group III represent AKA's, APA's, hospital ships, AGC's, etc. Of the 28 tankers in reserve, all except 10 are obsolete; that is, built before World War II.

I'll skip over further comments on the Reserve Fleet, except to say of the 1,900 laid up ships about 1,500 are Liberties in fair to good shape, and 165 are Victories in very good condition.

7. Merchant Marine

Now a few words about the Merchant Marine. Our ocean

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transportation system is made up by partly government managed shipping and partly private enterprise. However, nearly every element of shipping is under some supervision of the U. S. government.

Our Merchant Marine today is at once a commercial industry and a vital element of sea power. Ordinarily we think of our Merchant Marine in terms of ships. It consists not only of ships, but also of men: men in the ships and men ashore; agents and office staffs; trained representatives stationed throughout the world utilizing a vast system of port facilities. It is a far-flung American business organization, seeking full cargoes for their ships, and in doing so, contributing to an increase in import and export trade for the United States.

This conception of a Merchant Marine as a business implement, as well as a carrier of goods, has characterized British commercial policy for centuries.

In the light of the recent decline in U. S. foreign trade and in view of our final recognition that this nation must import to survive, many noted economists have said that we must go after this foreign trade just as vigorously as the British have done in the past. The restoration of convertibility of international currencies and the lowering of trade barriers would help.

In this connection, I add to Professor Elliott's recommendation that we study the Paley Report, copies of which may be found in the Library. This is the President's Material Policy Commission report on U. S. resources. It includes the story of how much the U. S. has outgrown its resource base, revealing the need for a completely new outlook on our foreign trade, our shipping policy,

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and tariff rating structure. Let me give one quick familiar illustration.

RANDOM LIST OF ESSENTIAL MATERIALS (PERCENT OF TOTAL REQUIREMENTS IMPORTED BY SEA)

BAUXITE	47.2
CHROME ORE	98.4
COBALT ORE	43.5
COFFEE	100.0
FIBERS	100.0
MANGANESE	97.0
VEGETABLE OILS	97.5
PEPPER	67.0
RUBBER	98.4
SUGAR	86.2
TIN AND TIN ORE	100.0
TUNGSTEN	72.5
VANADIUM	40.0

This audience need not be reminded that in World War II our military plans were governed largely by the availability of shipping. And, I am sure you understand how necessary it is that our national policy provide most effectively for a well-balanced Merchant Marine and a progressive shipbuilding industry, capable of meeting military objectives. A national policy is in existence. I propose to review this briefly with you.

8. Historical Background

But, to do so effectively, it is necessary that we quickly sketch the historical background leading to the establishment of our present policy.

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You will recall that the sea was the lifeline of the early colonists. As a result of an abundant and free supply of native lumber and natural harbors, shipbuilding became an economic mainstay. In Boston alone, over 1,000 ships were built in a forty-year period beginning with 1676.

The forty years following the war of 1812 saw a great expansion of our merchant shipping. In 1819 the American ship SAVANNAH made the first successful crossing of the Atlantic under steam. It was during the 1840's that the swift and beautiful clipper ships went to sea. Some of the Yankee Clippers logged as much as 18 and 19 knots, considerably faster than most cargo steamers today.



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The Flying Cloud was built in 1851 in Boston by Donald McKay. This ship is about 2,000 tons. She was engaged in trade running from New York, around Cape Horn, to San Francisco and out to China. She made six of these voyages, and after about eight or nine years was sold to the British under whose flag she operated for the next fifteen years. It was just 100 years ago this month that the Flying Cloud made her famous record run from San Francisco to Hongkong in 37 days. Her fastest day's run on that trip was 402 miles. This ship paid for itself on the first voyage. Donald McKay was not so fortunate in some of his other ships, however, in that connection.

Despite the stimulus of the clippers, American sea power by the mid-nineteenth century was heading into troubled waters. The Civil War struck our merchant shipping a crippling blow. Sinkings, blockaded ports, postwar high prices, high tariffs, taxation—all led to a decline of trade and shipping. Scant steel production hampered the development of steam-propelled iron ships. American interest gradually shifted from the sea to the exploration of the West, and our shipbuilders turned to building "prairie schooners".

By the close of the nineteenth century, we had only one trans-Atlantic shipping line in operation. It was clear that we did not have the merchant marine strength required for national security. During the brief four-month Spanish-American War in 1898, we had to buy foreign shipping to meet our small wartime needs. When Theodore Roosevelt sent our Navy around the world in 1908, we hired foreign merchant ships to supply the Great White Fleet.

At the outbreak of World War I, we had only enough ships

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to carry about one tenth of our trade. Ships of the warring nations were withdrawn from peacetime operations, cutting off our raw materials from foreign countries. When we entered the War in 1917, we were caught drastically short and had to borrow over a million tons of cargo shipping from Great Britain.

A board set up under the Shipping Act of 1916 organized the Emergency Fleet Corporation to carry out a building program. By Armistice Day we had built over 2,300 vessels. But almost none of these ships were in operation before the war ended.

By 1928, however, the government had sold over a thousand cargo and other ships to private operators—mostly at a great loss. Our Merchant Marine reached its lowest ebb in the twenties and thirties. We had built no cargo ships in twenty years.

By 1936, as the signs of approaching war clouds appeared, our Merchant Marine was still floundering. We were fourth among the six leading maritime nations in tonnage, and our ships were old and slow. We slowly awakened to this danger and Congress passed the Merchant Marine Act of 1936. This Act established the Maritime Commission to develop a merchant fleet adequate for the nation's commercial and defense needs.

The Commission undertook a program to build fifty new cargo ships each year for the next ten years. These ships were to be the finest, fastest, and safest ships on the sea, and were to have certain national defense features.

As the long-range shipbuilding program got underway in 1939, Europe was plunged into war. We promptly undertook an emergency program and built 185 new ships in the next two years.

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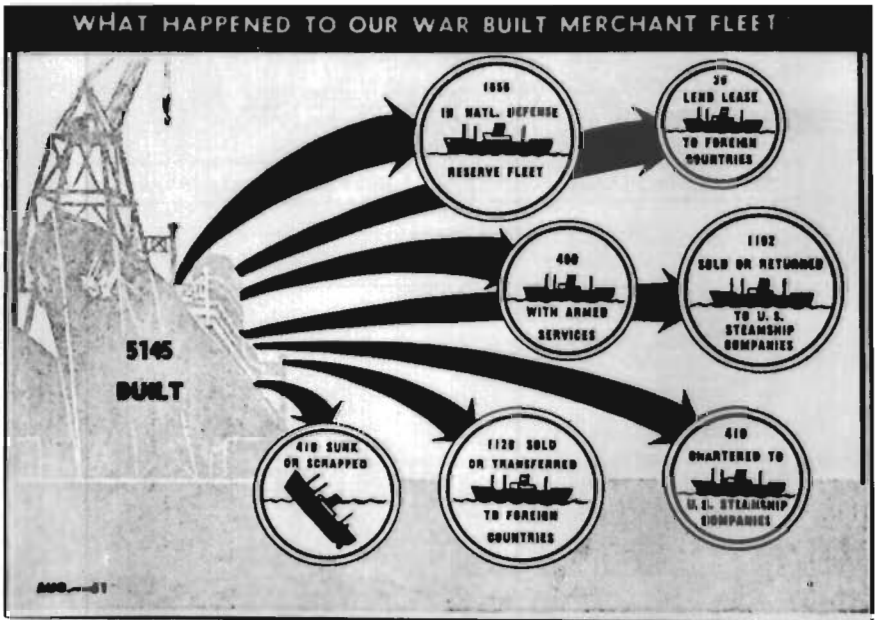
After Pearl Harbor, we were forced not only to build for our own needs but to make good the huge submarine losses of our allies.

We accepted, initially, the slow ten-knot Liberty ships as a basic model of our shipbuilding program. But we were gradually able to introduce into the program the new and faster Victory ships and to continue building the basic long-range "C" types. These latter are the class of ships the Navy uses for its AKA's and APA's.

When the war ended we once more had a vast fleet of merchant vessels. From 1942 through 1945, our shipyards had turned out over 5,000 ocean-going vessels. By the end of June 1946, we owned one half of the world's shipping and twice that of the United Kingdom. We had built 2,700 Liberty ships, 530 Victory ships, 523 tankers, and numbers of other types.

Congress, in the Merchant Ship Sales Act of 1946, authorized the Maritime Commission to sell the surplus ships. The Act set minimum sales prices and specified that American nationals should have the first opportunity to buy the better and faster models. All in all, about 2,200 ships were sold—of which over 1,100 were for foreign flag operations and 1,100 for American flag operations. They were sold at a net price of about two billion dollars, which represented twenty-five percent of the initial cost. This figure gives an indication of the disposition of the ships.

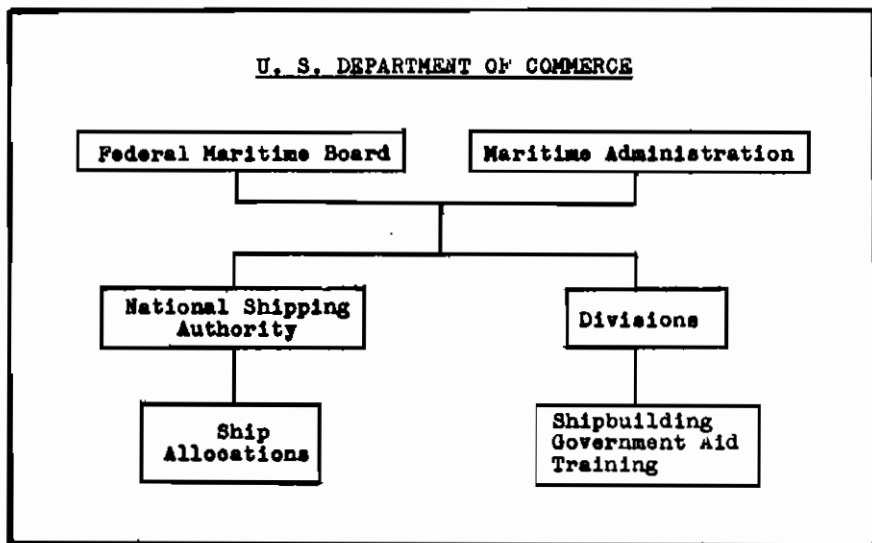
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Of the lend lease ships, 31 are still owned by the Soviet Union. Some of the ships that were chartered to U. S. steamship companies have been withdrawn from that category and placed in the Reserve Fleet, bringing that total up to 1,900.

Early in the Korean hostilities, it became clear that we needed administrative machinery to handle cargo shipping demands in the event that Korea exploded into a global war. In March 1951, the National Shipping Authority was created under the Maritime Administration to fill this need. It is an organization working closely with private industry and the Defense Department.

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Under the Department of Commerce we have a Federal Maritime Board composed of three members who carry out the policies and wishes of Congress. The Chairman of this Board is also Administrator for the Federal Maritime Administration. The primary function of the National Shipping Authority is to allocate ships to private operators and government agencies — primarily M. S. T. S. The Director of the National Shipping Authority may be the Chairman of the N. A. T. O. Defense Shipping Executive Board which carries out the policy of the N. A. T. O. Defense Shipping Council.

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9. Merchant Marine Act of 1936 as Amended to Date

And, now, let's take a brief look at our current shipping policy reflected in the Merchant Marine Act of 1936, as amended to date. When Congress passed the Act in 1936, it undertook to bring about a rejuvenation of our cargo and passenger fleet. The Act recognized the need of an adequate Merchant Marine to promote American commerce and to provide for the national defense.

Here is how the Maritime Board operates under the Act: It designs and builds ships, cooperating closely with the Bureau of Ships and with private steamship companies.

The ships so acquired may be sold to responsible U. S. nationals who are experienced in shipping.

Or, the ships may be assigned to private companies or another government agency under a bare-boat charter arrangement. In such cases the charterer merely rents the ship "as is"—providing his own supplies and paying his own crew and other operating expenses. He drums up his own business and keeps all profits after paying the charter hire expenses.

On the other hand, the Board may choose to operate the ship itself. It would do so for another government agency having need for shipping space. Such government agencies include M. S. T. S., the Department of Interior—who must supply the islands under its jurisdiction, or the Mutual Security Agency providing military and economic aid to allies.

By provisions of current law, M. S. A. is required to ship 50% of its exports in U. S. bottoms.

In all cases where the Federal Maritime Board—through the National Shipping Authority—operates ships, it does so by employ-

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ing a commercial steamship company as agent. The agent runs the ship, hires the crew, loads and discharges the cargo as directed by some government agency—such as M. S. T. S. or M. S. A.

In any case, the agent is merely hired to perform this service. The U. S. government pays the crew and all operating expenses. It also reaps in all operating revenue.

The long range provisions of the Act attempt to encourage our commercial foreign trade, and in so doing to provide a certain reserve of ships which will be available for military purposes during war. Such a program, if even only partially successful, provides certain tonnage in reserve for military purposes with the least expense to our military budgets.

The encouragement of private shipping takes several forms. There are laws which prohibit competition from foreign lines in our domestic trade. In our foreign trade, the law provides for subsidies to operators on certain foreign trade routes. In both cases, the U. S. Government underwrites the building of ships and sells them to our commercial companies on fairly easy terms.

Practically nothing is done for our tramp shipping and, as a consequence, we have almost none. Little support is given to oil company shipping—and apparently none is needed since the oil companies are able to build and pay for their own ships. As a matter of fact, they voluntarily provide the U. S. Government with all shipping it may require for military and economic aid programs.

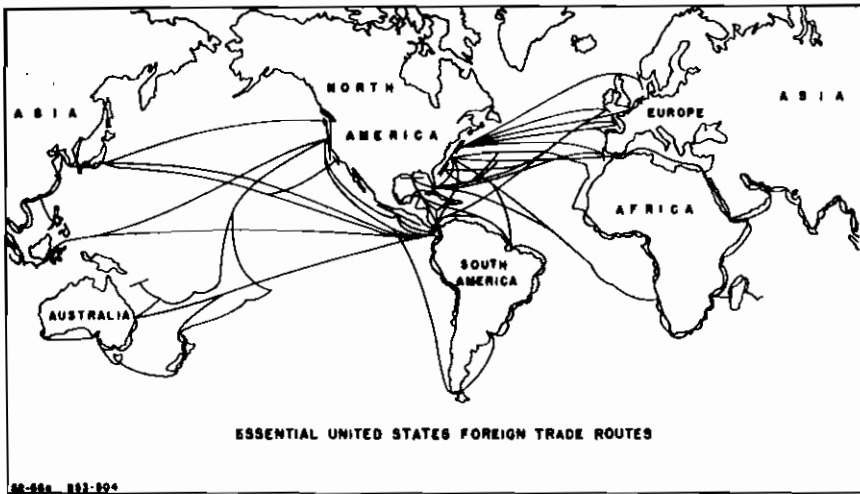
10. Execution of the Act ·

Now here is how the scheme works out for our commercial operations under the law. *First*, there is the construction-different-

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ial subsidy which represents excess cost of a ship in a U. S. shipyard over cost of the same ship in a foreign yard. The differential payment goes to the shipyard—and not to the shipping company

The ship operator, in purchasing a ship from the Maritime Administration, must pay 25% down and the balance must be paid within 20 years. Interest rate to the U. S. Government is 3½%. This benefit is available only to those operators who agree to travel over assigned trade routes (there are 31 such routes).



The 31 essential routes established by the Maritime Board cover the surface of the globe. About 260 ships operate on these routes, carrying about 80% of our dry cargo foreign trade. Individual companies are assigned certain trade routes. For example, the United States Lines operate on one of the routes from New York to South Hampton, and the Grace Line has another from New York through the Panama Canal to the west coast of South America.

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Operators must provide regular service at maximum speeds and minimum turn-around time. They cannot use obsolete ships for this purpose and must have all except emergency repairs made in U. S. shipyards. There are many, many other requirements.

Shipping companies not engaged in one of the 31 trade routes are not eligible for this subsidy. The tramp steamer owner and the domestic trade operators are not eligible.

Thus, it develops, for example, that the Luckenbach Steamship Company, operating in the intercoastal trade, might pay much more for a ship than the United States Lines. Such companies may, however, buy ships from the U. S. Government for a smaller percentage down payment. And, of course, the lines in domestic trade have no foreign competition. They do, however, have competition from U. S. railroads and the trucking industry. This situation is aggravated by the fact that the railroad-minded Interstate Commerce Commission sets coastwise and intercoastal rates.

As a consequence, our domestic trade is a sick industry today. Thus, in 1939, 70% of our freighters were in domestic service. By 1951 this figure fell to 15%, and threatens to fall even more.

The *second* feature of the Act provides an "operating-differential subsidy", designed to put the American ship operator, on one of the 31 essential trade routes, on a parity with his foreign competitor. This subsidy again does not apply to the domestic operator nor to the tramp steamer owner.

A provision of the Act requires a subsidized operator to place all annual profits in excess of 10% into a reserve fund. The funds in this reserve shall be used for new ship construction or to meet operating losses during lean years. Further, if over a ten-year period, the operator's profit has averaged more than 10%,

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half of the excess has to be paid back to the Maritime Board out of the Reserve Fund, up to an amount equal to the entire subsidy. Thus, it is possible that no subsidy need be paid. I want to add that subsidy payments do not necessarily insure a profit to the operator.

The costs of the subsidies is of interest. Here are the latest figures as of two months ago: In 16 years of construction subsidies, the taxpayer has paid out about 350 million dollars which made possible the building of over 250 ships. Operating subsidies averaged 5 million dollars a year before the war and about 30 million dollars since the war. No subsidies were paid during the war.

The 1953 budget for Merchant Marine aid is 164 million dollars; compare this with the huge sums for agriculture subsidies for keeping up the price of hogs, potatoes, peanuts, and cheese. We have paid out more in sugar subsidies in the last 16 years than we have for shipping. In fact, the total cost of our subsidy programs is 5½ billion dollars per year. To me there appears to be something unsound in all these subsidy schemes. I hope we can develop better remedies.

The *third* aspect of the Merchant Marine Act of 1936 revolves around the effective manning of the ships. When the old Maritime Commission first started reconstructing the Merchant Marine in 1936, there was an urgent need to build up a personal training program commensurate with the building program. Up to this time no real training for Merchant Marine personnel had ever been available. In fact, we had hired many foreign seamen. There had been the State Nautical Schools of Massachusetts, New York, Pennsylvania, and California. But these schools turned out

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less than 10% of the officers needed for the Service. No schools for seamen existed.

In the Act, Congress established the U. S. Merchant Marine Academy and the Maritime Service, and the program provided for federal cooperation with the state nautical schools. Fortunately, these schools for the training of officers and men were well underway by the time World War II came along. As a consequence, they were able to expand enough to meet the war requirements.

Today, the training program for officers continues in splendid shape. The U. S. Merchant Marine Academy at Kings Point on Long Island has 1,000 Cadet Midshipmen (as they are called). The course is for four years. Entrance requirements are the same as those of West Point and Annapolis. All students are enrolled in the Naval Reserve as Midshipmen. Upon graduation they are commissioned Ensigns, U. S. N. R., as well as receiving their licenses from the Coast Guard. One feature of the training is that each student must spend his second year at sea on a merchant ship. There are usually two cadet midshipmen on each ship. They must study while at sea, and at the end of the sea period must be recommended by the Master and must pass another examination before being allowed to complete the final course at the U. S. Merchant Marine Academy.

Several thousand graduates of Kings Point have served, or are now serving, as officers in the Navy.

The Maritime Service Program for apprentice seamen has about faded away. Some special training is done in the electronics field and upgrading of other specialties. But no new seamen have been trained since the war's end. Despite this fact, we were able

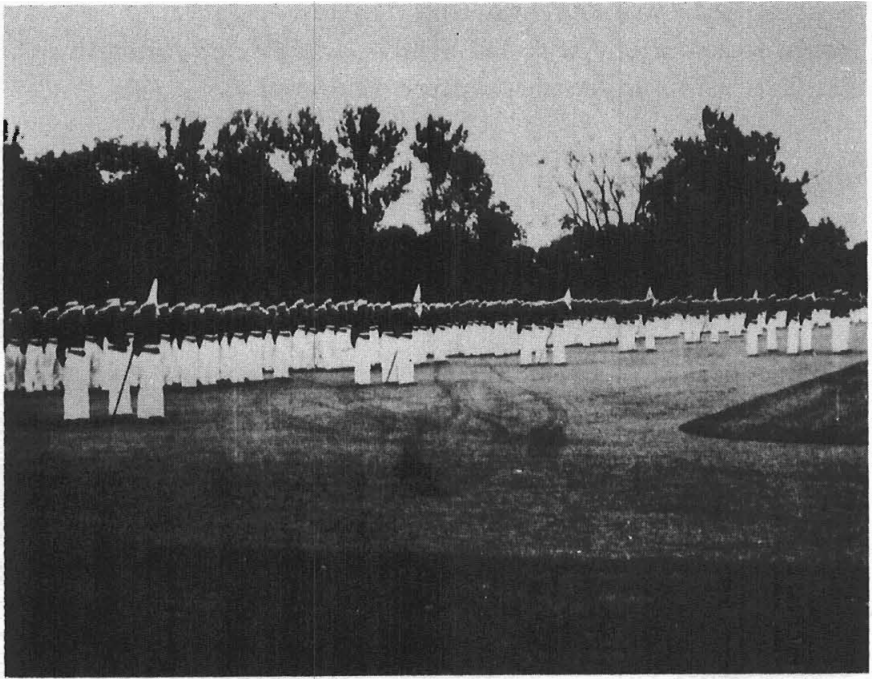
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to break out over 600 ships from the Reserve Fleet in a seven-month period after Korea and nearly all ships were bound for the Far East within a few weeks after withdrawal.



U. S. Merchant Marine Academy, Kings Point; 20 miles from New York City, on the south shore of Long Island Sound.

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Regiment of Midshipmen preparing for a Saturday morning inspection.

11. Industry Supervision

Now I want to go into the industry a little more. There are more than fifty separate bureaus, divisions, and independent agencies with whose regulations a shipowner must comply. They are, to name a few:

The Coast Guard, which has charge of the inspection of the safety features of the ships and the examination and licensing of officers and men;

The Customs Bureau, which collects taxes on imports;

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The Navy Department, which is interested in defense features of ships;

The Immigration Bureau, which is interested in foreign passengers, and so forth—not to also mention scores of unions whose demands are well known to all.

There is also the *American Bureau of Shipping*, a private corporation for classifying of American vessels, comparable to Lloyd's, whose load line designations are official and whose dry-docking and survey requirements are mandatory if the owner wants to keep down his insurance rates. The American Bureau of Shipping, of course, is the official agency representing the marine underwriters.

12. Conferences

Another interesting facet of the industry concerns International Conferences. A conference is an agreement between competing shipping lines on what rates they will charge. Congress approves them—and they are exempt from the Sherman Anti-Trust Laws. Some of these conferences are:

The North American Passenger Conference;

The U. S. - Spanish Conference;

The Far East - Panama Freight Conference.

All told, there are over 120 conferences made of some 300 member lines, of all maritime nations.

By the Shipping Act of 1916, the Maritime Board is empowered to control the rates if they are found to be prejudicial to the interests of American exporters as compared with foreign competitors. For example: If the Japs can again put light bulbs

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in Spain—by whatever line—cheaper than the G. E. can do it, and G. E. can show that an unreasonable ocean rate from U. S. to Spain is its obstacle—than the members of the U. S. - Spanish Conference could be made to lower their rates.

Complaints from exporters have always been few in number—indicating the existence of competition. The rates have been stabilized at a low level—the level is usually too low for high-cost American operators to show a satisfactory profit. The point which I wish to make is—that an American exporter cannot ship in foreign bottoms any cheaper than in U. S. ships. The rates are set to meet the lowest cost competitor.

The United States is in direct competition with other maritime nations in ocean transportaton. It has always been the policy of Great Britain that their shipping must be supported *at all costs against all comers*. They have found hundreds of ways of doing this: by cartels, international and Empire associations, insurance tie-ins with shippers, subsidies, rebates, and discriminating tax and customs regulations—just to name a few. All other maritime nations have done likewise in varying degrees.

The dilemma which we are in stems from the fact that the strength in merchant ships must be proportioned to our naval requirements and to our foreign trade. Our naval requirements obviously exceed our commercial requirements. There is only one way to close the gap without excess cost to the taxpayer, and that is to increase our foreign trade.

13. Current Building Program

Now for a quick review of the current shipbuilding program. The order books for world shipyards amount to over 1,700 ships. Upon completion of the present construction program the world's

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merchant fleet will be 24% larger than it is now, and 40% greater than prior to World War II. Of the ships building at present—

- 64% are tankers,
- 33% cargo, but only
- 3% are passenger types.

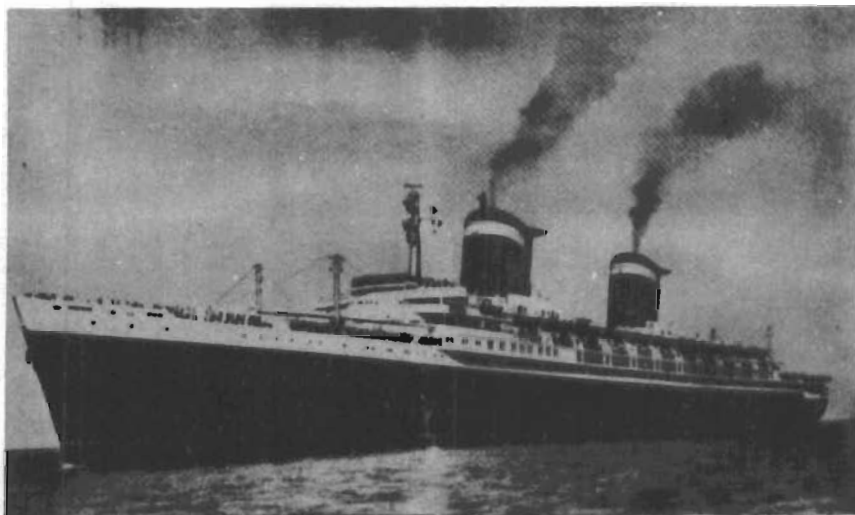
This passenger situation spells bad news for military transport requirements. In fact, when the present program is finished, the passenger ships of the world will be equal to only 70% of the pre-World War II size. This figure reveals what nations are building ships.

MERCHANT SHIPBUILDING IN PRINCIPAL COUNTRIES OF THE WORLD January 1952 New Construction in Hand or on Order (1,000 Gross Tons and Over)	
Country Which Building	Percentage of World Total
Denmark	2
France	3
Germany	12
Great Britain	41
Holland	6
Italy	2
Japan	5
Norway	6
Sweden	12
U.S. of America	8
Others	— 3
Total	100
Total of new construction - 1,714 ships	

The U. S. program includes :
 111 ships of which
 37 are dry cargo

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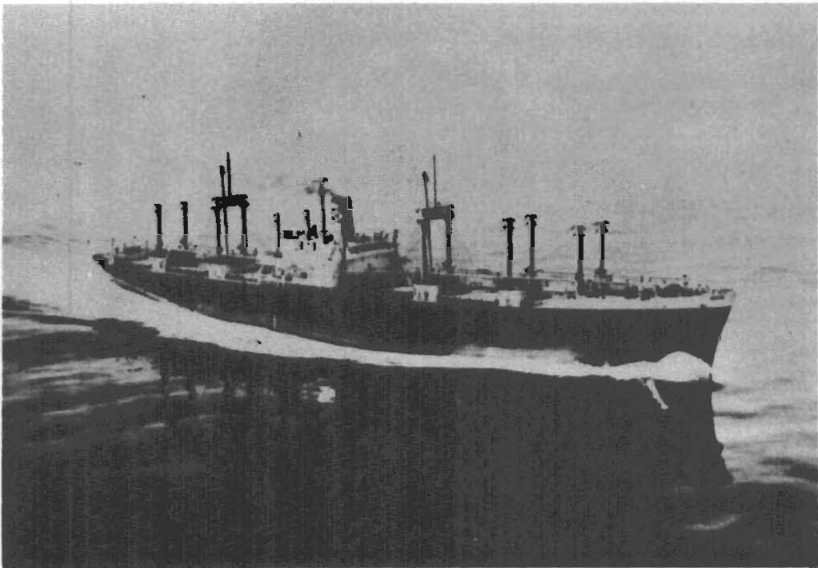
59 are tankers (but 25 of these tankers are for foreign flags. I might add, also, some of these tankers are enormous. Four under construction are 705 feet in length, about 45,000 dead-weight tons, and can carry twice the amount of oil as our fleet tankers—that is 300,000 barrels.) No passenger ships are under construction, but we have built six large passenger vessels since the war. Three of these are troop carriers going to M. S. T. S. The other three passenger vessels are the INDEPENDENCE, the CONSTITUTION, and UNITED STATES.



This is a photograph of our new superliner—the S. S. UNITED STATES—the largest passenger ship ever built in this country, and the most modern and fastest in the world. It began operating in the North Atlantic trade recently. It can lift one di-

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vision. A new trans-Atlantic speed record was set at 36 knots. The operating payroll is \$18,000 per day. It can transit the Panama Canal.



The **Keystone Mariner**, owned by the National Shipping Authority, but operated under General Agency Agreement by the Waterman Steamship Line for the account of M. S. T. S. (13,000 dead-weight tons; 10,000 gross tons; 20,000 displacement tons.)

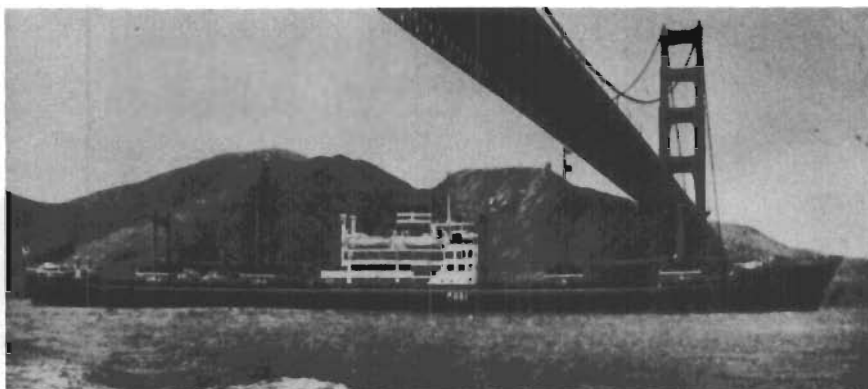
This is a photo of the new mariner class. The cruising speed is 20 knots. It could replace three Liberties, providing port delays are kept to a minimum, or 1,000 are equivalent to the 2,700 Liberties built in World War II. The cost is 8 million dollars. It can operate independent of convoys.

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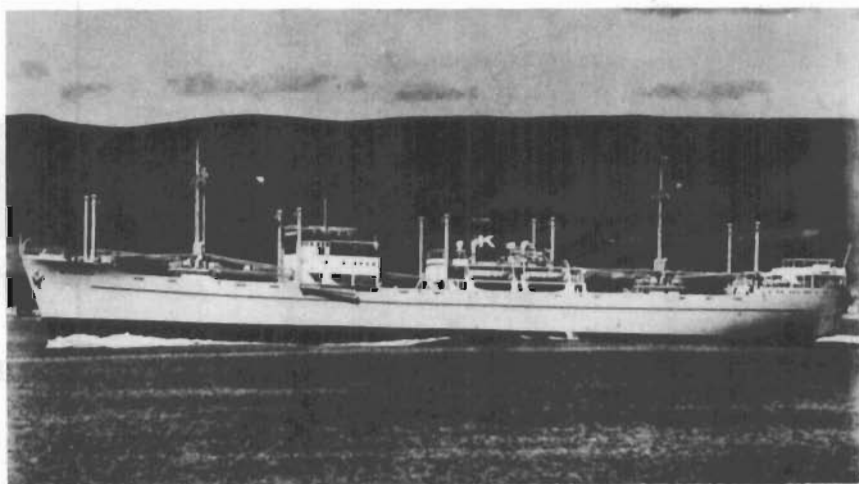
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Now let's look at some of the foreign ships recently completed.

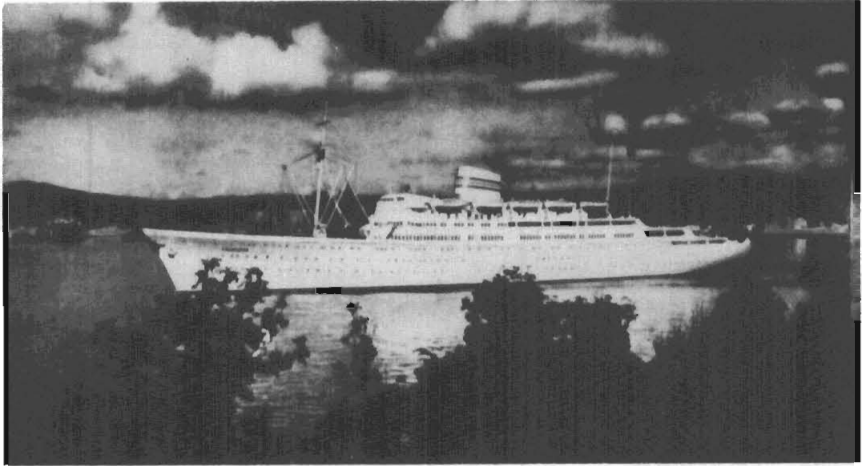


Japanese ship.



British ship.

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Norwegian ship.

14. Need for Strong Ocean Shipping Systems

In closing, let me leave a few thoughts on the subject of "Ocean Shipping".

Mahan named as the first component of sea power—the possession of naval strength.

As the second component, he named the possession of a merchant marine.

I believe you will agree that the last two wars have proved the validity of Mahan's observations on both these components.

Churchill is credited with the statement that the U. S. in-

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dustrial and military might is only as great as that which can be projected overseas.

If we are going to supply our Air Force bases and our Armies overseas, we must have adequate supply ships with trained men to operate them, and sufficient foreign trade to support the ships.

This is a partial obligation of the Navy. It is my fervent hope that this matter is being given the attention it deserves in the formulation of our strategic and mobilization plans.



Captain Dodson is the Assistant Head of the Intelligence Department at the Naval War College. He is a licensed Master Mariner and has had wide experience in ocean transportation afloat and ashore.