ANERICA BUILDS SHIPS

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AND SHIP UNDER THE AMERICAN FLAG

HE PROGRAM OF THE UNITED STATES MARITIME COMMISSION

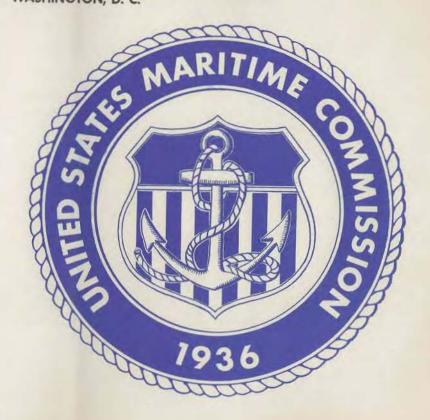
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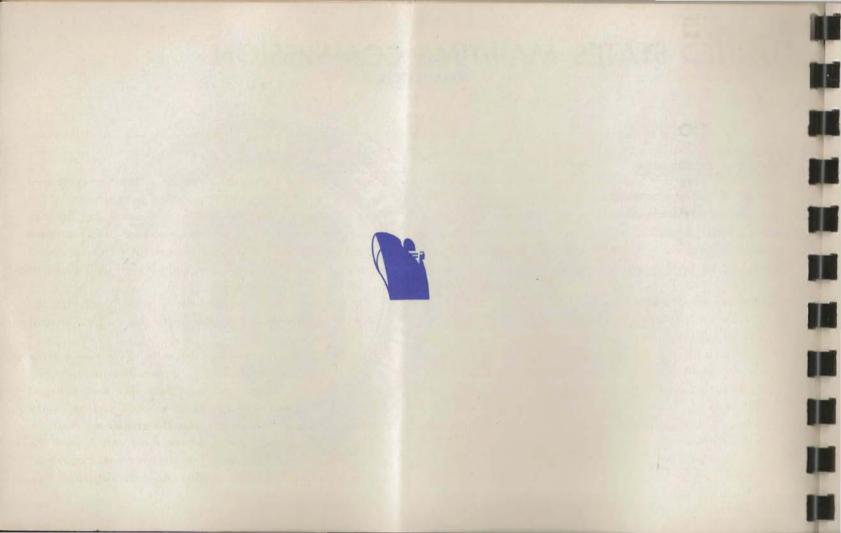
UNITED STATES MARITIME COMMISSION

COMMISSIONERS

EMORY S. LAND, CHAIRMAN EDWARD C. MORAN, JR. MAX O'RELL TRUITT HENRY A. WILEY THOMAS M. WOODWARD

W. C. PEET, JR., SECRETARY





The most advanced nations are always those who navigate the most-RALPH WALDO EMERSON

The United States is engaged in a shipbuilding program designed to return this country to a place upon the seas commensurate with its position as a world power. We want to increase our foreign trade and strengthen our national defense. These ends cannot be achieved without a strong and efficient merchant fleet.

After experience of 147 years with shipping legislation the Congress passed the Merchant Marine Act of 1936 under which the present program is being carried out by the United States Maritime Commission. This Commission has undertaken the rehabilitation of the American merchant marine to provide the United States with a fleet of cargo and passenger vessels adequate to its needs, both in respect to trade and to defense.

This, the Commission is doing under the mandate of the Congress contained in the Merchant Marine Act of 1936 which specifies that it is the policy of the United States to foster the development and encourage the maintenance of a merchant marine sufficient to carry a substantial portion of the water-borne export and import foreign commerce of the United States; capable of serving as a naval and military auxiliary in time of war or national emergency and composed of the best-equipped, safest and most suitable type of vessels constructed in the United States and manned with a trained and efficient citizen personnel.

The success of this merchant fleet is a matter of vital importance to the economy of the country and of direct interest to every citizen.

The Commission endeavors constantly to increase patronage of United States vessels by American citizens. Only through that patronage can an efficient and well-managed fleet be maintained with adequate services and necessary comforts. The greater our patronage the greater our fleet.

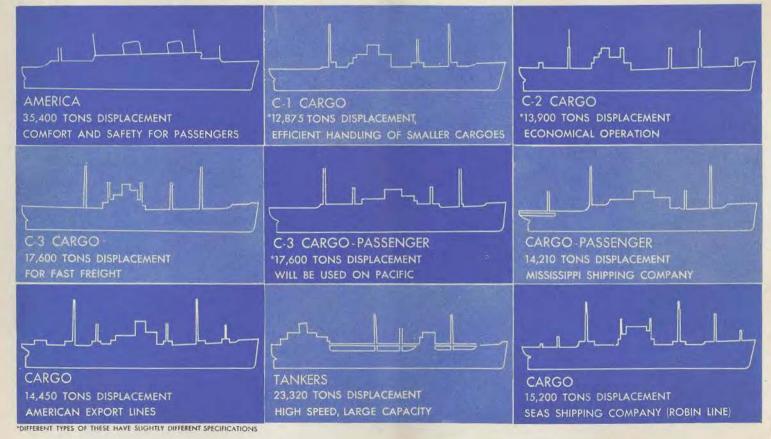
The American people will benefit most and receive the greatest dividends from their investment in this merchant marine if they will travel and ship under the American flag.

WHY A BUILDING PROGRAM?



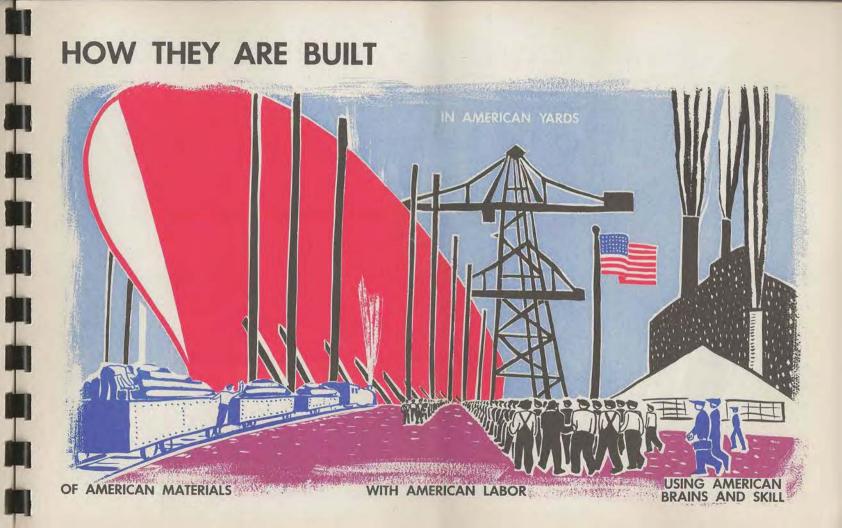
Different types of ships are needed for varied services required by American shippers and travelers. More than 150 of these nine types have been ordered. The minimum goal is 500 ships in ten years.

SHIPS TO MEET ALL NEEDS





During the first two years of the building program alone, expenditures were estimated to be \$140,000,000 for shipyard labor and about \$175,000,000 for materials purchased from scores of different industries.

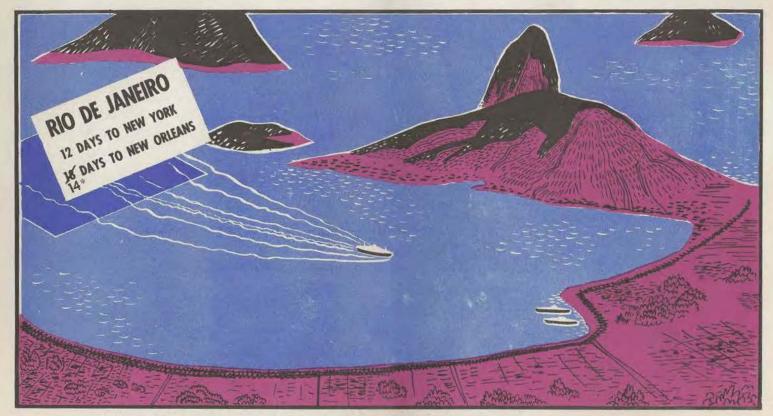




The value of the program is demonstrated through improved facilities for American shippers. Fast and frequent sailings are important to exporters and importers.

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AMERICAN SHIPS SERVE AMERICAN SHIPPERS



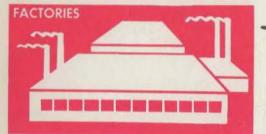
* New and faster ships entering service in 1940 reduce sailing time four days.

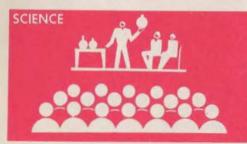


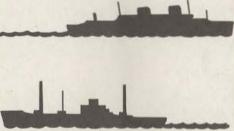
Civilization is strengthened by mutual understanding between peoples of different lands. Most of these peoples can be reached only by crossing water.

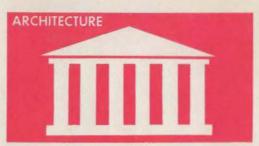
EXCHANGE OF IDEAS AND CULTURAL ACCOMPLISHMENTS

RESEARCH





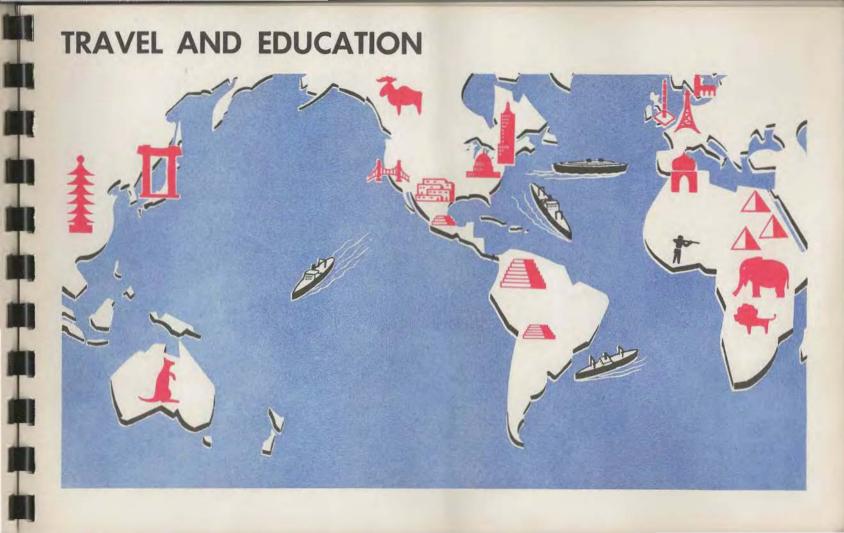








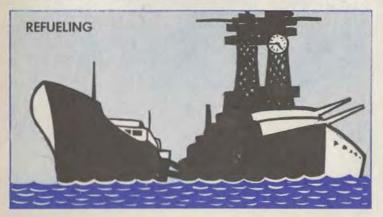


Study of foreign lands, whether formal or informal, adds to understanding and appreciation and strengthens ties of friendship. 



In case of our involvement in war, a modern merchant fleet is indispensable. Without it the Navy is tied to its land bases.

MERCHANT SHIPS SERVE THE NAVY









HISTORY OF OUR MERCHANT MARINE



The earliest settlers needed water transportation. In many localities no other means of communication existed. The *Virginia* was built by the settlers of Fort Popham and launched in the Kennebec River in what is now Maine.

SHIPPING IS AMERICA'S OLDEST INDUSTRY

In 1607 the "VIRGINIA," America's first vessel was launched.





In one of the first Acts of the United States Congress, in 1789, government assistance was given to shipbuilding because of its necessity to all the people.

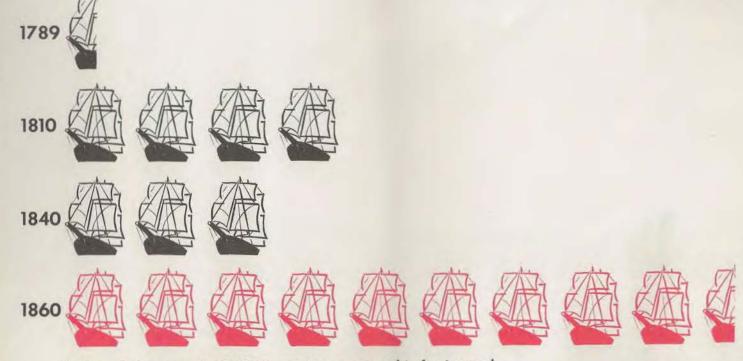
COLONIAL AMERICA RECOGNIZED THE NEED FOR SHIPS





We were a maritime power before we were out of our national swaddling clothes.

GROWTH OF OUR MERCHANT MARINE BEFORE THE CIVIL WAR



Each symbol represents 250,000 gross tons employed in foreign trade



The Clippers, American-designed and built, were so speedy they demanded and were paid extraordinary freight premiums by shippers of other nations. The *Red Jacket* was among the fastest and most beautiful.

AMERICAN CLIPPERS WERE THE FASTEST SAILING SHIPS IN THE WORLD THE "RED JACKET" OFF CAPE HORN

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COLUMN THE NEW YORK



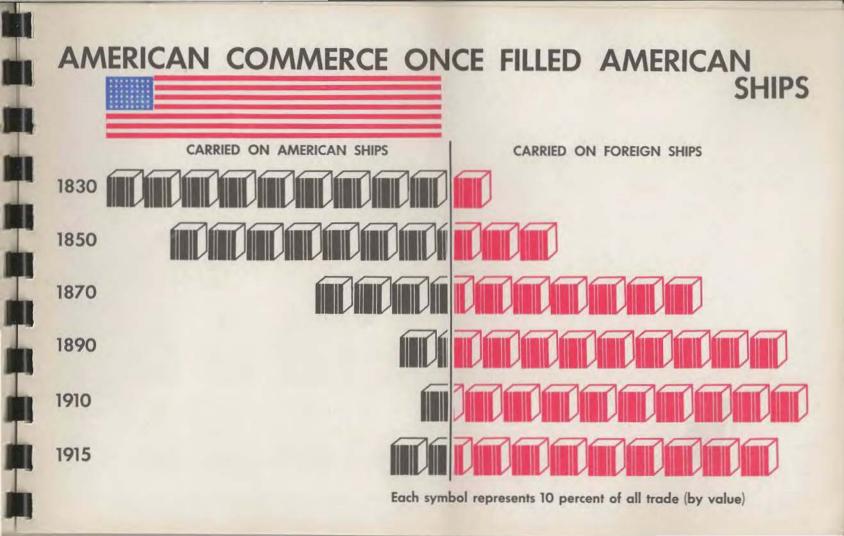
The steamboat was frequently slower but it was more reliable. Boilers worked when the wind did not.

THE IRON STEAMBOAT QUICKLY SUPERSEDED OUR SAILING VESSELS



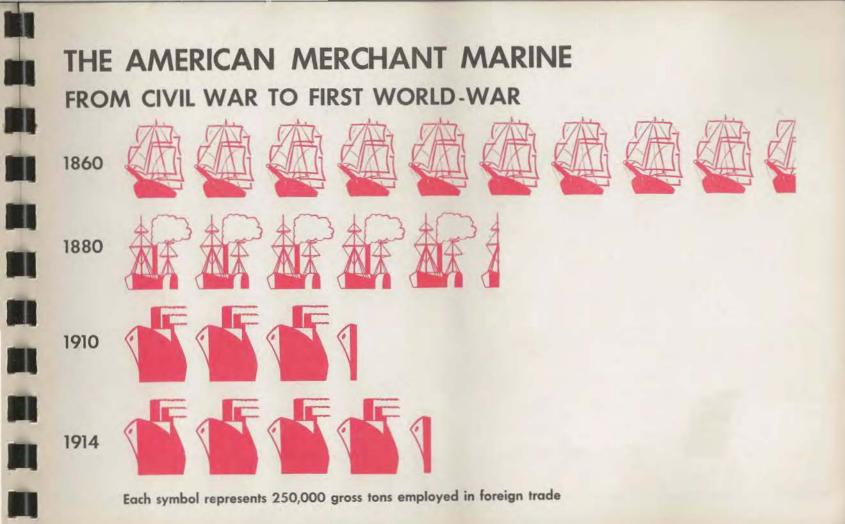


The American shipping industry did not keep pace with American trade.





When we needed many vessels, we had few.





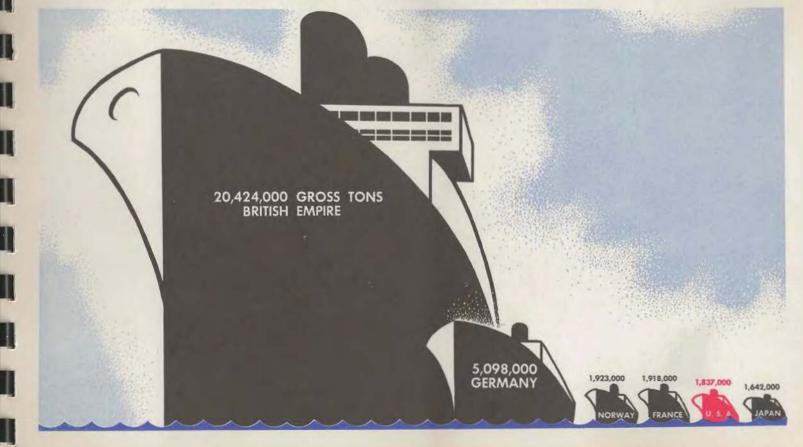
A poor fifth in tonnage, including all our intercoastal and coastwise fleet.

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WORLD'S MERCHANT FLEETS IN 1914





We had to have ships and built them-at a premium.

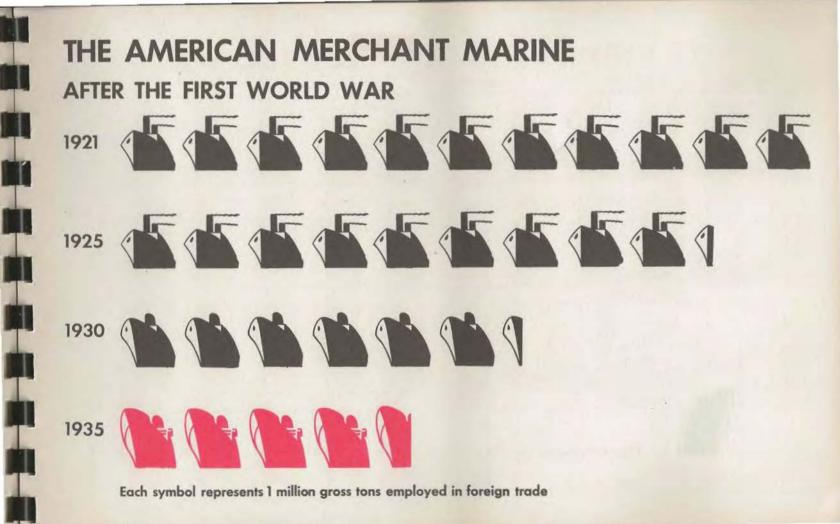
WHEN THE FIRST WORLD WAR CAME WE BUILT \$3,000,000,000 WORTH OF SHIPS

Each symbol represents 250,000 tons

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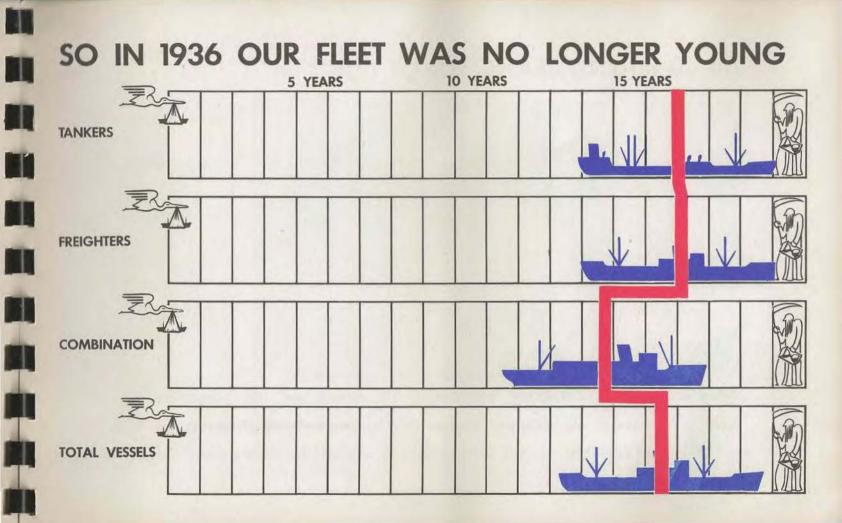


Then began another shipping decline.





Twenty years is the economic life of a ship. Ours were old and tired.





The only way to tackle such a huge and involved problem was to stand off and examine it first. This was done by the Commission in 1937 in an exhaustive study.

THE ECONOMIC SURVEY OF THE AMERICAN MERCHANT MARINE FOUND (IN 1937)

Of the American fleet of 1,422 ocean going vessels (of 2,000 gross tons and over), 91.8 percent will be obsolete by 1942. This fleet represents 8,407,000 gross tons. Of the tonnage, 88 percent will be obsolete by 1942.

This Survey, which was the Commission's first task, accepted nothing, questioned everything.

QUESTION: Should the United States attempt to compete in the international carrying trades?

ANSWER: Yes. American ships insure continuity of service to our exporters and importers. They improve the quality of the service. Fast, efficient merchant ships are needed for national defense.

QUESTION: What are the requirements of the United States? **ANSWER:** This country should have vessels on 23 essential trade routes. Tramp shipping is a bad gamble. Luxury equipment should be avoided. Standard types are desirable and will be developed in combination passenger-freight, dry cargo and tanker vessels. Superliners are economically unsound.

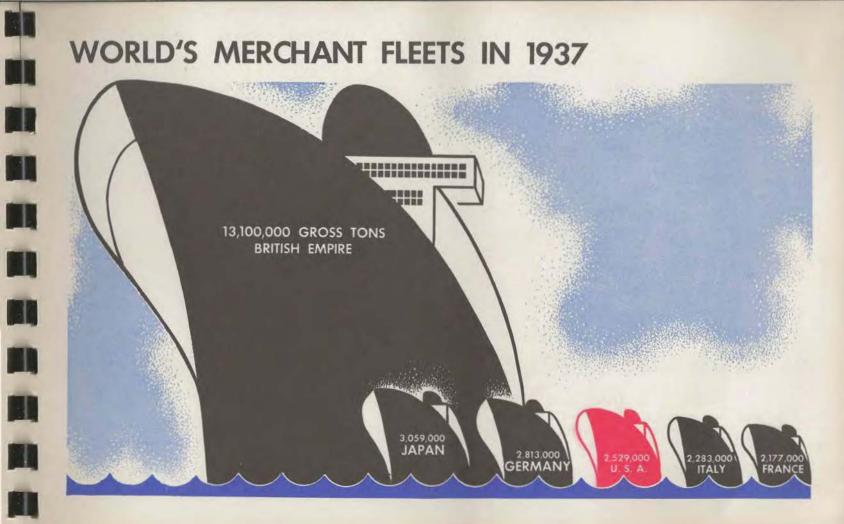
QUESTION: What is the present status of the subsidized merchant matine? **ANSWER:** Of a sea going merchant marine of 1,517 vessels of 1,000 gross tons and over, 374 are engaged in carrying dry cargo between this and foreign countries. On 155 of these, subsidies were being paid. Private capital hesitates to invest in the steamship business. The high degree of obsolescence (told above) makes replacement immediately necessary. Solution of labor conflict and sea training are needed.

QUESTION: What should be the policy of the United States? **ANSWER:** The American merchant marine is a private industry required to perform a public function. Three methods are possible: government aid in the form of subsidies as at present; government ownership and private operation; and government ownership and operation. Congress, in the Merchant Marine Act of 1936, seeks the first 'in so far as practicable'.

QUESTION: What will it cost to maintain an adequate merchant marine in foreign trade?

ANSWER: Construction and operating subsidies, to permit competition with lower-cost foreign shipbuilders and operators, will cost from \$25,000,000 to \$30,000,000 a year. If subsidized lines are unable to make needed replacements, a Government building program will increase this cost substantially.

In foreign trade ships we were still a poor fourth, with 2,529,000 tons compared with 13,100,000 for the British Empire. However, additions to the domestic fleet since 1914 brought our total tonnage to 9,269,000, almost half of Britain's 19,642,000 total tonnage. No other country engages as extensively in domestic shipping as the United States.





A frank and honest subsidy was believed superior to masked contributions in the form of ocean mail payments far in excess of the cost of carriage.

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THE LAW PROVIDES

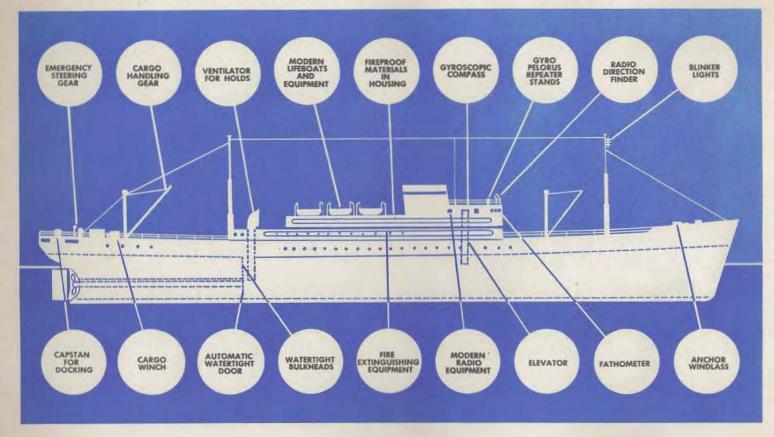
The Government pays the difference between the cost of building a ship abroad where it is less and the cost of building in the United States where it is more, because of our higher standard of living

The Government pays the difference between the cost of operation of an American flag operator and those of his principal foreign flag competitors whose cost of operation is less, particularly in connection with wages

No other nation has higher safety standards. Every vessel in the program is designed to be practical, efficient, comfortable and safe.

UNITED STATES BUILDS BETTER AND SAFER SHIPS

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Competent seamen and officers are provided for the new ships through the United States Maritime Service training agency set up by the Commission and administered by the Coast Guard.

THE U.S. MARITIME SERVICE TRAINS SEAMEN

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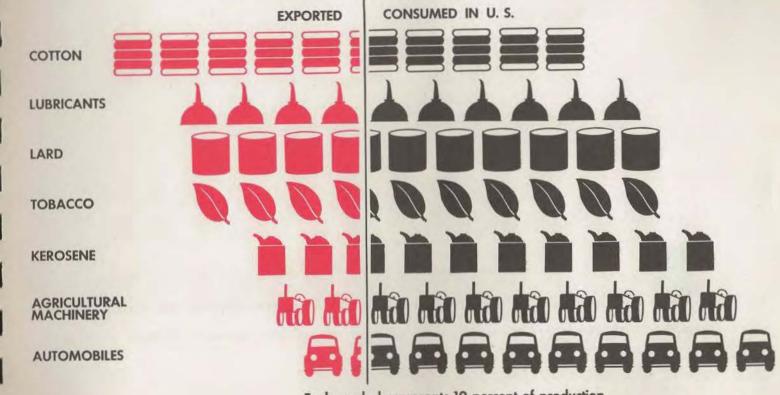
Special care has been taken with equipment, service, and accommodations to provide the utmost in comfort on the passenger liners.

FOREIGN TRADE



Sales of our goods abroad make possible the purchase of many desirable and necessary foreign products.

WE GAIN BY SELLING BEYOND OUR BORDERS



Each symbol represents 10 percent of production

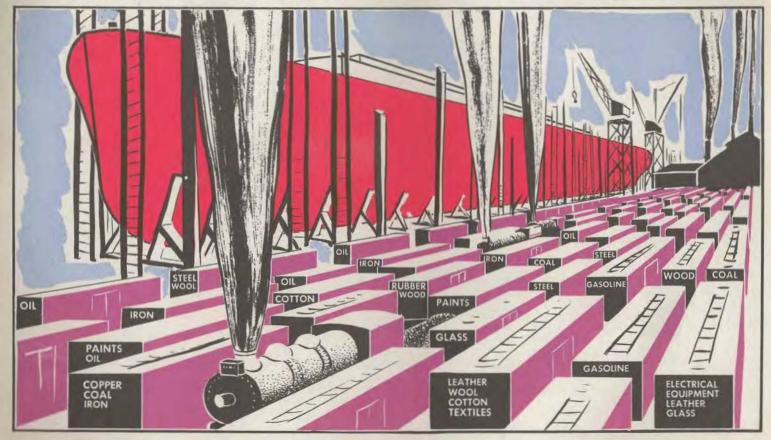
A ship is considered economically obsolete at the age of 20. Replacements cannot be achieved instantly. At the start of 1939 this country ranked behind Britain, Japan, Germany and France in vessels 10 years of age or less. It ranked behind all those and Italy, too, in vessels with speeds of 12 knots and over. It stood fifth in ships employed in the international trade with 2,178,000 gross tons, as against Britain's 13,338,000; Japan's 3,870,000; Germany's 3,135,000; and Italy's 2,512,000.





Every state in the Union produces materials used in shipbuilding and nearly all contribute those materials. Work for factories and men is created inland as well as on the coast.

THE SHIPBUILDING PROGRAM HELPS INDUSTRY AND LABOR





The farm, as well as the industrial sections of the nation, knows the value of foreign markets and the need for a healthy commerce among nations.

A FIFTH OF OUR POPULATION DEPENDS ON FOREIGN TRADE





Natural advantages and economic needs have made a maritime nation of America.

IN YOUR OWN INTEREST TRAVEL AND SHIP UNDER THE AMERICAN FLAG



