

The original documents are located in Box D25, folder “Seminar Sponsored by the AFL-CIO Maritime Trades Department, Washington, DC, June 19, 1968” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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SEMINAR SPONSORED BY THE AFL-CIO MARITIME TRADES DEPARTMENT, AT 10 A.M. WEDNESDAY, JUNE 19, 1968, AT THE STATLER-HILTON HOTEL, WASHINGTON, D. C.

Although I haven't been at sea for sometime
① had 4 years as deck officer
② have been on your programs
③ last night on my radio

HAVING BEEN PIPED ABOARD SEVERAL OF YOUR PROGRAMS NOW, I AM BEGINNING TO FEEL LIKE AN OLD SALT. *because -*

ACTUALLY, I CAN LAY CLAIM TO BEING A SAILOR OF SORTS, BECAUSE I DID SERVE AS A SHIP'S OFFICER ON AN AIRCRAFT CARRIER DURING WORLD WAR II...AND IT WASN'T EXACTLY A SHORT VOYAGE.

BUT EVEN IF I HAD NEVER SEEN THE OCEAN I CAN TELL YOU THAT I WOULD BE DEEPLY CONCERNED TODAY ABOUT THE STATE OF OUR MERCHANT MARINE.

YOU ARE FAMILIAR WITH ALL OF THE DIRE STATISTICS ABOUT THE SORRY CONDITION OF THE MERCHANT MARINE. THE RESOLUTIONS YOUR EXECUTIVE BOARD UNANIMOUSLY ADOPTED LAST



FEBRUARY RECITED THEM -- HOW THE U.S. FLAG ACTIVE FLEET HAS SHRUNK TO 987 SHIPS AND THAT THREE OUT OF FIVE OF THESE WILL HAVE TO BE RETIRED, SOLD FOREIGN OR SCRAPPED WITHIN THE NEXT FOUR YEARS BECAUSE OF AGE.

YOU KNOW TOO, AS I DO, THAT IT IS A DANGEROUS GAMBLE FOR THE UNITED STATES TO DEPEND ON FOREIGN FLAG SHIPS AND FOREIGN CREWMEN TO CARRY ITS MILITARY CARGO.

LET US NOT TODAY MERELY ENGAGE IN A GRIM CATALOGUING OF HOW DISMALLY THE UNITED STATES NOW RANKS AS A MARITIME POWER AFTER HAVING ONCE HELD ITS PROUD MAST-HEADS HIGH. LET US LOOK NOT ONLY AT WHERE WE ARE NOW BUT WHERE WE MUST GO IF THE UNITED STATES IS TO REBUILD ITS MERCHANT FLEET AND PROTECT ITS VITAL INTERESTS ON THE WATERWAYS OF THE WORLD.

it might be well to

~~[BESIDES CITING MY WORLD WAR II SERVICE TO QUALIFY MYSELF AS A SEAFARER, I WOULD TAKE JUST ONE OTHER LOOK BACKWARD BEFORE~~

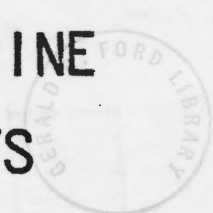


WE MOVE AHEAD.

ALTHOUGH THOSE INVOLVED IN MARITIME MATTERS MUST BE FAMILIAR WITH IT, LET US CONSIDER FOR JUST A MOMENT A FEDERAL STATUTE WHICH HAS BEEN ON THE BOOKS FOR A LONG TIME. IT IS THE MERCHANT MARINE ACT OF 1936, AND I THINK A BRIEF LOOK AT IT TELLS US MUCH TODAY.

IT TELLS US -- AS DID YOUR EXECUTIVE BOARD BY RESOLUTION LAST FEBRUARY -- THAT THE PRESENT ADMINISTRATION "HAS COMPLETELY ABDICATED ITS RESPONSIBILITY" FOR PULLING THE MERCHANT MARINE OUT OF THE SEA OF NEGLECT INTO WHICH IT HAS BEEN PLUNGED. INDIRECTLY, THE MERCHANT MARINE ACT OF 1936 POINTS UP THE FACT THAT -- AS YOUR EXECUTIVE BOARD HAS STATED -- THE PRESENT ADMINISTRATION IS "DERELICT IN PROMOTING THE AMERICAN MERCHANT MARINE AND . . . NOT CONCERNED WITH ITS FUTURE."

HERE'S WHAT THE MERCHANT MARINE ACT OF 1936 PROVIDED -- AND I BELIEVE ITS



STATED PURPOSES ARE FULLY VALID TODAY:

1. THAT THE UNITED STATES SHOULD HAVE SHIPPING ADEQUATE TO MAINTAIN ITS NORMAL FLOW OF WATERBORNE COMMERCE "AT ALL TIMES."

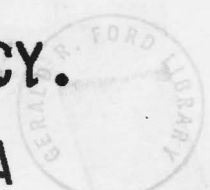
2. THAT THIS SHIPPING SHOULD BE "CAPABLE OF SERVING AS A NAVAL AND MILITARY AUXILIARY IN TIME OF WAR."

3. THAT IT SHOULD BE OWNED AS FAR AS POSSIBLE BY AMERICAN CITIZENS AND OPERATED UNDER THE AMERICAN FLAG.

4. THAT IT SHOULD BE "COMPOSED OF THE BEST-EQUIPPED, SAFEST, AND MOST SUITABLE TYPES OF VESSELS."

of the 1930's.
THE NEW DEAL FRANKLY ACCEPTED THE THEORY THAT A STRONG MERCHANT MARINE WAS AN ESSENTIAL PART OF THE NATIONAL DEFENSE. I SUBSCRIBE 100 PER CENT TO THAT THEORY MYSELF -- AND I FIND IT SHOCKING THAT THE PRESENT ADMINISTRATION HAS ABANDONED THAT POLICY.

THE NEW DEAL ALSO CREATED A




MARITIME COMMISSION AND HANDED IT THE RESPONSIBILITY OF MAPPING A LONG-RANGE PROGRAM OF REPLACEMENTS AND ADDITIONS TO THE AMERICAN MERCHANT MARINE. THE COMMISSION DID SUCH A GOOD JOB THAT WHEN WORLD WAR ~~II~~ BROKE OUT, TOTAL AMERICAN TONNAGE WAS TWO-THIRDS AS GREAT AS THE BRITISH AND FAR GREATER THAN ANY OTHER.

THE PRESENT ADMINISTRATION NOT ONLY HAS COMPLETELY ABANDONED THE MERCHANT MARINE ACT OF 1936; IT HAS EVEN SOUGHT TO BURY THE MARITIME ADMINISTRATION IN THE NEW DEPARTMENT OF TRANSPORTATION.

BUT THE AMERICAN MERCHANT MARINE IS NOT DEAD. AS MARK TWAIN SAID OF HIS OWN SUPPOSED DEMISE, THE REPORTS OF ITS DEATH ARE VASTLY EXAGGERATED.

I SAY THIS BECAUSE YOUR ORGANIZATION AND CONGRESSIONAL SUPPORTERS OF A VIGOROUS MERCHANT MARINE ARE DETERMINED TO RESTORE IT TO SOUND HEALTH.



I SAY IT, TOO, BECAUSE THE VITALITY OF EVEN THE MUCH-ABUSED AMERICAN MERCHANT MARINE NOW OPERATING IS POINTED UP BY ITS CONTRIBUTION TO OUR BALANCE OF PAYMENTS.

A RECENT STUDY MADE BY HARBRIDGE HOUSE, INC., OF BOSTON UNDER SPONSORSHIP OF THE COMMITTEE OF AMERICAN STEAMSHIP LINES SHOWS THAT THE AMERICAN MERCHANT MARINE HAS CONTRIBUTED BILLIONS OF DOLLARS TO OUR BALANCE OF PAYMENTS IN RECENT YEARS. THIS IS TRUE DESPITE THE FACT THAT ONLY 7 PER CENT OF THE TONNAGE OF AMERICAN PRODUCTS IS CARRIED IN AMERICAN SHIPS.

NOBODY CAN ARGUE AGAINST THE FACT THAT THE AMERICAN MERCHANT MARINE IS A VITAL LOGISTICAL LIFELINE IN TIME OF WAR.

NOW THIS STUDY POINTS UP THE TREMENDOUS CONTRIBUTION MADE BY THE U.S.-FLAG MERCHANT MARINE TO THE ECONOMIC WELL-BEING OF AMERICA IN TERMS OF THE INTERNATIONAL PAYMENTS

SITUATION -- A WHOPPING \$7.3 BILLION BETWEEN 1957 AND 1966.

OUR BALANCE OF PAYMENTS IS DANGEROUSLY DISTORTED. ^{*of must be corrected*} WE ALL KNOW THAT. BUT HOW MANY AMERICANS KNOW THAT IT WOULD HAVE BEEN 30 PER CENT WORSE HAD IT NOT BEEN FOR U.S. MERCHANT SHIPS?

^{*study*}
The HARBRIDGE HOUSE TELLS US THAT IF THE BUSINESS DONE BY U.S.-FLAG SHIPS DURING THE DECADE STUDIED HAD GONE TO FOREIGN SHIPPING SERVICES IT WOULD HAVE CAUSED "SEVERE ECONOMIC REPERCUSSIONS" IN THIS NATION.

YET THE JOHNSON-HUMPHREY ADMINISTRATION -- SUPPOSEDLY DEEPLY CONCERNED ABOUT THE PERILOUSLY HUGE DEFICIT IN OUR BALANCE OF PAYMENTS -- APPEARS TO IGNORE THE PRESENT AND POTENTIAL CONTRIBUTION OF THE AMERICAN MERCHANT MARINE TO THE SALVAGE OF OUR SINKING PAYMENTS BALANCE.

EVERY NEW AMERICAN MERCHANT VESSEL



THAT SLIDES DOWN THE WAYS GIVES AN IMMEDIATE ASSIST TO THE SOLUTION OF OUR TROUBLESOME INTERNATIONAL PAYMENTS PROBLEM. LET THIS IMPORTANT FACT BE SHARPLY ETCHED ON THE RECORD.

SOME AMERICANS COMPLAIN ABOUT THE OPERATING AND CONSTRUCTION SUBSIDIES POURED INTO THE AMERICAN MERCHANT MARINE. YES, THESE SUBSIDIES HAVE TOTALLED NEARLY \$3 BILLION OVER THE PAST 30 YEARS.

BUT, THE HARBRIDGE HOUSE STUDY TELLS US, FOR EVERY DOLLAR SPENT IN SUBSIDIES, THE U.S. RECEIVED \$3 IN RETURN FROM ITS SUBSIDIZED VESSELS. *That's a damn good investment by any standard.*

LIKE THE UNITED STATES, THE SOVIET UNION ALSO HAS A BALANCE OF PAYMENTS PROBLEM. BUT THE U.S.S.R. IS MAKING A REALISTIC ATTACK ON THE PROBLEM WITH AN ALL-OUT SHIP CONSTRUCTION PROGRAM. RUSSIA'S GOAL IS TO CARRY IN HER OWN SHIPS ALL THE MERCHANDISE SHE EITHER BUYS OR SELLS.



THE SOVIET OBJECTIVE IS TO CARRY 100 PER CENT OF RUSSIA'S GOODS. WE SHOULD SET AN OBJECTIVE OF CARRYING AT LEAST 50 PER CENT OF U.S. GOODS -- A TREMENDOUS INCREASE OVER THE PRESENT LEVEL OF 7 PER CENT WHICH SEEMS TO SATISFY THE JOHNSON-HUMPHREY ADMINISTRATION.

AMERICAN SHIPPING LINES AND AMERICAN SHIPYARDS COULD DO THE JOB, GIVEN THE OPPORTUNITY, BUT THAT KIND OF OPPORTUNITY IS LACKING UNDER THE ADMINISTRATION'S GROUND RULES.

WHAT WE NEED IS SOME POSITIVE THINKING ON THE MERCHANT MARINE PROBLEM. AND BY THAT I DON'T MEAN THE KIND OF APPROACH TAKEN IN THE OMNIBUS BILL, H.R. 13940, NOW BEFORE THE HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE.

THIS LEGISLATION IS SIMPLY A COBBLING-TOGETHER ^{a conglomeration} OF ALL THE BILLS THAT HAVE BEEN INTRODUCED BY MAJORITY COMMITTEE MEMBERS, TIED TOGETHER AND TOSSED AT THE COMMITTEE IN A

BUNDLE WITHOUT ANY CONSULTATION WITH THE
MINORITY.

I DO NOT FEEL THAT THE PROBLEM OF
DETERIORATION IN OUR MERCHANT MARINE WILL BE
SOLVED THROUGH NARROW PARTISANSHIP. ^{*This is a problem that transcends parties.*} ALL MUST
WORK TOGETHER TO LIFT THE MERCHANT MARINE OUT
OF THE DEPTHS.

PERSONALLY I BELIEVE THAT NOTHING
LESS THAN NEW NATIONAL LEADERSHIP WILL REMEDY
THE SITUATION.

I SAY THIS BECAUSE THE PRESENT
ADMINISTRATION HAS COMPLETELY FAILED TO SET
UP A REALISTIC SET OF NATIONAL PRIORITIES. HAD
IT DONE SO, CERTAINLY THE REVITALIZATION OF OUR
MERCHANT MARINE WOULD HAVE BEEN HIGH ON THE
LIST.

BUT YOU AND I KNOW THAT THE
ADMINISTRATION IN THE PERSON OF TRANSPORTATION
SECRETARY BOYD RECENTLY SOUGHT TO TORPEDO THE
LATEST EFFORTS BY CONGRESSIONAL SUPPORTERS OF A

STRONG MERCHANT MARINE TO "REV UP" OUR SHIPBUILDING PROGRAM.

OF COURSE WE'RE IN A TIGHT BUDGETARY SITUATION. THE FEDERAL GOVERNMENT, QUITE LITERALLY, IS IN A FISCAL MESS. AND WHY?

IN MY VIEW, IT'S BECAUSE THE PRESENT ADMINISTRATION SOUGHT TO MOVE IN ALL DIRECTIONS AT ONCE WITHOUT A SENSE OF PRIORITY. IT'S BECAUSE THE PRESENT ADMINISTRATION TRIGGERED AN INFLATIONARY SPIRAL TWO YEARS AGO BY REFUSING TO PRACTICE ANY SEMBLANCE OF FISCAL RESTRAINT.

THE RESULT HAS BEEN HUGE FEDERAL DEFICITS, A CHEAP DOLLAR AND, NOW, AN INABILITY TO ADEQUATELY FUND WORTHWHILE FEDERAL PROGRAMS SUCH AS MERCHANT SHIP CONSTRUCTION.

I DON'T KNOW AT THIS POINT WHAT MAY HAPPEN TO THE OMNIBUS MERCHANT MARINE BILL IN THE HOUSE. AT THE MOMENT I DO NOT DISCERN

BROAD AREAS OF GENERAL AGREEMENT. IT HAS BEEN THE VEHICLE FOR HEARINGS AND THAT IS ALL.

I AM MOVED, HOWEVER, TO SPEAK FAVORABLY OF THE PROPOSAL TO EXTEND TAX-DEFERRED CONSTRUCTION RESERVE PRIVILEGES TO ALL MEMBERS OF THE FLEET. THIS WOULD MAKE IT POSSIBLE FOR THEM TO PUT PRIVATE CAPITAL ASIDE FOR NEW SHIP CONSTRUCTION. THIS WOULD BE A HIGHLY BENEFICIAL STEP. HOWEVER, I UNDERSTAND THE ADMINISTRATION IS DEAD SET AGAINST IT.

I ALSO FIND CONSIDERABLE MERIT IN THE MOVE TO ASSURE INDEPENDENT OPERATORS A FAIR SHARE OF NEW SHIPS TO BE CONSTRUCTED.

IF IT CAN BE SHOWN -- AND I AM CERTAIN THAT PROPONENTS HAVE THE EVIDENCE -- THAT THE DISCRIMINATION AND UNFAIR ADVANTAGE COMPLAINED OF IN CONNECTION WITH SO-CALLED DOUBLE SUBSIDY EXISTS, THEN THAT SITUATION SHOULD BE REMEDIED. AS FOR LONGTERM GOVERNMENT CHARTERS FOR INDEPENDENT OPERATORS, THERE ARE

QUESTIONS THAT MUST BE ANSWERED. BUT, AGAIN, THERE IS GOOD REASON TO BELIEVE THAT A CASE CAN BE MADE FOR IT.

WE CAN TALK ABOUT THE DESPERATE NEED FOR NEW MERCHANT SHIPS, BUT WE ALL KNOW THAT THE FISCAL SITUATION BROUGHT ABOUT BY THE PRESENT ADMINISTRATION HAS CREATED NEW OBSTACLES FOR US WHO ARE TRULY DEDICATED TO A MODERN AND EXPANDING AMERICAN MERCHANT MARINE.

OUR NEW SHIPS ARE THE FASTEST AND THE BEST IN THE WORLD, WITH REVOLUTIONARY NEW FEATURES THAT CUT COSTS AND DRASTICALLY REDUCE LOADING AND UNLOADING TIME.

WE HAVE 142 OF THESE SHIPS AND 42 A-BUILDING. BUT NEARLY TWO-THIRDS OF OUR MERCHANT FLEET IS ALMOST 25 YEARS OLD AND OUGHT TO BE RETIRED IN THE NEXT FIVE YEARS.

THE EISENHOWER ADMINISTRATION IMPLEMENTED A FORWARD-LOOKING SHIP REPLACEMENT PROGRAM. THE JOHNSON-HUMPHREY ADMINISTRATION

HAS BADLY UNDERCUT IT BY INDECISION, RED-TAPE AND POLICIES THAT WOULD REDUCE AMERICAN JOBS AND CRIPPLE AMERICAN INDUSTRY.

THIS COUNTRY MUST HAVE A MODERN MERCHANT MARINE. THIS IS A CHALLENGE THAT MUST BE MET AS WE RE-ORDER OUR PRIORITIES AND STRAIGHTEN OUT THE NATION'S COURSE.

I BELIEVE THE CRISIS IN THE AMERICAN MARITIME INDUSTRY HAS BECOME SO SERIOUS THAT A SPECIAL 15-MEMBER ADVISORY COMMISSION SHOULD BE ESTABLISHED TO STUDY OUR MARITIME PROBLEMS AND REPORT BACK TO THE CONGRESS WITH RECOMMENDATIONS FOR REMEDIAL ACTION.

WE MUST ACT TO LIFT THE AMERICAN MERCHANT MARINE OUT OF THE DOLDRUMS. THE CONSEQUENCES OF CONTINUED INACTION ARE TOO GRAVE TO COUNTENANCE.

WE CAN AND MUST BUILD A MODERN MERCHANT MARINE. THIS IS ONE WAY TO MAKE AMERICANS PROUD OF THEIR COUNTRY AGAIN. THANK YOU.

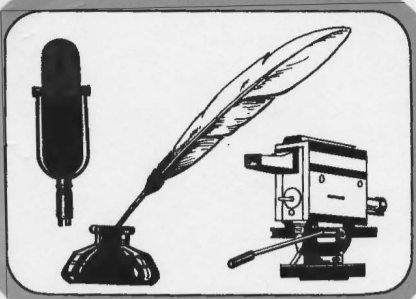
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6/19/68*

20 Copies Mr. Ford

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CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

**NEWS
RELEASE**

--FOR RELEASE IN WEDNESDAY PM'S--
June 19, 1968

A Speech by Rep. Gerald R. Ford, R-Mich., Minority Leader of the U.S. House of Representatives, at a Seminar sponsored by the AFL-CIO Maritime Trades Department, at 10 a.m. Wednesday, June 19, 1968, at the Statler-Hilton Hotel, Washington, D.C.

Having been piped aboard several of your programs now, I am beginning to feel like an old salt.

Actually, I can lay claim to being a sailor of sorts, because I did serve as a ship's officer on an aircraft carrier during World War II...and it wasn't exactly a short voyage.

But even if I had never seen the ocean I can tell you that I would be deeply concerned today about the state of our merchant marine.

You are familiar with all of the dire statistics about the sorry condition of the merchant marine. The resolutions your executive board unanimously adopted last February recited them--how the U.S. Flag active fleet has shrunk to 987 ships and that three out of five of these will have to be retired, sold foreign or scrapped within the next four years because of age.

You know too, as I do, that it is a dangerous gamble for the United States to depend on foreign flag ships and foreign crewmen to carry its military cargo.

Let us not today merely engage in a grim cataloguing of how dismally the United States now ranks as a maritime power after having once held its proud masts high. Let us look not only at where we are now but where we must go if the United States is to rebuild its merchant fleet and protect its vital interests on the waterways of the world.

Besides citing my World War II service to qualify myself as a seafarer, I would take just one other look backward before we move ahead.

Although those involved in maritime matters must be familiar with it, let us consider for just a moment a federal statute which has been on the books for a long time. It is the Merchant Marine Act of 1936, and I think a brief look at it tells us much today.

It tells us--as did your executive board by resolution last February--that the present Administration "has completely abdicated its responsibility" for pulling the merchant marine out of the sea of neglect into which it has been plunged.

(more)



Indirectly, the Merchant Marine Act of 1936 points up the fact that--as your executive board has stated--the present Administration is "derelict in promoting the American Merchant Marine and...not concerned with its future."

Here's what the Merchant Marine Act of 1936 provided--and I believe its stated purposes are fully valid today:

1. That the United States should have shipping adequate to maintain its normal flow of waterborne commerce "at all times."
2. That this shipping should be "capable of serving as a naval and military auxiliary in time of war."
3. That it should be owned as far as possible by American citizens and operated under the American Flag.
4. That it should be "composed of the best-equipped, safest, and most suitable types of vessels."

The New Deal frankly accepted the theory that a strong merchant marine was an essential part of the national defense. I subscribe 100 per cent to that theory myself--and I find it shocking that the present Administration has abandoned that policy.

The New Deal also created a Maritime Commission and handed it the responsibility of mapping a long-range program of replacements and additions to the American merchant marine. The commission did such a good job that when World War II broke out, total American tonnage was two-thirds as great as the British and far greater than any other.

The present Administration not only has completely abandoned the Merchant Marine Act of 1936; it has even sought to bury the Maritime Administration in the new Department of Transportation.

But the American Merchant Marine is not dead. As Mark Twain said of his own supposed demise, the reports of its death are vastly exaggerated.

I say this because your organization and congressional supporters of a vigorous merchant marine are determined to restore it to sound health.

I say it, too, because the vitality of even the much-abused American merchant marine now operating is pointed up by its contribution to our balance of payments.

A recent study made by Harbridge House, Inc., of Boston under sponsorship of the Committee of American Steamship Lines shows that the American Merchant Marine has contributed billions of dollars to our balance of payments in recent years.

(more)

This is true despite the fact that only 7 per cent of the tonnage of American products is carried in American ships.

Nobody can argue against the fact that the American Merchant Marine is a vital logistical lifeline in time of war.

Now this study points up the tremendous contribution made by the U.S.-Flag Merchant Marine to the economic well-being of America in terms of the international payments situation--a whopping \$7.3 billion between 1957 and 1966.

Our balance of payments is dangerously distorted. We all know that. But how many Americans know that it would have been 30 per cent worse had it not been for U.S. merchant ships?

Harbridge House tells us that if the business done by U.S.-Flag ships during the decade studied had gone to foreign shipping services it would have caused "severe economic repercussions" in this Nation.

Yet the Johnson-Humphrey Administration--supposedly deeply concerned about the perilously huge deficit in our balance of payments--appears to ignore the present and potential contribution of the American Merchant Marine to the salvage of our sinking payments balance.

Every new American merchant vessel that slides down the ways gives an immediate assist to the solution of our troublesome international payments problem. Let this important fact be sharply etched on the record.

Some Americans complain about the operating and construction subsidies poured into the American Merchant Marine. Yes, these subsidies have totalled nearly \$3 billion over the past 30 years.

But, the Harbridge House study tells us, for every dollar spent in subsidies, the U.S. received \$3 in return from its subsidized vessels.

Like the United States, the Soviet Union also has a balance of payments problem. But the U.S.S.R. is making a realistic attack on the problem with an all-out ship construction program. Russia's goal is to carry in her own ships all the merchandise she either buys or sells.

The Soviet objective is to carry 100 per cent of Russia's goods. We should set an objective of carrying at least 50 per cent of U.S. goods--a tremendous increase over the present level of 7 per cent which seems to satisfy the Johnson-Humphrey Administration.

American shipping lines and American shipyards could do the job, given the opportunity. But that kind of opportunity is lacking under the Administration's ground rules.

(more)

What we need is some positive thinking on the merchant marine problem. And by that I don't mean the kind of approach taken in the omnibus bill, H.R. 13940, now before the House Merchant Marine and Fisheries Committee.

This legislation is simply a cobbling-together of all the bills that have been introduced by majority committee members, tied together and tossed at the committee in a bundle without any consultation with the minority.

I do not feel that the problem of deterioration in our merchant marine will be solved through narrow partisanship. All must work together to lift the Merchant Marine out of the depths.

Personally I believe that nothing less than new national leadership will remedy the situation.

I say this because the present Administration has completely failed to set up a realistic set of national priorities. Had it done so, certainly the revitalization of our merchant marine would have been high on the list.

But you and I know that the Administration in the person of Transportation Secretary Boyd recently sought to torpedo the latest efforts by congressional supporters of a strong merchant marine to "rev up" our shipbuilding program.

Of course we're in a tight budgetary situation. The Federal Government, quite literally, is in a fiscal mess. And why?

In my view, it's because the present Administration sought to move in all directions at once without a sense of priority. It's because the present Administration triggered an inflationary spiral two years ago by refusing to practice any semblance of fiscal restraint.

The result has been huge federal deficits, a cheap dollar and, now, an inability to adequately fund worthwhile federal programs such as merchant ship construction.

I don't know at this point what may happen to the omnibus merchant marine bill in the House. At the moment I do not discern broad areas of general agreement. It has been the vehicle for hearings and that is all.

I am moved, however, to speak favorably of the proposal to extend tax-deferred construction reserve privileges to all members of the fleet. This would make it possible for them to put private capital aside for new ship construction. This would be a highly beneficial step. However, I understand the Administration is dead set against it.

I also find considerable merit in the move to assure independent operators a fair share of new ships to be constructed.

(more)

If it can be shown--and I am certain that proponents have the evidence--that the discrimination and unfair advantage complained of in connection with so-called double subsidy exists, then that situation should be remedied. As for longterm government charters for independent operators, there are questions that must be answered. But, again, there is good reason to believe that a case can be made for it.

We can talk about the desperate need for new merchant ships, but we all know that the fiscal situation brought about by the present Administration has created new obstacles for us who are truly dedicated to a modern and expanding American Merchant Marine.

Our new ships are the fastest and the best in the world, with revolutionary new features that cut costs and drastically reduce loading and unloading time.

We have 142 of these ships and 42 a-building. But nearly two-thirds of our merchant fleet is almost 25 years old and ought to be retired in the next five years.

The Eisenhower Administration implemented a forward-looking ship replacement program. The Johnson-Humphrey Administration has badly undercut it by indecision, red-tape and policies that would reduce American jobs and cripple American industry.

This country must have a modern merchant marine. This is a challenge that must be met as we re-order our priorities and straighten out the Nation's course.

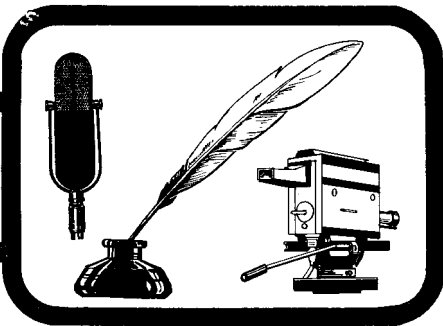
I believe the crisis in the American maritime industry has become so serious that a special 15-member Advisory Commission should be established to study our maritime problems and report back to the Congress with recommendations for remedial action.

We must act to lift the American Merchant Marine out of the doldrums. The consequences of continued inaction are too grave to countenance.

We can and must build a modern Merchant Marine. This is one way to make Americans proud of their country again. Thank you.

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Our balance of payments is dangerously distorted. We all know that. But how many Americans know that it would have been 30 per cent worse had it not been for U.S. merchant ships?

Harbridge House tells us that if the business done by U.S.-Flag ships during the decade studied had gone to foreign shipping services it would have caused "severe economic repercussions" in this Nation.

Yet the Johnson-Humphrey Administration--supposedly deeply concerned about the perilously huge deficit in our balance of payments--appears to ignore the present and potential contribution of the American Merchant Marine to the salvage of our sinking payments balance.

Every new American merchant vessel that slides down the ways gives an immediate assist to the solution of our troublesome international payments problem. Let this important fact be sharply etched on the record.

Some Americans complain about the operating and construction subsidies poured into the American Merchant Marine. Yes, these subsidies have totalled nearly \$3 billion over the past 30 years.

But, the Harbridge House study tells us, for every dollar spent in subsidies, the U.S. received \$3 in return from its subsidized vessels.

Like the United States, the Soviet Union also has a balance of payments problem. But the U.S.S.R. is making a realistic attack on the problem with an all-out ship construction program. Russia's goal is to carry in her own ships all the merchandise she either buys or sells.

The Soviet objective is to carry 100 per cent of Russia's goods. We should set an objective of carrying at least 50 per cent of U.S. goods--a tremendous increase over the present level of 7 per cent which seems to satisfy the Johnson-Humphrey Administration.

American shipping lines and American shipyards could do the job, given the opportunity. But that kind of opportunity is lacking under the Administration's ground rules.

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What we need is some positive thinking on the merchant marine problem. And by that I don't mean the kind of approach taken in the omnibus bill, H.R. 13940, now before the House Merchant Marine and Fisheries Committee.

This legislation is simply a cobbling-together of all the bills that have been introduced by majority committee members, tied together and tossed at the committee in a bundle without any consultation with the minority.

I do not feel that the problem of deterioration in our merchant marine will be solved through narrow partisanship. All must work together to lift the Merchant Marine out of the depths.

Personally I believe that nothing less than new national leadership will remedy the situation.

I say this because the present Administration has completely failed to set up a realistic set of national priorities. Had it done so, certainly the revitalization of our merchant marine would have been high on the list.

But you and I know that the Administration in the person of Transportation Secretary Boyd recently sought to torpedo the latest efforts by congressional supporters of a strong merchant marine to "rev up" our shipbuilding program.

Of course we're in a tight budgetary situation. The Federal Government, quite literally, is in a fiscal mess. And why?

In my view, it's because the present Administration sought to move in all directions at once without a sense of priority. It's because the present Administration triggered an inflationary spiral two years ago by refusing to practice any semblance of fiscal restraint.

The result has been huge federal deficits, a cheap dollar and, now, an inability to adequately fund worthwhile federal programs such as merchant ship construction.

I don't know at this point what may happen to the omnibus merchant marine bill in the House. At the moment I do not discern broad areas of general agreement. It has been the vehicle for hearings and that is all.

I am moved, however, to speak favorably of the proposal to extend tax-deferred construction reserve privileges to all members of the fleet. This would make it possible for them to put private capital aside for new ship construction. This would be a highly beneficial step. However, I understand the Administration is dead set against it.

I also find considerable merit in the move to assure independent operators a fair share of new ships to be constructed.

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If it can be shown--and I am certain that proponents have the evidence--that the discrimination and unfair advantage complained of in connection with so-called double subsidy exists, then that situation should be remedied. As for longterm government charters for independent operators, there are questions that must be answered. But, again, there is good reason to believe that a case can be made for it.

We can talk about the desperate need for new merchant ships, but we all know that the fiscal situation brought about by the present Administration has created new obstacles for us who are truly dedicated to a modern and expanding American Merchant Marine.

Our new ships are the fastest and the best in the world, with revolutionary new features that cut costs and drastically reduce loading and unloading time.

We have 142 of these ships and 42 a-building. But nearly two-thirds of our merchant fleet is almost 25 years old and ought to be retired in the next five years.

The Eisenhower Administration implemented a forward-looking ship replacement program. The Johnson-Humphrey Administration has badly undercut it by indecision, red-tape and policies that would reduce American jobs and cripple American industry.

This country must have a modern merchant marine. This is a challenge that must be met as we re-order our priorities and straighten out the Nation's course.

I believe the crisis in the American maritime industry has become so serious that a special 15-member Advisory Commission should be established to study our maritime problems and report back to the Congress with recommendations for remedial action.

We must act to lift the American Merchant Marine out of the doldrums. The consequences of continued inaction are too grave to countenance.

We can and must build a modern Merchant Marine. This is one way to make Americans proud of their country again. Thank you.

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