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ANNUAL MEETING OF THE SHIPBUILDERS COUNCIL  
OF AMERICA, MADISON HOTEL, WASH, D.C.,  
12 NOON, MARCH 4, 1970.

*Mr. J. V. ...  
Pohle*

PERHAPS LONGER THAN MOST OF YOU  
IN THIS ROOM, I HAVE KNOWN YOUR PRESIDENT --  
ED HOOD. I REMEMBER HIM WHEN HE WAS JOHN  
MARSHALL BUTLER'S RIGHT HAND ON CAPITOL  
HILL, AND HAVE SINCE OBSERVED MANY OF HIS  
ACTIVITIES HERE IN WASHINGTON ON YOUR BEHALF.

THINKING OF HIM, I ALSO REMEMBER  
AN EVENT, SEVEN OR EIGHT YEARS AGO, IN  
WHICH I HAD A PART, WHICH VITALLY AFFECTED  
OUR NATION'S PRIVATE SHIPYARD INDUSTRY.  
AT THAT TIME, I WAS SERVING AS A MEMBER OF  
THE DEFENSE APPROPRIATIONS SUBCOMMITTEE OF  
THE HOUSE APPROPRIATIONS COMMITTEE, AND  
THE MATTER OF DISTRIBUTION OF NAVAL SHIP  
REPAIR <sup>Alteration & Conversion</sup> WORK BETWEEN NAVY YARDS AND PRIVATE  
YARDS CAME BEFORE US.

IF I RECALL CORRECTLY, THE NAVY YARDS WERE THEN RECEIVING 80 PER CENT OF THIS WORK, AND THERE WAS CONSIDERABLE FEELING AMONG MEMBERS OF THE SUBCOMMITTEE, AS WELL AS WITHIN YOUR INDUSTRY, THAT AN 80/20 PER CENT SPLIT WAS DISPROPORTIONATE. AFTER MUCH DEBATE, A 65/35 PER CENT RATIO WAS ENACTED BY THE CONGRESS, AND I AM TOLD THAT FORMULA HAS BEEN FOLLOWED VERY CLOSELY EVER SINCE.

*Jimmie  
Gunter*

THIS EPISODE CLEARLY ESTABLISHED THE ADVANTAGE OF LOWER COSTS IN COMMERCIAL SHIPYARDS -- AN ADVANTAGE WHICH HAS SUBSEQUENTLY BEEN TRANSLATED INTO ADDITIONAL REVENUES FOR YOUR INDUSTRY, NOT ONLY IN TERMS OF NAVAL SHIP REPAIR WORK BUT ALSO IN TERMS OF A MUCH GREATER VOLUME OF NEW NAVAL SHIP CONSTRUCTION.

THAT SINGLE EVENT, MORE THAN ANY OTHER UNTIL RECENTLY, DID MUCH TO

REESTABLISH A PEACETIME DIRECTION FOR OUR PRIVATE SHIPYARD INDUSTRY, AT A TIME WHEN A NEW DIRECTION WAS NEEDED. THIS FACT, I AM AFRAID, IS NOT GENERALLY APPRECIATED. BUT, I CAN TELL YOU, THE ADVOCATES OF NAVAL SHIPYARDS, EVEN TODAY, SHUDDER AT THE MENTION OF 65/35. *I remind you of this history to indicate*  
~~SO AS IT IS~~ I AM NO STRANGER TO YOUR INDUSTRY, ~~AND~~ YOU MIGHT SAY THAT WE GATHER HERE TODAY AS OLD FRIENDS.

I VERY MUCH APPRECIATE THIS OPPORTUNITY TO ADDRESS YOUR 1970 ANNUAL MEETING FOR IT SEEMS TO ME THAT YOUR INDUSTRY, YOUR WORKERS AND YOUR SUPPLIERS ARE ABOUT TO EXPERIENCE A NEW ERA OF ATTENTION AND ACTIVITY.

FOR TOO LONG, THERE HAS BEEN NO COHESIVE OR INTELLIGIBLE NATIONAL POLICY ON SHIPBUILDING. THERE HAS BEEN NO LONG-RANGE COMMITMENT ON THE PART OF THE NATIONAL

ADMINISTRATIONS. THERE HAS BEEN NO LEADERSHIP AT THE TOP.

IN THE RECENT PAST, ~~THE JOHNSON~~  
*few if any instances;*  
~~AND KENNEDY YEARS~~ COULD HARDLY BE CITED AS ILLUSTRATIONS OF NATIONAL LEADERSHIP IN THE DEVELOPMENT OF EFFECTIVE PROGRAMS TO PRODUCE THE SHIPS OUR COUNTRY SO URGENTLY NEEDS FOR COMMERCE AND NATIONAL DEFENSE. THE WATCHWORD OF THOSE TIMES SEEMED TO BE: LET SOMEONE ELSE HANDLE THIS LATER; MEANWHILE, CREATE THE ILLUSION THAT SOMETHING IS BEING DONE.

THE ACCRUAL EFFECTS OF SUCH A DECEPTIVE POLICY CAN BE MONUMENTAL, AND, IN THE CASE OF SHIPBUILDING, THE IMPACT HAS BEEN BOTH SHORT AND LONG RANGE. SHORT RANGE, THE EVIDENCES ARE NOT HARD TO FIND: OUR NAVAL AND MERCHANT FLEETS ARE LARGELY COMPOSED OF VESSELS 20 YEARS OF AGE OR OLDER AND REPLACEMENT PROGRAMS HAVE BEEN GROSSLY

INADEQUATE. ON A LONG-TERM BASIS, THE OMISSIONS OF THE PAST HAVE CREATED A MUCH LARGER PROBLEM FOR TODAY AND HAVE MULTIPLIED THE COST OF SOLUTION.

BY COMPARISON, IF WE LOOK AT JAPAN WE SEE A DRAMATIC EXAMPLE OF THE CONTINUOUS EMPLOYMENT OF A CLEAR DIRECTION IN SHIPBUILDING IN PURSUIT OF A FIRMLY STATED NATIONAL POLICY.

IN THE LATE 1940'S AND EARLY 1950'S, WE EXPORTED TO JAPAN A SHIPBUILDING TECHNOLOGY WHICH HAD BEEN DEVELOPED UNDER THE PRESSURES OF A WAR EMERGENCY OF STAGGERING PROPORTIONS. DURING WORLD WAR II, WE LEARNED HOW TO PRODUCE SHIPS IN QUANTITY THROUGH THE APPLICATION OF GOOD OLD AMERICAN INGENUITY. THE MERCHANT AND NAVAL SHIPS BUILT IN OUR SHIPYARDS, NOT ONLY FOR OUR OWN PURPOSES BUT FOR THOSE OF OUR ALLIES, WERE THE MEDIUM TO VICTORY.

BUT, FLUSHED WITH THE JOY OF VICTORY, WE WERE APPARENTLY NOT SMART ENOUGH OR VISIONARY ENOUGH TO APPLY THE BODY OF SHIPBUILDING TECHNOLOGY EVOLVED IN THOSE DIFFICULT YEARS UNDER DIFFICULT CIRCUMSTANCES TO OUR OWN PEACETIME PURSUITS. ON THE OTHER HAND, THE JAPANESE TOOK THE CONCEPTS WE DEVELOPED, AT GREAT COST TO OUR OWN TREASURY AND SUBSTANCE, AND "RAN WITH THE BALL."

A NATION VIRTUALLY ANNIHILATED IN 1945, ITS MANUFACTURING CENTERS LITERALLY DESTROYED, ITS MERCHANT MARINE RUINED, ITS SPIRIT SHATTERED, JAPAN HAS REESTABLISHED ITSELF IN THE 1960 DECADE AS ONE OF THE WORLD'S LEADING INDUSTRIAL POWERS. ITS SHIPYARDS TODAY PRODUCE HALF THE WORLD'S SHIPPING TONNAGE, NINETEEN TIMES AS MUCH ANNUALLY AS DO THE AMERICAN YARDS WHICH BUILT THE FLEET THAT ONCE DESTROYED THEM. TO REACH THIS PROMINENCE IN WORLD SHIPBUILDING,

JAPAN HAS PERFECTED AND EXPANDED TECHNIQUES WHICH WERE AMERICAN BORN AND BRED.

THIS POINT, TOO, I FEAR, IS LITTLE APPRECIATED.

MANY TIMES IN RECENT YEARS, I HAVE HEARD THE CHARGE MADE THAT AMERICAN YARDS SHOULD COPY THEIR JAPANESE COUNTERPARTS, WHEREAS, IN POINT OF ACTUAL FACT, IT IS THEY WHO HAVE COPIED OUR SHIPBUILDING KNOW-HOW AND MADE GOOD USE OF IT. HOW UNFORTUNATE IT IS THAT THERE HAVE BEEN -- AND STILL ARE -- THOSE, IN AND OUT OF GOVERNMENT, WHO HAVE EITHER NOT TAKEN THE TIME TO DISCERN THIS FACT OR WHO JUST PLAIN DON'T WANT TO RECOGNIZE ANYTHING GOOD ABOUT AMERICAN SHIPBUILDING. THESE MISGUIDED SOULS -- AND ALL OF US -- COULD LEARN MUCH FROM WHAT HAS TAKEN PLACE IN JAPAN.

HISTORICALLY, THERE HAS BEEN A CLOSE RELATIONSHIP BETWEEN THE JAPANESE



GOVERNMENT AND THE MARITIME INDUSTRY OF JAPAN. SINCE 1950, THERE HAS BEEN AN EVEN CLOSER RELATIONSHIP BETWEEN THE JAPANESE GOVERNMENT AND THE SHIPBUILDING INDUSTRY OF JAPAN. THIS HAS MEANT THAT THERE HAS BEEN WHAT SOME MIGHT CALL A "PATERNALISTIC" ATTITUDE ON THE PART OF THE GOVERNMENT TOWARD THE SHIPYARD INDUSTRY, AND, IN TURN, THE INDUSTRY HAS BEEN, AND IS, VERY RESPONSIVE TO THE VIEWS OF GOVERNMENT EVEN THOUGH THOSE VIEWS ARE OFTEN NOT EXPRESSED IN LAWS AND SANCTIONS.

IN CONSEQUENCE, THE INTEGRITY OF GOVERNMENT AND THE INITIATIVE OF PRIVATE INDUSTRY HAVE BEEN COMBINED TO ASSURE THAT SHIPBUILDING REMAINS A STRONG FACTOR IN THE NATIONAL ECONOMY AND TRADE BALANCE OF JAPAN. IN MATTERS RELATING TO WORLD SHIPPING, EVERY MOVE, EVERY ACTION OF THE JAPANESE GOVERNMENT IS POINTED TOWARD INCREASING

MARKET PENETRATION FOR JAPANESE SHIPYARDS. THERE HAS BEEN NO MEANINGLESS PALAVER, NO DELIBERATE PROCRASTINATION, NO TIME-CONSUMING CHARADES SUCH AS TOOK PLACE IN THIS COUNTRY DURING THE DECADE OF THE 1960'S. THERE IS A FIXED NATIONAL PURPOSE THAT JAPAN WILL TAKE A BACK-SEAT TO NO OTHER COUNTRY WHERE SHIPBUILDING IS CONCERNED.

JAPAN HAS LONG HELD TO THE POLICY THAT PROGRAMS TO EXPAND DOMESTIC SHIPPING RESOURCES AS WELL AS EXPORT OPPORTUNITIES SHOULD BE PURSUED FOR THE SPECIFIC PURPOSE OF PROMOTING DOMESTIC SHIPBUILDING AS A FUNCTION OF NATIONAL AFFLUENCE. THIS POLICY HAS BEEN FORMULATED AND EXECUTED WITH A HIGH DEGREE OF COOPERATION BETWEEN GOVERNMENT AND SHIPYARDS -- COOPERATION WHICH DOES NOT NOW EXIST ON THE SAME SCALE ANYWHERE ELSE IN THE WORLD. THE MARKETING OF SHIPBUILDING CAPABILITIES IS ACCOMPLISHED



WITH SUBSTANTIAL PROMOTION, ENCOURAGEMENT AND SUPPORT FROM THE JAPANESE GOVERNMENT. THAT SUPPORT, IT SHOULD BE NOTED, TAKES MANY FORMS -- DIRECT AND INDIRECT -- ALL POINTED TOWARD THE MARKETING, FINANCING AND COMPLETION OF SHIP CONSTRUCTION CONTRACTS IN JAPANESE SHIPYARDS.

THE UNITED STATES HAS A LONG WAY TO GO IN THIS DIRECTION. BUT, FORTUNATELY, A MEANINGFUL AND PROMISING BEGINNING HAS BEEN MADE BY PRESIDENT NIXON.

HE HAS PROPOSED THAT, IN THE NATIONAL INTEREST, OUR NAVAL FORCES SHOULD ALWAYS BE SECOND TO NONE.

HE HAS PROPOSED THAT, IN THE NATIONAL INTEREST, OUR MERCHANT MARINE SHOULD BE REHABILITATED AND CAPABLE OF CARRYING A SUBSTANTIAL PORTION OF OUR NATION'S TRADE AND COMMERCE.

TO ACCOMPLISH THESE OBJECTIVES,

A GREAT MANY NEW SHIPS MUST BE BUILT, AND HE HAS SAID THEY WILL BE BUILT IN AMERICAN SHIPYARDS BY AMERICAN WORKERS -- IN THE NATIONAL INTEREST.

I AM CERTAIN ED HOOD HAS REPORTED TO YOU ON THE DETAILS OF LEGISLATION TO IMPLEMENT PRESIDENT NIXON'S PROPOSALS, WHICH IS NOW BEFORE THE CONGRESS. I WILL THEREFORE NOT GO INTO THIS FACET OF THE CURRENT SITUATION ON CAPITOL HILL OTHER THAN TO SAY THAT THE LEGISLATION HAS CONSIDERABLE BI-PARTISAN SUPPORT AND A GOOD CHANCE OF BEING PASSED BY BOTH THE HOUSE OF REPRESENTATIVES AND THE SENATE IN THE VERY NEAR FUTURE. THE CONGRESS IN 1970 HAS AN OBLIGATION TO ACT BEFORE ADJOURNMENT.

ON THE HOUSE SIDE OF THE CAPITOL, CONGRESSMAN EDDIE GARMATZ, DEMOCRAT FROM MARYLAND, AND CONGRESSMAN BILL MAILLIARD, REPUBLICAN FROM CALIFORNIA, ARE ACTIVELY

SUPPORTING THE PRESIDENT'S PROGRAM AS RANKING MEMBERS OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES. WITHIN THE APPROPRIATIONS COMMITTEE, CONGRESSMAN JOHN ROONEY, DEMOCRAT FROM NEW YORK, AND CONGRESSMAN FRANK BOW, REPUBLICAN FROM OHIO, SHARE SIMILAR SENTIMENTS WITH RESPECT TO THE URGENCY OF IMPROVING OUR NATION'S MARITIME/SHIPBUILDING POSTURE.

ON THE SENATE SIDE, SENATOR WARREN MAGNUSON FROM WASHINGTON, AND SENATOR RUSSELL LONG FROM LOUISIANA, BOTH DEMOCRATS, ARE WORKING TOWARD THIS SAME GOAL ALONG WITH SENATOR NORRIS COTTON OF NEW HAMPSHIRE AND SENATOR JOHN TOWER OF TEXAS, BOTH REPUBLICANS.

THERE ARE MANY OTHERS, ON BOTH SIDES OF THE POLITICAL AISLE, AND I AM ENCOURAGED BY THE FAVORABLE REACTIONS OF VIRTUALLY ALL OF MY CONGRESSIONAL COLLEAGUES TO PRESIDENT NIXON'S PROPOSED MERCHANT

MARINE PROGRAM. I AM TOLD IT INCORPORATES COST-SAVING FEATURES WHICH YOU, THE SHIPYARDS, HAVE ADVOCATED FOR MANY YEARS. I ALSO UNDERSTAND THAT YOUR INDUSTRY HAS ACCEPTED SOME VERY HARD CHALLENGES IMPOSED BY THIS PROGRAM, AND IT IS REFRESHING TO KNOW THAT AMERICAN SHIPYARDS ARE WILLING TO STAND UP AND BE COUNTED.

*White House  
Admiral  
Stange  
Admiral*

I FULLY REALIZE THAT THE PROPOSED NIXON PROGRAM WILL NOT BECOME A REALITY OVERNIGHT -- OR IN A MATTER OF A FEW MONTHS. EVEN AFTER THE PENDING LEGISLATION IS ENACTED, THE NEEDED MONEY MUST BE FORTHCOMING FROM BOTH GOVERNMENT AND PRIVATE SOURCES. THE ARRANGEMENT OF SHIPYARD CONTRACTS AND THE ACTUAL CONSTRUCTION OF SHIPS WILL TAKE MORE TIME. BUT, IT IS IMPORTANT TO RECOGNIZE THAT, UNLIKE HIS PREDECESSORS, PRESIDENT NIXON IS PROVIDING THAT QUALITY OF TOP LEADERSHIP SO ESSENTIAL IF THE UNITED STATES

IS TO HAVE, ONCE AGAIN, A MERCHANT SHIPPING CAPABILITY COMMENSURATE WITH OUR STRATEGIC AND COMMERCIAL REQUIREMENTS.

I FURTHER REALIZE THAT THE DEVELOPMENT OF A U.S. SHIPBUILDING INDUSTRY EQUAL TO THAT OF JAPAN DEMANDS FAR MORE THAN UPGRADING OF SHIPYARDS, STANDARDIZATION OF BUILDING PRACTICES, INSTITUTION OF AUTOMATION AND OTHER CONDITIONS. IT REQUIRES A FIRM POLICY DETERMINATION THAT THE SHIPBUILDING INDUSTRY OF THE UNITED STATES WILL BE INTEGRATED WITH OTHER NATIONAL ENDEAVORS TO TAKE PROPER ADVANTAGE OF GEOGRAPHY, INGENUITY, TECHNOLOGY, MANPOWER, ORGANIZATION AND RESOURCES TO GUARANTEE THE WELL-BEING AND SECURITY OF ALL OF OUR PEOPLE. THAT IS THE THRUST OF PRESIDENT NIXON'S COMMITMENT. AND THAT IS ALSO THE THRUST OF MY COMMITMENT AS I TRANSMIT MY THOUGHTS TO YOU AT THIS, YOUR ANNUAL MEETING.

*Distribution: 20 copies Mr. Ford  
House Galleries*

*A Official Copy*

AN ADDRESS BY REP. GERALD R. FORD, R-MICH.  
REPUBLICAN LEADER, U.S. HOUSE OF REPRESENTATIVES  
AT THE ANNUAL MEETING OF THE SHIPBUILDERS COUNCIL OF AMERICA  
AT THE MADISON HOTEL, WASHINGTON, D.C.  
AT 12 NOON, MARCH 4, 1970

FOR RELEASE IN WEDNESDAY PM's

Perhaps longer than most of you in this room, I have known your President -- Ed Hood. I remember him when he was John Marshall Butler's right hand on Capitol Hill, and have since observed many of his activities here in Washington on your behalf.

Thinking of him, I also remember an event, seven or eight years ago, in which I had a part, which vitally affected our nation's private shipyard industry. At that time, I was serving as a member of the Defense Appropriations Subcommittee of the House Appropriations Committee, and the matter of distribution of naval ship repair work between Navy yards and private yards came before us.

If I recall correctly, the Navy yards were then receiving 80 per cent of this work, and there was considerable feeling among members of the Subcommittee, as well as within your industry, that an 80/20 per cent split was disproportionate. After much debate, a 65/35 per cent ratio was enacted by the Congress, and I am told that formula has been followed very closely ever since.

This episode clearly established the advantage of lower costs in commercial shipyards -- an advantage which has subsequently been translated into additional revenues for your industry, not only in terms of naval ship repair work but also in terms of a much greater volume of new naval ship construction.

That single event, more than any other until recently, did much to reestablish a peacetime direction for our private shipyard industry, at a time when a new direction was needed. This fact, I am afraid, is not generally appreciated. But, I can tell you, the advocates of naval shipyards, even today, shudder at the mention of 65/35.

So as it is I am no stranger to your industry, and you might say that we gather here today as old friends.

I very much appreciate this opportunity to address your 1970 Annual Meeting for it seems to me that your industry, your workers and your suppliers are about to experience a new era of attention and activity.

(more)





For too long, there has been no cohesive or intelligible national policy on shipbuilding. There has been no long-range commitment on the part of the national Administrations. There has been no leadership at the top.

In the recent past, the Johnson and Kennedy years could hardly be cited as illustrations of national leadership in the development of effective programs to produce the ships our country so urgently needs for commerce and national defense. The watchword of those times seemed to be: let someone else handle this later; meanwhile, create the illusion that something is being done.

The accrual effects of such a deceptive policy can be monumental, and, in the case of shipbuilding, the impact has been both short and long range. Short range, the evidences are not hard to find: Our naval and merchant fleets are largely composed of vessels 20 years of age or older and replacement programs have been grossly inadequate. On a long-term basis, the omissions of the past have created a much larger problem for today and have multiplied the cost of solution.

By comparison, if we look at Japan we see a dramatic example of the continuous employment of a clear direction in shipbuilding in pursuit of a firmly stated national policy.

In the late 1940's and early 1950's, we exported to Japan a shipbuilding technology which had been developed under the pressures of a war emergency of staggering proportions. During World War II, we learned how to produce ships in quantity through the application of good old American ingenuity. The merchant and naval ships built in our shipyards, not only for our own purposes but for those of our allies, were the medium to victory.

But, flushed with the joy of victory, we were apparently not smart enough or visionary enough to apply the body of shipbuilding technology evolved in those difficult years under difficult circumstances to our own peacetime pursuits. On the other hand, the Japanese took the concepts we developed, at great cost to our own treasury and substance, and "ran with the ball."

A nation virtually annihilated in 1945, its manufacturing centers literally destroyed, its merchant marine ruined, its spirit shattered, Japan has reestablished itself in the 1960 decade as one of the world's leading industrial powers. Its shipyards today produce half the world's shipping tonnage, nineteen times as much annually as do the American yards which built the fleet that once destroyed them. To reach this prominence in world shipbuilding, Japan has perfected and expanded techniques which were American born and bred.

This point, too, I fear, is little appreciated.

(more)

Many times in recent years, I have heard the charge made that American yards should copy their Japanese counterparts, whereas, in point of actual fact, it is they who have copied our shipbuilding know-how and made good use of it. How unfortunate it is that there have been -- and still are -- those, in and out of government, who have either not taken the time to discern this fact or who just plain don't want to recognize anything good about American shipbuilding. These misguided souls -- and all of us -- could learn much from what has taken place in Japan.


Historically, there has been a close relationship between the Japanese government and the maritime industry of Japan. Since 1950, there has been an even closer relationship between the Japanese government and the shipbuilding industry of Japan. This has meant that there has been what some might call a "paternalistic" attitude on the part of the government toward the shipyard industry, and, in turn, the industry has been, and is, very responsive to the views of government even though those views are often not expressed in laws and sanctions.

In consequence, the integrity of government and the initiative of private industry have been combined to assure that shipbuilding remains a strong factor in the national economy and trade balance of Japan. In matters relating to world shipping, every move, every action of the Japanese government is pointed toward increasing market penetration for Japanese shipyards. There has been no meaningless palaver, no deliberate procrastination, no time-consuming charades such as took place in this country during the decade of the 1960's. There is a fixed national purpose that Japan will take a back-seat to no other country where shipbuilding is concerned.

Japan has long held to the policy that programs to expand domestic shipping resources as well as export opportunities should be pursued for the specific purpose of promoting domestic shipbuilding as a function of national affluence. This policy has been formulated and executed with a high degree of cooperation between government and shipyards -- cooperation which does not now exist on the same scale anywhere else in the world. The marketing of shipbuilding capabilities is accomplished with substantial promotion, encouragement and support from the Japanese government. That support, it should be noted, takes many forms -- direct and indirect -- all pointed toward the marketing, financing and completion of ship construction contracts in Japanese shipyards.

The United States has a long way to go in this direction. But, fortunately, a meaningful and promising beginning has been made by President Nixon.

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He has proposed that, in the national interest, our naval forces should always be second to none.

He has proposed that, in the national interest, our merchant marine should be rehabilitated and capable of carrying a substantial portion of our nation's trade and commerce.

To accomplish these objectives, a great many new ships must be built, and he has said they will be built in American shipyards by American workers -- in the national interest.

I am certain Ed Hood has reported to you on the details of legislation to implement President Nixon's proposals, which is now before the Congress. I will therefore not go into this facet of the current situation on Capitol Hill other than to say that the legislation has considerable bi-partisan support and a good chance of being passed by both the House of Representatives and the Senate in the very near future. The Congress in 1970 has an obligation to act before adjournment.

On the House side of the Capitol, Congressman Eddie Garmatz, Democrat from Maryland, and Congressman Bill Mailliard, Republican from California, are actively supporting the President's program as ranking members of the Committee on Merchant Marine and Fisheries. Within the Appropriations Committee, Congressman John Rooney, Democrat from New York, and Congressman Frank Bow, Republican from Ohio, share similar sentiments with respect to the urgency of improving our nation's maritime/shipbuilding posture.

On the Senate side, Senator Warren Magnuson from Washington, and Senator Russell Long from Louisiana, both Democrats, are working toward this same goal along with Senator Norris Cotton of New Hampshire and Senator John Tower of Texas, both Republicans.

There are many others, on both sides of the political aisle, and I am encouraged by the favorable reactions of virtually all of my Congressional colleagues to President Nixon's proposed merchant marine program. I am told it incorporates cost-saving features which you, the shipyards, have advocated for many years. I also understand that your industry has accepted some very hard challenges imposed by this program, and it is refreshing to know that American shipyards are willing to stand up and be counted.

I fully realize that the proposed Nixon program will not become a reality overnight -- or in a matter of a few months. Even after the pending legislation is enacted, the needed money must be forthcoming from both government and private sources. The arrangement of shipyard contracts and the actual construction of ships

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will take more time. But, it is important to recognize that, unlike his predecessors, President Nixon is providing that quality of top leadership so essential if the United States is to have, once again, a merchant shipping capability commensurate with our strategic and commercial requirements.

I further realize that the development of a U.S. shipbuilding industry equal to that of Japan demands far more than upgrading of shipyards, standardization of building practices, institution of automation and other conditions. It requires a firm policy determination that the shipbuilding industry of the United States will be integrated with other national endeavors to take proper advantage of geography, ingenuity, technology, manpower, organization and resources to guarantee the well-being and security of all of our people. That is the thrust of President Nixon's commitment. And that is also the thrust of my commitment as I transmit my thoughts to you at this, your annual meeting.

# # #

*Distribution: 20 copies Mr. Ford  
House Galleries 4:40 p.m. 3/3/70*

*M Office Copy*

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He has proposed that, in the national interest, our merchant marine should be rehabilitated and capable of carrying a substantial portion of our nation's trade and commerce.

To accomplish these objectives, a great many new ships must be built, and he has said they will be built in American shipyards by American workers -- in the national interest.

I am certain Ed Hood has reported to you on the details of legislation to implement President Nixon's proposals, which is now before the Congress. I will therefore not go into this facet of the current situation on Capitol Hill other than to say that the legislation has considerable bi-partisan support and a good chance of being passed by both the House of Representatives and the Senate in the very near future. The Congress in 1970 has an obligation to act before adjournment.

On the House side of the Capitol, Congressman Eddie Garmatz, Democrat from Maryland, and Congressman Bill Mailliard, Republican from California, are actively supporting the President's program as ranking members of the Committee on Merchant Marine and Fisheries. Within the Appropriations Committee, Congressman John Rooney, Democrat from New York, and Congressman Frank Bow, Republican from Ohio, share similar sentiments with respect to the urgency of improving our nation's maritime/shipbuilding posture.

On the Senate side, Senator Warren Magnuson from Washington, and Senator Russell Long from Louisiana, both Democrats, are working toward this same goal along with Senator Norris Cotton of New Hampshire and Senator John Tower of Texas, both Republicans.

There are many others, on both sides of the political aisle, and I am encouraged by the favorable reactions of virtually all of my Congressional colleagues to President Nixon's proposed merchant marine program. I am told it incorporates cost-saving features which you, the shipyards, have advocated for many years. I also understand that your industry has accepted some very hard challenges imposed by this program, and it is refreshing to know that American shipyards are willing to stand up and be counted.

I fully realize that the proposed Nixon program will not become a reality overnight -- or in a matter of a few months. Even after the pending legislation is enacted, the needed money must be forthcoming from both government and private sources. The arrangement of shipyard contracts and the actual construction of ships

(more)



will take more time. But, it is important to recognize that, unlike his predecessors, President Nixon is providing that quality of top leadership so essential if the United States is to have, once again, a merchant shipping capability commensurate with our strategic and commercial requirements.

I further realize that the development of a U.S. shipbuilding industry equal to that of Japan demands far more than upgrading of shipyards, standardization of building practices, institution of automation and other conditions. It requires a firm policy determination that the shipbuilding industry of the United States will be integrated with other national endeavors to take proper advantage of geography, ingenuity, technology, manpower, organization and resources to guarantee the well-being and security of all of our people. That is the thrust of President Nixon's commitment. And that is also the thrust of my commitment as I transmit my thoughts to you at this, your annual meeting.

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