

THE FEDERAL PROMOTION OF
OCEAN SHIPPING

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This study examines merchant marine promotion as a technique of social action. It deals with the American promotional experience from the first World War to 1960. The first two chapters sketch out the reasons why the major powers in general, and the United States in particular, have seen fit to associate some level of independent maritime capability with the national interest; why, given this public interest, government intervention has been necessary; and finally, the variety of means by which these objectives have actually been sought.

The next four chapters provide a brief historical survey of American merchant marine policy against the backdrop of the economic and political constraints of the period. The object is to describe and analyze our promotional experience in order to pave the way later for an appraisal of the promotional process. Chapters VII and VIII explore the administrative problems which have been encountered in the implementation of our maritime objectives. Attention is also paid to the problems of integrating and coordinating maritime policy with the larger purposes of government.

In Chapter IX, a balance sheet is prepared to serve as a basis for determining whether or not a promotional process of this type is indeed a useful technique of social action. Finally, in Chapter X, an attempt is made to restate United States maritime objectives in terms of the tensions and demands of the present World position of the United States.

Specifically, the study concludes that:

1. The promotional process has indeed proved to be a workable -- though not entirely satisfactory compromise -- between private operation in a free market and nationalization. This limited success suggests that continued refinement and experimentation with such a technique is warranted.
2. There are few significant commercial justifications for an American-owned and-operated merchant marine. Such benefits as do exist can be accomplished equally well by American-controlled shipping under foreign flags.
3. The strategic justifications for an American-owned and-operated fleet remain valid, and are controlling. However, current strategic needs for sea lift capacity are quite different from those on which past maritime policies were based. Given the present improbability of an old fashioned war of attrition, the sea lift requirements of future conflicts are likely to be much less than before. Also, given the nature of our collective security arrangements, the need for independence in sea lift capability is much reduced. Prudence suggests, however, that until these collective security arrangements are further

consolidated there will remain a need for some independent sea lift capability. The United States should not try to maintain in service under direct American control its entire probable war-time requirement.

4. The radically altered international situation and the imperatives of collective security greatly diminish the strategic value of an expansible domestic shipbuilding industry, and require that present nationalistic policies be changed so as to permit off-shore ship procurement.

5. The United States should actively seek to reduce the size of the fleet within the framework of our security arrangements by negotiating firm assurances from our allies that they will cover our essential needs in time of emergency.

6. American shipping policy should seek to stimulate a greater specialization of effort among the members of the Western collective security system. Ultimately, it should seek to promote a reduction of nationalistic economic policies and a more rational localization of economic activity throughout the non-Communist World.

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