

Committee Report
MERCHANT MARINE

*To the Board of Directors of the
Chamber of Commerce of the United States:*

Federal Expenditures

There is no branch of the government's activities during the past decade in which more of the taxpayer's money has been expended with less promise of a final solution in harmony with the declared national objectives than in the merchant marine. It is recognized that the bulk of this outlay was for war purposes, but a large part of the waste involved was due to the inadequacy of our merchant marine at the outbreak of the war and the absence of a well developed shipbuilding industry engaged in the construction of ships for the overseas trades.

Referendum 9
1915

In 1915, after a thorough consideration of the shipping situation resulting from the war, the Chamber went on record in opposition to the government's entry into the field of construction and operation of merchant vessels and in favor of measures which would enable private capital to develop our shipping and shipbuilding industry promptly, both to meet the acute needs of the time and to assure a permanent and successful merchant marine.

Referendum 29
1919
Resolutions,
1920, 1922

After more than three years of government operation in the shipping industry, under a policy adopted before our entry into the World War and necessarily continued during our participation in the war, the Chamber recommended prompt liquidation of the government ownership and operation of vessels, with adequate measures to put the merchant marine on a permanent and successful basis in private hands. The preamble to the Merchant Marine Act declared a national policy in close accord with these principles, but the Act itself did not include the measures necessary to the realization of the national purposes.

Proposals of 1922

The Shipping Board and the Administration, in 1922, recognizing the incompleteness of the national legislation, put forward measures intended to remedy the situation, but due largely, in your Committee's opinion, to defects in the measures proposed, the additional legislation failed of adoption. As a result practically no progress has been made toward putting American shipping under the American flag on a permanent commercial basis in the competitive overseas trades. The existing American shipping in these services has been and is now in the main being operated under government appropriations at the cost of a heavy burden to the taxpayer.

Government Participation
in Industry

It is unnecessary to reiterate the inherent disadvantages of government participation in industry. It is sufficient to point out that the reasons against it apply with special force to the shipping in-

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