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This is just another example of the crisis in our merchant marine created by the shortsighted, careless, nonthinking administration of Johnson-McNamara-Boyd and company.

Here follows the article from the Houston Post:

ARE THERE ENOUGH ADEQUATE RESERVE FLEET SHIPS FOR VIETNAM SEALIFT?—BEAUMONT HAS A HUGE FLEET OF MOTHBALLED FREIGHTERS BUT ONLY THREE ARE VICTORIES

(By Al Prince)

Opposing views exist in Washington and elsewhere on whether the United States is nearing a critical shortage of reserve fleet ships available for the Vietnam sealift.

The Defense Department says there are enough ships left in the reserve fleet to handle the sealift operation. However, people outside the Defense Department say the reserve fleet is running out of available ships.

Washington officials indicated there are some 400 ships of all types from various sources being used to carry supplies to troops in Vietnam. Of those, 160 ships—mostly World War II Victory cargo ships—the reserve fleet ships that have been broken out of mothballs since December, 1964.

The Maritime Administration in Washington told the Houston Post that the reserve fleet has dwindled to only 28 Victory cargo ships of the type that have already been reactivated.

There are 22 other Victory cargo ships of a different type in mothballs, but their potential for the Vietnam sealift is uncertain, a Maritime Administration spokesman said.

The entire reserve fleet of more than 650 ships of all types not destined for scrap includes some 156 Victory ships—dry cargo and troop carriers—that "could" be reactivated for the sealift, the spokesman said.

"I wouldn't say all of these would necessarily be available. Naturally they took out the ones in best shape first," the spokesman said.

The reserve fleet also has 56 non-Victory cargo ships, ranging from small CIA's to large C3's.

"I'm not saying all of these are in the best condition," the spokesman said.

The reserve fleet also has 585 World War II Liberty ships in mothballs, although 387 Liberties are scheduled for scrap, the Maritime Administration said.

"Nobody officially talks about using the Liberties," the spokesman said. Their use is possible, he said.

However, he added, "If you get to that point you're in something major."

A larger U.S. troop commitment in Vietnam seems inevitable as the war of attrition wears on. There are 460,000 U.S. troops already in Vietnam, plus 54,000 from Allied countries.

The current ceiling of 480,000 U.S. forces is expected to be reached in three months. President Johnson has recently given a tentative promise for 100,000 more American troops for Vietnam within two and a half years.

More troops mean more supplies.

Yet, the Department of Defense told the Post that an increase in American troops in Vietnam in the near future would "not necessarily" require taking more ships out of mothballs.

Even if more ships were needed, there are still enough vessels in the reserve fleet to handle an increased sealift operation, the Department of Defense said.

However, there are persons outside the Department of Defense who have a different idea about the reserve fleet's potential for providing many more ships for the sealift.

Capt. Garth Read, chief of the Merchant Vessel Division at the Coast Guard's Washington Headquarters, said of the reserve fleet's potential:

"We don't have any more ships. We're near the bitter end."

Another person with a similar opinion is Capt. E. B. Hendrix, marine division manager for Lykes Brothers Steamship Co., Inc., the second largest subsidized U.S.-flag line.

"There's not a lot left in the way of ships to bring out," he said.

A spokesman for the Military Sea Transportation Service (MSTS) in Washington said of the reserve fleet's potential:

"We have enough to handle the present situation if it doesn't escalate too much."

MSTS has the job of deciding how many ships will be needed to carry supplies to Vietnam, based on the Department of Defense's troop needs. The Maritime Administration then determines where the ships will come from.

The majority of the reserve fleet vessels are either Victory or Liberty ships. Both types are of World War II vintage, giving them an age of 20 or more years. The average life span of a ship is 25 years.

Since the Victory ships were built near the end of World War II, they generally had been used less when they were put in mothballs. The slower Liberty ships generally saw far more service before they joined the "bone pile."

The MSTS spokesman was asked the length of service left for the ships that already have been brought out of the reserve fleet.

"That's anybody's guess. They're getting old now. If something wears out, there's a scramble to get new parts," he said.

The Defense Department said there were no immediate plans for adding any more ships to the Vietnam sealift. The sealift's capabilities have greatly improved in the last year, several Washington sources said.

Improved port facilities and handling procedures in Vietnam and a recent appearance of container ships in the sealift have eliminated a lot of delays in the sealift operation, the sources said.

The total number of ships operating in the Vietnam sealift appears to be somewhat of an elusive figure to obtain. A conservative estimate would put the figure at more than 400 ships.

There are 166 or 165 GAA ships in the sealift, depending on whether the Maritime Administration or MSTS is giving out the figure.

GAA stands for General Agency Agreement. These are government-owned ships that have been assigned to various U.S. shipping lines for operation to Vietnam.

Of the 166 or 165 GAA ships, 160 have been taken out of the reserve fleet.

In 1965, 59 GAA ships were added to the two put in operation to Vietnam in December, 1964. Another 88 GAA ships went into operation in 1966, and 17 have been added so far this year. That is a total of 166 since 1964.

MSTS has a nuclear fleet of 165 ships in operation today throughout the world. Ninety-one are cargo ships, which the MSTS spokesman said probably half—about 45—"get to Vietnam at one time or another."

Then there are 167 time-charter ships in operation to Vietnam. These are ships owned by subsidized and unsubsidized U.S. shipping lines that are chartered by the government for specified lengths of time.

The 160 ships being used in the sealift from the reserve fleet is small when compared with previous reactivations. During the Korean war, more than 500 ships were taken out of mothballs, the Maritime Administration spokesman said.

The cost of reactivating a Victory ship that has been in mothballs is about \$500,000 today, the Maritime Administration spokesman said.

Some sources indicated that reactivating a Liberty ship could cost more, depending on its prior use and how well it has been preserved in mothballs.

Most of the Liberty ships that have been preserved fairly well while laid up would be suitable only for carrying cargo that does not

have to get anywhere in a hurry, the spokesman said.

The average speed of a Liberty ship is 10 knots, compared to an average 15 knots for Victory ships.

The reserve fleet in Beaumont has 131 ships in mothballs, the Maritime Administration spokesman said. Three of the ships are Victory cargo ships. The rest are mostly Liberty ships, he said.

What happens if the supply of adequate reserve fleet ships is depleted some time in the future?

An increase in the number of time-charters would probably be the initial step, one source said. If the situation got real tight, the Maritime Administration, at the request of the Defense Department, could requisition all U.S.-flag commercial ships for the Vietnam sealift, the source said.

That wouldn't take a national emergency, he said, because "we're in a national emergency now. This is what we're operating under now."

Ullman Resolution To Set a National Housing Goal and Establish Stability in Homebuilding

EXTENSION OF REMARKS

OF

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1967

Mr. ULLMAN. Mr. Speaker, on Tuesday, I joined my able colleague the gentleman from New York [Mr. OTTINGER] in introducing a resolution (H.J. Res. 762) to establish a national housing goal. The resolution directs the President to discuss in his annual Economic Report the minimum number of new starts required for stability in the homebuilding industry and the economic conditions required to meet this objective.

A close interrelationship exists between Government monetary and fiscal planning, the credit markets, the housing industry, and the general economic health of the Nation. To illustrate this relationship, let me trace briefly the tight money crisis of 1966 and its impact on the general economy.

TIGHT MONEY AND ITS EFFECTS

Last year, inaction and indecision by both the Federal Reserve Board and the administration permitted the money markets to reach the brink of a financial panic. The Federal Reserve Board shut off the money supply at the same time that money demands from the corporate economy reached an alltime high. Treasury borrowings were also high. In September, the President finally moved to restore a semblance of balance by adopting many of the ingredients of a monetary-fiscal mix which I and others in the Congress had recommended some months earlier. By suspending the investment credit, postponing some Federal spending, and coordinating Government borrowing, the administration and the Congress stopped further deterioration of the economic situation.

By then, the mortgage market had dried up, and the housing and lumber industries were taking the punishment for our economic excesses.