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Section 1.

SHIPPING AND SHIPBUILDING SUBSIDIES

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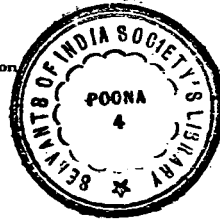
Trade Promotion Series—No. 129

SHIPPING AND SHIPBUILDING SUBSIDIES

A Study of State Aid
to the Shipping and Shipbuilding Industries
in Various Countries of the World

By

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FOREWORD

The first comprehensive report on the subject of Government aid to merchant shipping published by the Bureau of Foreign and Domestic Commerce was Special Agents Series No. 119, which appeared May 1, 1916. That report, by Commercial Agent Grosvenor M. Jones (now chief of the finance and investment division of the bureau), emphasized the ship-construction and navigation subsidy systems of various countries which were operative from about 1880 to 1914. The postal-contract system was considered from about 1860, with mention of earlier contracts. Certain indirect aids to the shipping and shipbuilding industries also were discussed.

On August 1, 1923, the bureau issued a revised report on the subject, by the same author and under the same title and serial number as the 1916 report. The 1923 edition dealt particularly with the effects of the World War on shipping, special emphasis being given to assumption of control of shipping by governments during the war period.

The present study is a restatement of the subject, with important additions. These latter include an analysis of subsidy programs of the principal maritime nations of the world as established for periods of 10 to 25 years by laws enacted between 1923 and 1930; a detailed account of subsidies from the beginning of steam navigation, and of government ownership and operation of steam shipping during a 30-year experimental period from about 1830 to 1860; a statement of economic and political forces which influenced national protection of the shipping and shipbuilding industries of maritime countries; and, finally, a review of coasting-trade restrictions as of 1930, and a statement of maritime-credit provisions recently adopted.

This third report is issued in response to an increasing demand for official information on the subject created by postwar shipping legislation in the United States, particularly the public interest aroused by the merchant marine act of 1928. It has been prepared in the transportation division by Jesse E. Saugstad, special agent, under the supervision of A. Lane Cricher, chief of that division.

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SEPTEMBER, 1931.