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POLITICS | NATIONAL SECURITY

Fear That China Rules the Waves Jolts U.S. to Pursue Maritime Revival

Collapse of U.S. commercial shipping and shipbuilding poses national-security risk, says growing chorus in Washington



China is the dominant force in both shipping and shipbuilding. PHOTO: AGENCE FRANCE-PRESSE/GETTY IMAGES

By *Daniel Michaels* [Follow](#)

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Rising tensions with China are prompting Washington to revisit America's roots as a trading nation of the seas.

Protecting merchant sailors and their cargo was what compelled Congress to commission the U.S. Navy's first new warships. That was in 1794, targeting North African Barbary pirates. The young republic's seaborne traders, a linchpin of economic growth, were vital to national security.

The Navy became a mighty global fighting force. America's commercial cargo fleet has withered almost to nonexistence.

Now politicians are once again linking national security to a vibrant maritime sector—nonmilitary aspects of the seas—and the benefits it brings to everything from shipbuilding to logistics chains. Washington is seeking ways to reverse its collapse by tapping examples from other industries, encouraging links with shipbuilding allies and plumbing the writings of America's greatest sea strategist.



The Philly Shipyard, a rare U.S. producer of commercial ships, recently passed into South Korean ownership. PHOTO: HEATHER KHALIFA/BLOOMBERG NEWS

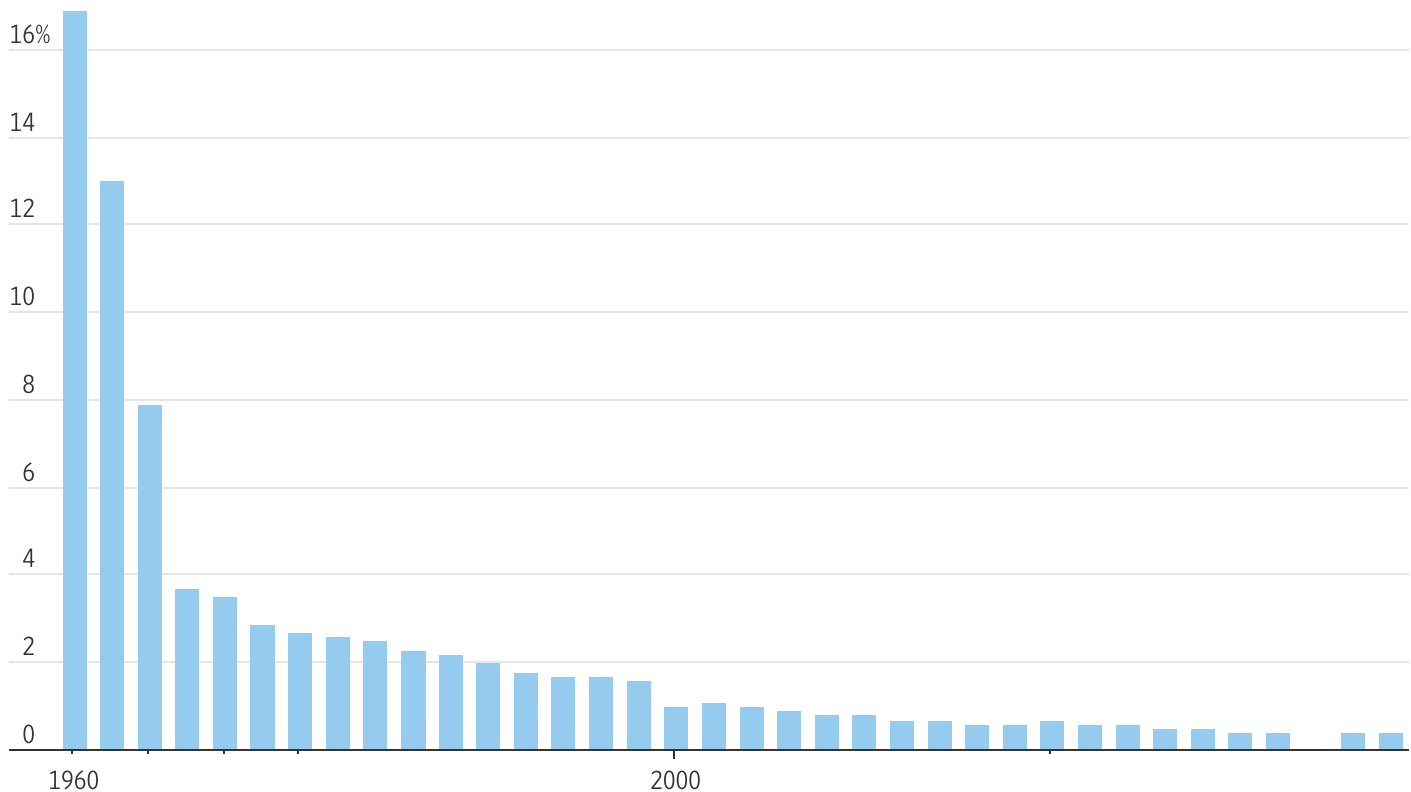
No nation has ever successfully ranked as a world naval power without also being a global maritime power. Countries that tried but failed to project seaborne might without robust commercial sea networks include the Soviet Union, Nazi Germany and Spain before the Spanish-American War.

Not long ago, America led the world in sea freight. At the end of World War II, the U.S. commercial marine fleet accounted for about half of the world's cargo-shipping capacity. An American entrepreneur in the 1950s pioneered the shipping container, which revolutionized international commerce.

The Navy today expends vast resources from the Red Sea to the South China Sea defending the freedom of navigation, but few ships being protected fly the American flag.

U.S. commercial ships today account for less than 1% of the world fleet. U.S. ports are racked by strikes and battles over the type of automation that has supercharged expansion of container terminals across the globe. The Navy struggles to find commercial vessels to support its far-flung operations.

U.S. commercial cargo share of world fleet



Note: Data before 1990 are shown in five-year increments. Figures were not published for 2017.

Source: Bureau of Transportation Statistics

China, meanwhile, dominates both shipping and shipbuilding. Beijing heavily subsidizes its maritime sector, in turn boosting the efficiency of its breakneck naval shipbuilding campaign. President-elect Donald Trump recently expressed a desire to regain control of the Panama Canal, pointing to China—a top user of the waterway—as part of his thinking.

U.S. private shippers succumbed to economic forces of globalization after the Cold War, when government support shrank. Now calls are increasing for Washington to help resurrect U.S. commercial shipbuilding and freight hauling.

Secretary of the Navy Carlos Del Toro has advocated a focus on “maritime statecraft,” stressing commercial shipping’s importance to the Navy in tasks including refueling ships and carrying vital military supplies. He has pushed to support American shipyards that build not just warships but also commercial vessels.

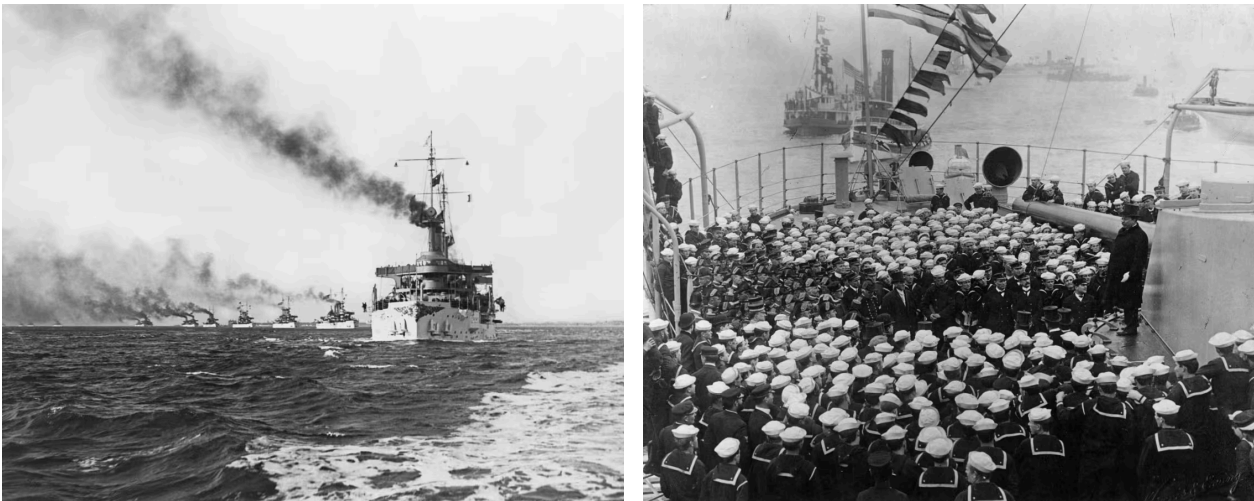
And he has championed expanding the U.S. Merchant Marine, a corps of commercial sailors who can assist the Navy in wartime and whose ranks have plunged over recent decades. Government and industry officials estimate the U.S. now has fewer than 10,000 merchant mariners, compared with roughly 50,000 in 1960.

“I’m not foolish enough to think it’s going to be easy,” said Del Toro in an interview aboard a Navy cargo ship. “But we’ve got to start somewhere.”

That start, Navy and industry officials hope, is a piece of legislation recently introduced by Sens. Mark Kelly (D., Ariz.) and Todd Young (R., Ind.) and two House members, the Shipbuilding and Harbor Infrastructure for Prosperity and Security for America Act. If passed, it would be the first major piece of maritime legislation since 1936.

The SHIPS Act, as it is known, aims to revitalize shipbuilding and shipping over more than a decade while rebuilding the merchant marine. It calls for resources and White House-level involvement comparable to policies on energy, semiconductors and aviation. Del Toro, whose term ends with the Biden administration, and his advisers helped shape the legislation. Dozens of other government offices and trade groups also weighed in.

Trump’s choice for Navy secretary, John Phelan, a newcomer to naval issues, hasn’t commented on the bill.



The USS Connecticut set off from Virginia in 1907 and returned in 1909 as part of the Great White Fleet that traveled the world to showcase American naval might.

BETTMANN ARCHIVE, NAVAL HISTORY AND HERITAGE COMMAND

Kelly, a Navy veteran and the first graduate of the U.S. Merchant Marine Academy to serve in Congress, said he was motivated by what he sees as a dangerous imbalance: China has more than 5,500 oceangoing merchant vessels in international trade while the U.S. has 80.

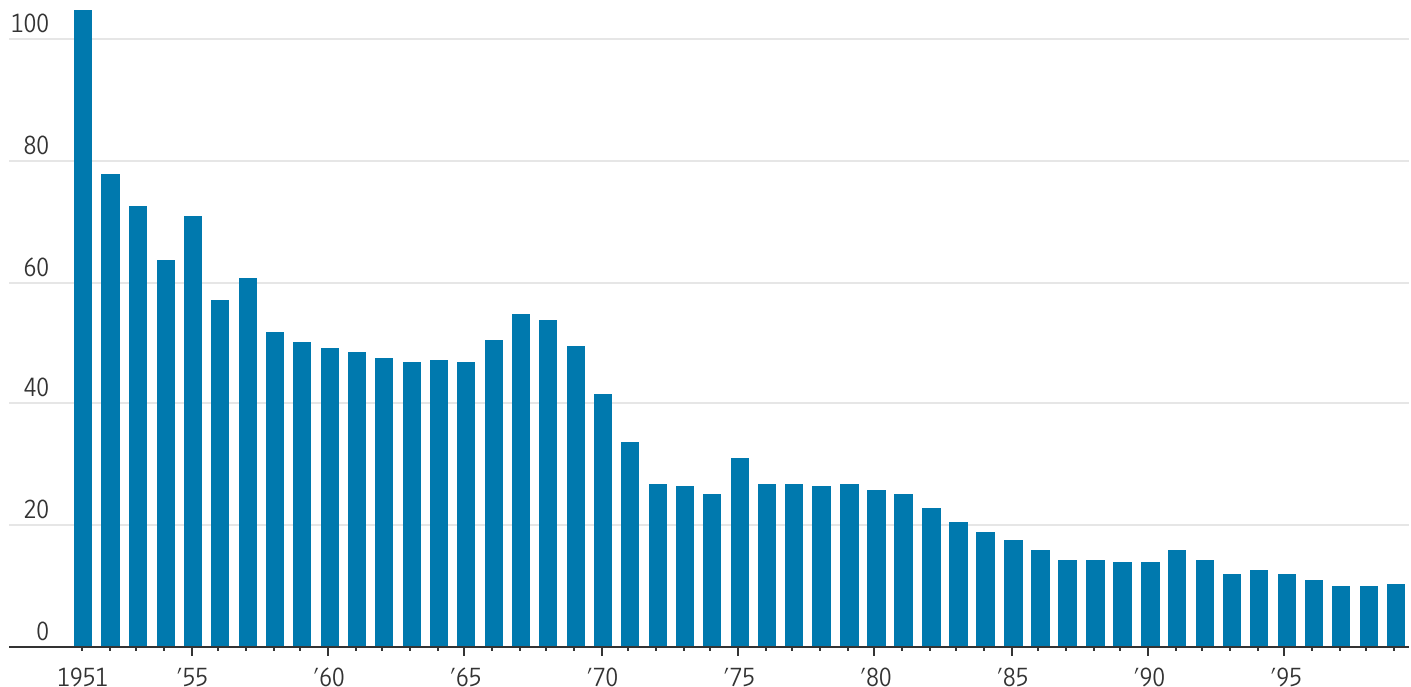
“It’s a major problem for us, especially if we wound up in a conflict or we wind up in a situation where China decides for whatever reason that they want to, you know, stop our economy and put brakes on it in a big way,” Kelly said in an interview. “They have the ability to do that.”

The bill's prospects in a fractious Congress are uncertain. Supporters say its sponsorship from both parties and both houses is a positive. A sign that it may win favor from the incoming Trump administration is that Kelly's early partner in drafting the bill was Rep. Mike Waltz (R., Fla.), whom Trump has nominated as his national security adviser.

Waltz, in a September discussion of maritime strategy alongside Kelly, said that China is expanding its navy on the back of massive investment in commercial shipbuilding. "So a shipyard that can produce one of the world's largest containerships can then pretty easily flip and produce an aircraft carrier, and do it at scale with the workforce, the steel, the aluminum, and the know-how that has been invested and paid for by their commercial shipbuilding industry," he said.

U.S. Merchant Marines' average employment*

120 thousand



*Private, government contract and Great Lakes.

Note: The U.S. Maritime Administration stopped publishing employment data in 2000.

Source: U.S. Maritime Administration

Since the Cold War, most official U.S. thinking about presence on the seas focused on warships and what military strategists call "force projection," or the ability to act militarily far from home. During the wars in Iraq and Afghanistan and smaller conflicts, Navy ships played a critical role.

China's rise as a military rival to the U.S. prompted a push to modernize and expand the Navy. In late 2020, at the end of Trump's first term, his administration called for a surge in Navy shipbuilding.

The Biden administration has followed its own plans toward similar objectives. Del Toro, while working to improve the Navy's fighting capacity, has encouraged South Korea and Japan to invest in the U.S. maritime sector. South Korean conglomerate Hanwha on Dec. 19 closed a \$100 million takeover of the Philly Shipyard, one of the country's last producers of commercial ships, from Norwegian investors.

Commercial shipping's importance to national security gained renewed attention during the Covid-19 pandemic, when the U.S. and allies faced shortages of necessities as basic as surgical masks. Alarm grew in Western capitals about China's domination of the sea-freight business, ports and obscure specialties such as tracking cargo data.

Navy Secretary Del Toro, in a 2023 speech at Harvard University's Kennedy School of Government, presented his vision of maritime statecraft, which he said should be based on more than a strong Navy and Marine Corps.



Secretary of the Navy Carlos Del Toro. PHOTO:
STEFANI REYNOLDS/AFP/GETTY IMAGES

“It should also be equally strong on engagement in areas of economic development, trade and climate diplomacy to enable us to compete more successfully on a global scale,” he said.

Del Toro cited the writings of Alfred Thayer Mahan, a naval strategist who died in 1914 and whose work is drawing fresh attention. Mahan “argued that naval power begets maritime commercial power, and control of maritime commerce begets greater naval power,” Del Toro said.

China's leadership, he said, “has read and studied Mahan's theory, and their actions show it.”

Mahan died just as the U.S. was becoming a great naval power. President Theodore Roosevelt in 1907 had sent 16 battleships, dubbed the Great White Fleet, on a two-year, round-the-world show of force.

America was then already a great maritime power. In the 1830s, East Coast shipwrights had developed clippers, speedy ships that let their users grab business by delivering cargo faster than rivals could.

To showcase U.S. shipbuilding prowess in 1851, the newly formed New York Yacht Club entered an English race attended by Queen Victoria, the Hundred Guinea Cup. The club's innovation-packed yacht, America, blew past competitors from the era's greatest naval power. The America's owners took their trophy home and renamed it the America's Cup.

Nearly a century later, during World War II, shipyards sprouted around the U.S. to make not just warships but also cargo carriers, known as Liberty Ships, designed to be built quickly. Rivalry among yards slashed production time from over seven months per ship to around six weeks.



Liberty Ships were among the vessels that Allied forces deliberately sank to create breakwaters to aid the D-Day landings. PHOTO: AGENCE FRANCE-PRESSE/GETTY IMAGES

At war's end, the U.S. had roughly 4,500 commercial cargo ships and 75,000 merchant mariners. Those numbers shrank as ships grew in size and efficiency while international competition increased. Decisions by the Reagan administration in the 1980s to end subsidies for shipping and shipbuilding, in part to focus shipyards on a Navy expansion, accelerated the domestic industry's decline.

Today the U.S. is the world's leading exporter of liquefied natural gas, but doesn't have a single LNG ship in its fleet, notes Carleen Lyden Walker, who leads a maritime trade group and this year helped draft a plan to support the sector, titled Zero Point Four, referring to the percentage of the world fleet of oceangoing cargo ships in U.S. hands.

"Our nation suffers from sea blindness," said Lyden Walker, who works to promote high-paying but unfilled marine jobs. She said audiences she addresses have no idea that clothes, cellphones, fuel and fruit move by ship.

Advocates of maritime-industry support say quick action is vital because progress would be slow.

"One of the hardest things to do in this country is recreate a heavy industry," said James Watson, a retired U.S. Coast Guard rear admiral who works with Lyden Walker and sees renewed attention to the sector as past due.

"Not thinking of the maritime industry as an important part of your economy, that's kind of crazy," he said.

Write to Daniel Michaels at Dan.Michaels@wsj.com

Corrections & Amplifications

President Theodore Roosevelt in 1907 sent 16 battleships, dubbed the Great White Fleet, on a two-year, round-the-world show of force. An earlier version of this article incorrectly described the 16 vessels as destroyers. (Corrected on Dec. 29.)

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