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# RESTORING THE "KAIULANI"

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## HEARING BEFORE THE SUBCOMMITTEE ON MERCHANT MARINE AND FISHERIES OF THE COMMITTEE ON COMMERCE UNITED STATES SENATE NINETYETH CONGRESS

FIRST SESSION

### ON **S.J. Res. 101**

TO AUTHORIZE THE SECRETARY OF COMMERCE TO GUARANTEE CERTAIN LOANS MADE TO THE NATIONAL MARITIME HISTORICAL SOCIETY FOR THE PURPOSE OF RESTORING AND RETURNING TO THE UNITED STATES, THE "KAIULANI"

SEPTEMBER 28, 1967

Serial No. 90-40

Printed for the use of the Committee on Commerce



U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1967

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BEFORE THE

SUBCOMMITTEE ON

COMMITTEE ON COMMERCE

WARREN G. MAGNUSON, Washington, *Chairman*

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SUBCOMMITTEE ON MERCHANT MARINE AND FISHERIES

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## RESTORING THE "KAIULANI"

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THURSDAY, SEPTEMBER 28, 1967

U.S. SENATE,  
COMMITTEE ON COMMERCE,  
SUBCOMMITTEE ON MERCHANT MARINE AND FISHERIES,  
Washington, D.C.

The subcommittee met at 10:15 a.m. in room 5110, New Senate Office Building, Hon. E. L. Bartlett, chairman of the subcommittee, presiding.

### OPENING STATEMENT BY THE CHAIRMAN

Senator BARTLETT. The subcommittee will be in order.

We open hearings this morning on Senate Joint Resolution 101, a resolution which I introduced August 4, 1967, and in which I was joined by Senators Fong and Muskie as cosponsors. Yesterday I received unanimous consent that at the next printing of the resolution it will show three rather important additional cosponsors: Chairman Magnuson, Senator Hartke, and Senator Cotton.

The purpose of Senate Joint Resolution 101 is to amend title XI of the Merchant Marine Act of 1936 to authorize the Secretary of Commerce to guarantee certain loans made to the National Maritime Historical Society for the purpose of restoring and returning to the United States the last surviving American square-rigged merchant ship, the *Kaiulani*.

Interest in the restoration and return of the *Kaiulani* to the United States has been widespread. My office alone has received 30 to 40 telegrams and letters supporting this resolution. There will be placed in the record at this point a copy of the bill and several agency comments. (The material referred to follows:)

[S.J. Res. 101, 90th Cong., first sess.]

### JOINT RESOLUTION

Amending title XI of the Merchant Marine Act, 1936, to authorize the Secretary of Commerce to guarantee certain loans made to the National Maritime Historical Society for the purpose of restoring and returning to the United States the last surviving American square-rigged merchant ship, the *Kaiulani*, and for other purposes.

Whereas the *Kaiulani*, the last surviving American-built, square-rigged merchant ship, was a gift of the people of the Philippines to the people of the United States; and

Whereas the President of the Philippines formally presented the gift to President Lyndon B. Johnson in a ceremony at the White House on October 5, 1964; and

Whereas the task of restoring the *Kaiulani* was assigned by President Johnson to the National Maritime Historical Society as trustee for the people of the United States; and

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Staff member assigned to this hearing: Dale Pocock.

Whereas the *Kaiulani* is presently being restored in the Philippines by the National Maritime Historical Society; and

Whereas, upon completion of restoration, the *Kaiulani* will be sailed to the United States and permanently berthed on the Washington Channel waterfront in the Nation's Capital as a nonprofit museum devoted to the maritime heritage of this great country; and

Whereas the restoration of the *Kaiulani* and its preparation for the return voyage to the United States is being unduly delayed because of the lack of funds for the completion of this project: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That title XI of the Merchant Marine Act, 1936, is amended by adding at the end thereof the following new section:

"SEC. 1112. (a) Notwithstanding any other provision of law, the Secretary of Commerce is hereby authorized to guarantee all or any part of the principal of and interest on any loan and/or mortgage made, within the three-year period beginning on the date of enactment of this section, to the National Maritime Historical Society of the District of Columbia for the purpose of restoring and returning to the United States the vessel *Kaiulani*, the last surviving American-built, square-rigged merchant ship presented as a gift to the people of the United States from the people of the Philippines.

"(b) Each guarantee issued under this section shall be made only with respect to loans which, in the opinion of the Secretary of Commerce, are economically sound and each such guarantee shall be subject to such reasonable terms and conditions as he may deem necessary to protect the interests of the United States, including an assignment of the owners' interest in the vessel.

"(c) The Secretary of Commerce is authorized to make commitments to guarantee a loan or part thereof under this section before the date of the execution of such loan or disbursement thereon.

"(d) The aggregate unpaid principal amount of guarantees issued under this section shall not exceed \$500,000.

"(e) The faith of the United States is solemnly pledged to the payment of interest on and the unpaid balance of the principal amount of each loan or part thereof guaranteed under this section.

"(f) The vessel *Kaiulani* shall, for the purposes of all maritime and customs laws be deemed to be a vessel in the service of a public authority which is not engaged in trade."

DEPARTMENT OF STATE,  
Washington, D.C., September 28, 1967.

HON. WARREN G. MAGNUSON,  
Chairman, Committee on Commerce,  
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to reply, on behalf of the Secretary, to your letter of September 19 asking the Department's comment on SJ Res. 101, which would amend Title XI of the Merchant Marine Act of 1936 for the purpose of restoring and returning to the US the *Kaiulani*, the last surviving American square-rigged merchant ship.

The Department of State strongly favors this legislation. Recognizing the *Kaiulani's* historical and sentimental importance to the United States, in 1964 President Diosdado Macapagal of the Philippines made a gift of the ship from the people of the Philippines to the people of the United States. The gift was accepted by President Johnson in White House ceremonies during President Macapagal's State Visit. In "returning the *Kaiulani* to her native land," President Macapagal expressed the hope the *Kaiulani* would serve not just as a reminder of the proud tradition of American seamen but as "a constant and unchanging symbol" of the "goodwill and friendship" between the Philippines and the United States. The incumbent President Marcos has expressed his deep interest in seeing this restoration project completed. In November last year Mrs. Johnson paid a visit to the *Kaiulani* when she and President Johnson visited Manila.

Filipinos have followed closely the progress in the restoration of the *Kaiulani* and the Philippine Navy, government officials and private citizens have rendered significant support to the project. Unfortunately the campaign to restore the *Kaiulani* by public donation has not been a complete success and funds which were collected have now all but been exhausted. Though some progress in restoration has been made, the *Kaiulani* rests today at the Philippine Cavite Naval Base

near Manila only temporarily protected from the elements. The present good condition of the ship's hull, still watertight, cannot be expected to endure for many months without resumption of the full restoration effort. It is clear the possible loss of the *Kaiulani*, beyond being a loss of great historical value, would be a disappointment, indeed possibly an affront, to the Philippines and especially those Filipinos including two Presidents, whose participation, along with that of President Johnson, have given this project the character of an expression of the goodwill and friendship between the two countries.

The Department therefore views SJ Res. 101 as a timely and appropriate measure to save and restore the *Kaiulani* and to thereby fulfill the ship's valuable role as an expression of continued good relations between the Philippines and the United States.

The Bureau of the Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

Sincerely yours,

WILLIAM B. MACOMBER, JR.,  
*Assistant Secretary for Congressional Relations.*

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THE GENERAL COUNSEL OF THE TREASURY,  
*Washington, D.C., October 6, 1967.*

HON. WARREN G. MAGNUSON,  
*Chairman, Committee on Commerce,  
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on S.J. Res. 101, "Amending title XI of the Merchant Marine Act, 1936, to authorize the Secretary of Commerce to guarantee certain loans made to the National Maritime Historical Society for the purpose of restoring and returning to the United States the last surviving American square-rigged merchant ship, the *Kaiulani*, and for other purposes."

The proposed legislation would amend title XI of the Merchant Marine Act, 1936, by adding a new section 1112 which would authorize the Secretary of Commerce to guarantee all or any part of the principal of and interest on any loan and/or mortgage made, within the three-year period beginning on the date of enactment, to the National Maritime Historical Society of the District of Columbia for the purpose of restoring and returning to the United States the vessel *Kaiulani*. Guarantees could be made only with respect to loans which, in the opinion of the Secretary, are economically sound, and would be subject to such reasonable terms and conditions as he may deem necessary to protect the interests of the United States. The aggregate unpaid principal amount of such guarantees would be limited to \$500,000. For purposes of all maritime and customs laws, the *Kaiulani* would be deemed to be a vessel in the service of a public authority which is not engaged in trade.

The Department has no independent knowledge of the need for the proposed loan guarantees. However, in view of the relatively small amount, and since the new section 1112 would not alter the operation of the basic ship mortgage insurance program conducted under title XI, the Department would enter no objection to the resolution.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the Administration's program to the submission of this report to your Committee.

Sincerely yours,

FRED B. SMITH, *General Counsel.*

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SMITHSONIAN INSTITUTION,  
*Washington, D.C., September 29, 1967.*

HON. WARREN G. MAGNUSON,  
*Chairman, Committee on Commerce,  
U.S. Senate, Washington, D.C.*

DEAR SENATOR MAGNUSON: Thank you for your request for the views of the Smithsonian Institution on S.J. Res. 101, "Amending title XI of the Merchant Marine Act, 1936, to authorize the Secretary of Commerce to guarantee certain loans made to the National Maritime Historical Society for the purpose of restoring and returning to the United States the last surviving American square-rigged merchant ship, the *Kaiulani*, and for other purposes."

This legislation would authorize the Secretary of Commerce to guarantee certain loans made to the National Maritime Historical Society for the purpose of restoring and returning to the United States the merchant ship *Kaialani*. This vessel, given to the people of the United States from the people of the Philippines, was formally presented to President Johnson in a White House ceremony in October 1964. The President assigned the task of restoring the *Kaialani* to the National Maritime Historical Society and it is currently being restored by the Society in the Philippines. Upon completion of restoration it will be returned to the United States and permanently berthed on the Washington Channel waterfront as a non-profit museum memorializing the Nation's maritime heritage.

This ship is an expression of our country's devotion and pioneering in the development of fast means of maritime transportation that ultimately led to the development of our modern posture in commercial shipping. The fact that the Republic of the Philippines saw fit to give this great gift to the American public is additional evidence of their respect for our earlier achievements in maritime transportation.

While we are not in a position of financial competence to judge the technical merits of the proposed financial arrangements in the legislation, we feel that it would be to the interest of the American people to have on exhibition such a specimen of an example of our early days in maritime interests.

The Bureau of the Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely yours,

S. DILLON RIPLEY, *Secretary.*

Senator BARTLETT. The first witness this morning is the Honorable James W. Gulick, Acting Maritime Administrator, who no doubt will be making a strongly affirmative statement. Mr. Gulick.

**STATEMENT OF HON. JAMES W. GULICK, ACTING MARITIME ADMINISTRATOR, MARITIME ADMINISTRATION, DEPARTMENT OF COMMERCE, ACCOMPANIED BY JOHN R. TANKARD, OFFICE OF THE GENERAL COUNSEL, MARITIME ADMINISTRATION**

Mr. GULICK. Thank you, Mr. Chairman. With your permission, I should like to be accompanied by Mr. John R. Tankard, who is Chief of our Division of Mortgage Insurance in the Office of the General Counsel.

Senator BARTLETT. He will certainly be allowed to participate.

Mr. GULICK. Thank you, sir. Mr. Chairman, I appreciate the opportunity to appear before this committee. The joint resolution would extend the authority of the Secretary of Commerce under title XI of the Merchant Marine Act, 1936, as amended, to permit the Secretary to issue a contract of insurance of loan under section 1104(b) of the act and a contract of insurance of mortgage under section 1104(a) of the act to insure any loans and/or mortgage made to the National Maritime Historical Society for the purpose of restoring the vessel *Kaialani* to its original state and returning it to the United States.

The loan and/or mortgage would be required to be made within 3 years of the date of enactment of the joint resolution and the issuance of insurance contracts by the Secretary would be contingent upon the Secretary's finding that in his opinion the loan and/or mortgage is economically sound. Insurance would be limited to an aggregate unpaid principal amount not to exceed \$500,000.

With the amendments hereinafter proposed, we recommend favorable consideration of the joint resolution.

Senator BARTLETT. Good.

Mr. GULICK. The *Kaialani* was a gift from the owner, Madrigal Shipping Co., Inc., and the family of Don Vicente Madrigal on behalf

of the people of the Republic of the Philippines to the Maritime Historical Society of the District of Columbia (since January 25, 1965, known as the National Maritime Historical Society) for the benefit and enjoyment of the American people. The gift was evidenced by execution by the owner of a deed of absolute donation on September 18, 1964. The gift was consummated on November 18, 1964, by the execution of a deed of acceptance on behalf of the society. In a statement dated November 13, 1964, President Johnson recognized that the society, as trustee for the American people, had undertaken to restore the vessel, return it to the United States, and convert it to a maritime museum in the Nation's Capital. The vessel's Philippine registry was canceled on November 17, 1964, and the vessel is now lying at the ship repair facility of the Philippine Navy at Cavite City, Philippines.

Enactment of the joint resolution with the proposed amendments will bring to realization the purposes of the gift from the people of the Philippines, which reflects the friendship of the two countries. It will preserve for the American people a presently unique vessel which is symbolic of the U.S. seagoing heritage.

The amendments we are proposing are of a technical nature to facilitate the granting of the insurance under title XI. Attached is a substitute text for the joint resolution which embodies our proposed amendments.

Substitute text for Senate Joint Resolution 101: That title XI of the Merchant Marine Act, 1936, is amended by adding at the end thereof the following new section:

Sec. 1112. (a) Notwithstanding any other provision of law including sections 1101(f), 1104(a) (2), and 1104(a) (8) of this Act, the Secretary of Commerce is hereby authorized to insure all or any part of the principal of and interest on any mortgage made, within the three-year period beginning on the date of enactment of this section, by the National Maritime Historical Society of the District of Columbia for the purpose of restoring and returning to the United States the vessel *Kaiulani*, the last surviving American-built, square-rigged merchant ship presented as a gift to the people of the United States from the people of the Philippines.

(b) An insurance contract issued under this section shall be made only with respect to a mortgage which, in the opinion of the Secretary of Commerce, is economically sound and such contract and the related mortgage shall be subject to such reasonable terms and conditions as he may deem necessary to protect the interests of the United States.

(c) The Secretary of Commerce is authorized to make commitments to insure a mortgage under this section.

(d) The aggregate unpaid principal amount of any mortgage insured under this section shall not exceed \$500,000.

(e) The faith of the United States is solemnly pledged to the payment of interest on and the unpaid balance of the principal amount of any mortgage insured under this section.

(f) Notwithstanding any other provision of law, the vessel KAIULANI shall be entitled to be registered or enrolled under the laws of the United States at any time.

(g) Such of the provisions of this title as the Secretary of Commerce determines shall apply to the insurance granted under this section.

This concludes our statement. We will be glad to answer any questions to the best of our ability.

Senator BARTLETT. You note, Mr. Gulick, that the vessel's Philippine registry was canceled on November 17, 1964. It is sort of a stateless vessel at this time?

Mr. GULICK. It is not stateless in the sense of ownership. It is owned by an American group. But it has no national registry. In this you are absolutely right, sir.

Senator BARTLETT. From your suggested amendatory language, I infer that there would be no difficulty at all in respect to U.S. documentation.

Mr. GULICK. We foresee none.

Senator BARTLETT. Would you be able to speak upon the subject of customs duties?

Mr. GULICK. This is a problem which has arisen. It will probably be that those who follow me will suggest further amendments to make certain that the vessel will not be subject to any duty on repairs or conversion work abroad. I may say that we would have no objection to expanding the language of our section on documentation to cover that particular point.

Senator BARTLETT. If this resolution is adopted, would the Maritime Administration's title II of the regulations preclude restoration in any manner at all of the *Kaivalani* before it sails over here, in a foreign shipyard?

Mr. GULICK. No, sir. The language of our suggested amendment, and the resolution itself, starts off with section 1112, "Notwithstanding any other provision of law," and "The Secretary is authorized to insure all or any part of the expenses for the purpose of restoring and returning." This is pretty all inclusive language.

Senator BARTLETT. The following witnesses are going to have to give evidence in a preliminary way, at least, to suggest that the loan would be economically sound. Will you evaluate that when it comes to you?

Mr. GULICK. We will, sir.

Senator BARTLETT. I have no further questions. Thank you, gentlemen.

Mr. GULICK. Thank you very much, sir.

Senator BARTLETT. Mr. Alan D. Hutchison is president of the National Maritime Historical Society of Washington, D.C.

Mr. HUTCHISON. I would like to be accompanied by Mr. Karl Kortum, one of the trustees of the National Maritime Historical Society, who is the director of the San Francisco Maritime Museum, and Mr. M. Belmont Ver Standig, who is a trustee of the National Maritime Historical Society.

We request to give our testimony as a group.

Senator BARTLETT. Your request is hereby granted.

This is Mr. Kortum from San Francisco, and this is Mr. Ver Standig from Washington, D.C.

**STATEMENT OF ALAN D. HUTCHISON, PRESIDENT OF THE NATIONAL MARITIME HISTORICAL SOCIETY; ACCOMPANIED BY KARL KORTUM, DIRECTOR OF THE SAN FRANCISCO MARITIME MUSEUM AND TRUSTEE OF THE NATIONAL MARITIME HISTORICAL SOCIETY, AND M. BELMONT VER STANDIG, PRIVATE INVESTMENT BANKER AND TRUSTEE OF THE NATIONAL MARITIME HISTORICAL SOCIETY**

Mr. HUTCHISON. Mr. Chairman, it is a great honor and pleasure to appear before you this morning, to testify on behalf of Senate Joint Resolution 101. On behalf of the officers, trustees, advisory board members, and members of the National Maritime Historical Society, I would like to express our thanks and gratitude to you, Senator

Bartlett, for all the help and guidance and support you have given us in the past few years, on the *Kaiulani* project.

As you well know, this has not been an easy project.

Senator BARTLETT. If fortune is with us, perhaps our labors are near an end, insofar as legislation is concerned.

Mr. HUTCHISON. I think the story of the *Kaiulani* and her sister ships is best summed up by a quotation from the well-known American historian, Samuel Eliot Morison, who said in his book "Maritime History of Massachusetts," about these sailing ships, and I am quoting:

Never, in these United States, has the brain of man conceived, or the hand of man fashioned, so perfect a thing as the clipper ship . . . For a brief moment of time they flashed their splendor around the world, then disappeared with the sudden completeness of the wild pigeon . . . A tragic or mysterious end was the privilege of many ships favored by the gods. Others, with lofty rig cut down to cautious dimensions, with glistening decks and topsides scarred and neglected, limped about the seas under foreign flags, like faded beauties forced upon the street.

The *Kaiulani* is the last of the faded beauties. Here, very briefly, is her story. She was built in 1899 in Bath, Maine, by the famous shipbuilding firm of Arthur Sewall & Sons. The *Kaiulani* was built at a time when steamships had already captured many of the major world trade routes, but traditional shipbuilding firms and shipowners believed large steel-hulled square riggers were still commercially feasible for many trades. The *Kaiulani* was designed for the Honolulu-San Francisco sugar trade. She was named after Princess Kaiulani, the heir-apparent to the Hawaiian throne.

After 10 years on the Hawaiian-California sugar run, carrying sugar, general cargo, and also passengers, *Kaiulani* was sold to the Alaska Packers Association, the famous Star Fleet, when steamships began to replace sail on the Hawaiian-California run. The Alaska Packers Association, the operators of the last square-rigged merchant fleet in the United States, changed her name from *Kaiulani* to *Star of Finland*. For the next 18 years, the *Star of Finland* with the rest of the Alaskan Packers fleet would depart from the Oakland estuary early each spring for the salmon canneries of southern Alaska and Bristol Bay. The ships were manned by the fishermen, mostly Italians and Scandinavians, and carried in addition to the fishermen, Chinese and Mexican cannery workers, along with a few German cannery technicians. The entire summer's fishing and canning operation was sustained by the floating warehouse *Star Fleet*. At the end of the fishing season, the canned and boxed salmon and the weary fishermen and cannery workers headed back to San Francisco.

In the early 1920's the Alaskan Packers Association began laying up the older wooden vessels, and then the smaller iron and steel ships. As buyers were found, the ships disappeared—many on one-way voyages to Japan for scrapping. Steamers began to replace the square riggers. The last voyage of the Alaska Packers Star sailing vessel was in 1930. Finally, only the *Star of Finland* was left, probably the first of many incidents, which was really a charmed life for this ship. For over 10 years, the Alaska Packers Association, probably for sentimental reasons, kept her moored in an estuary known locally as "Rotten Row."

Senator BARTLETT. We could have done better.

Mr. HUTCHISON. With the outbreak of World War II in Europe, every vessel capable of carrying cargo took on new value. A San Francisco group saw the possibility of a profitmaking opportunity by shipping Pacific Northwest lumber to South Africa. They purchased and refurbished the *Star of Finland* and restored her original name.

On September 25, 1941, the *Kaiulani* set sail from Grays Harbor, Wash., for Durban, South Africa. She had an American crew about equally divided between oldtimers and youngsters eager to sail before the mast. One of those youngsters was Karl Kortum sitting at my left, who made that voyage on the *Kaiulani* around Cape Horn to South Africa, to Australia. In Durban the crew learned of the Japanese attack on Pearl Harbor, and sailed on to Sydney, Australia, with a small cargo of Government freight. En route, they heard of the Japanese submarine attack on Sydney and decided to alter their course to Hobart, Tasmania. The *Kaiulani* entered this picturesque port on June 19, 1942—the end of her sailing career.

The U.S. Army learned of the *Kaiulani*, requisitioned her, and towed her to Sydney, where the crew rigged her down and converted her into a coal barge for the Army Transportation Corps. As a coal barge, the *Kaiulani* served throughout the New Guinea campaign and was towed along with the fleet following each landing as U.S. forces fought their way back to the Philippines.

At the end of the war, the *Kaiulani* was in Manila Bay. She was taken over by the U.S. Maritime Commission and advertised for sale as surplus. In March 1948, she was purchased by the Madrigal Shipping Co., of Manila.

For the next 17 years, the *Kaiulani* toiled as a log barge carrying Philippine mahogany logs to Manila from Mindanao, earning her keep right up until the day she was presented to the American people as a gift from the Philippines.

During 1962, a small group of sailing ship enthusiasts, who were involved both directly and indirectly with the planning of the new Washington channel waterfront, suggested that the Nation's Capital should have an old square rigger as a maritime museum to tell the American merchant marine story to the countless visitors who come to Washington each year. We were inspired by what Mr. Kortum had done on the San Francisco waterfront with the old Scottish-built square rigger *Balclutha*, which is a very wonderful attraction in San Francisco and supports the San Francisco Maritime Museum. This suggestion to have a square rigger on the Washington waterfront, met with approval from the District of Columbia Redevelopment Land Agency, the National Capital Planning Commission, the District Commissioners and the Washington Post, who took up a campaign for us.

We soon learned that square riggers are a fast disappearing breed; and that of the few left on the face of the earth, only one ship had any significance to the Nation's Capital—the *Kaiulani*, the last Yankee square rigger. Karl Kortum, the director of the San Francisco Maritime Museum, summed up the story of America's square-rigged merchant fleet: "Only one forlorn barge is left. She survives today in Manila—finis to 17,000 merchant square riggers built in this country." Through the help of Karl Kortum and Capt. James Kleinschmidt of the Mystic Seaport in Connecticut, we got on the trail of the *Kaiulani* in the Philippines. Meanwhile, the National Maritime Historical Society was organized to acquire and operate the *Kaiulani*.

Philippine President Diosdado Macapagal learned of our campaign to save the *Kaiulani*. Through his good offices, the Madrigal Shipping Co., of Manila generously offered to return her to her native waters as a gift from the Philippine people.

On October 5, 1964, President Macapagal presented the deed of donation to the *Kaiulani* to President Lyndon B. Johnson in a White House ceremony as a gift from the Philippine people to the American people. President Johnson accepted the vessel on behalf of the American people, and assigned the tasks of authentically restoring the *Kaiulani*, sailing her to the United States, and converting her to a maritime museum in the Nation's Capital, to the National Maritime Historical Society, as trustee for the American people.

The *Kaiulani* story was carried in 165 daily and weekly newspapers throughout America. We felt with such widespread publicity there would be little difficulty in raising funds necessary for restoration. The day following the White House ceremony, Karl Kortum and I were in the New York headquarters of the Ford Foundation seeking a grant. It was the first of a very long series of disappointments. We learned that the restoration of an old square rigger did not fit within any of the existing programs of the Ford Foundation. It was a story we heard repeated at least 100 times as we made the rounds from foundation to foundation.

We decided to take our case directly to the American people and the American merchant marine. Professional staff was hired and a full-fledged fundraising and membership campaign was launched. I might say that the money to do that was put up by the original trustees of the society. The response was gratifying, but it fell considerably short of the mark—we raised about \$100,000 and discovered we spent a fair amount of that on printing of brochures, stationary, postage, and administrative overhead.

Meanwhile, though, we were receiving excellent cooperation from the United States and Philippine Navies. The U.S. Navy towed the vessel from Manila to the U.S. Naval Repair Facility at Subic Bay and managed to provide dry docking facilities, so we could conduct a survey of the hull. To our great satisfaction, we found the hull was seaworthy below the waterline.

The Philippine Navy offered the full use of its shipyard repair facility at Cavite City on Manila Bay. It was up to the National Maritime Historical Society to provide the labor and the material—the Philippine Navy would supply the shipyard facilities.

With the money we raised we hired Captain Kleinschmidt of the Mystic Seaport to go to the Philippines to take charge of our restoration operations. Captain Kleinschmidt at the time was the assistant curator and director of restorations at Mystic Seaport, probably the best qualified man in the United States to take on the work. For 1 year Captain Kleinschmidt did an amazing job on a shoestring budget. A great deal of basic steelwork was completed on the *Kaiulani* hull. At one point we had 40 Filipino shipyard workers on our payroll. The financing was precarious—the United Seamen's Service and the National Maritime Union helped with generous donations. A few times Captain Kleinschmidt was unable to meet the payroll except for last minute help from our Philippine supporters. I would specifically like to mention Mr. Andres Soriano, Jr., the president of the San Miguel

Corp. in Manila, who, on about three occasions helped us meet our payroll.

I would like to interject at this point that throughout the project we received a great deal of help, both financial and material and moral from our friends and supporters in the Philippines. We not only received money from the Philippine donors, we received machinery, welding machines, and a great deal of steel, plywood, lumber, reinforcing bars, welding rods, volunteer help from our supporters in the Philippines. It has been truly an international project between the United States and the Philippines.

Unfortunately, last August—August of 1966—we ran out of money. The following month, September of 1966, a severe typhoon hit Manila and sank the *Kaiulani* in 18 feet of water. The Philippine Navy, in a truly magnificent gesture raised the *Kaiulani* just in time for Mrs. Lyndon Johnson to visit the ship while she was in the Philippines with President Johnson for the Manila Conference. The visit by Mrs. Johnson along with the First Lady of the Philippines, Mrs. Marcos, generated widespread interest in the *Kaiulani*. President Marcos, the present President of the Philippines, accepted the post of honorary chairman of the National Maritime Historical Society and our Filipino friends felt reassured that the U.S. Government had not forgotten their gift. We have found, though, that newspaper stories and good will do not necessarily lead to money in the society's treasury.

We are asking for legislation to place us under title XI, and we have only reached this conclusion after we sincerely feel we have exhausted every possible avenue for private financing. I would like to list some of the fundraising activities conducted by the society:

1. We made presentations to all foundations having even the remotest interest in American history and maritime affairs;
2. Nationwide membership and fundraising campaigns;
3. Direct fundraising approaches to all firms connected with the American maritime industry;
4. A direct mail campaign seeking funds from large American corporations;
5. An extensive campaign seeking either a donation of steel or the purchase of the steel on long-term credit from the American steel industry on an individual company basis or through the American Iron and Steel Institute;
6. Conducted a benefit ball sponsored by the Conference of State Societies in Washington, D.C.;
7. Sponsored many magazine and newspaper articles and radio and television appearances by the officers and trustees of the National Maritime Historical Society;
8. Sales campaign to sell *Kaiulani* sail plans to members and others;
9. Numerous presentations to commercial and investment bankers seeking commercial financing for the restoration; and
10. The society issued *Kaiulani* 5-year, 6-percent debentures. In effect, they were lending us money.

Just about every conceivable means of fundraising has been attempted. The results always fall far short of the needed amounts. At the time the hull was donated to the United States, the society invited three well-known professional fundraising organizations to send representatives to a board of trustees meeting. The professional fundraisers knew what they were talking about. They told us that we probably would only succeed on a public donation basis if we were able to obtain better than 50 percent of the required amount from a small number of wealthy donors. We have never been able to do this.

Earlier this year, the board of trustees decided that the *Kaiulani* project could only be completed with some form of Federal assistance. The amendment to title XI of the Merchant Marine Act, 1963, to authorize the Secretary of Commerce to guarantee certain loans made to the National Maritime Historical Society for the purpose of restoring and returning to the United States the last surviving American square-rigged merchant ship, the *Kaiulani*, seemed the ideal method of accomplishing this objective. We did not want to come to Congress and ask for a direct appropriation or a loan from the Federal Government. We can borrow the funds commercially, provided there is a Federal guarantee under title XI. We are confident the loan can be repaid out of the earnings of the *Kaiulani* as a museum ship. This should not cost the Federal Government or the American taxpayers a single penny.

Mr. Kortum, and Mr. Ver Standig will testify on the economic aspects of the *Kaiulani*, as a museum ship.

During the past year, much of the good work accomplished by Captain Kleinschmidt and his Filipino coworkers has been undone by the tropical climate of the Philippines. Without regular maintenance, the *Kaiulani* hull is rusting rapidly. We must proceed immediately to complete the basic steelwork on the *Kaiulani*'s hull at the Philippine Navy Repair Facility. As soon as the hull is seaworthy enough for an ocean-going tow, the *Kaiulani* will be towed to a large commercial shipyard in the Far East—more than likely, the Hong Kong and Whampoa Dock Co. in Hong Kong. This yard is probably the best equipped in the world to restore and rereg an old square rigger at the lowest possible prices. The ship will be completely restored and fitted out for sea in Hong Kong. We have had extensive negotiations and conferences with this particular shipyard. The U.S. Coast Guard has generously offered to lend us a used set of sails from the *Eagle* for the voyage home. They will be quite adequate.

From Hong Kong the *Kaiulani* will sail for the United States following the traditional China tea clipper route through the South China Sea, past Java Head, into the Indian Ocean, around the Cape of Good Hope, and across the Atlantic to the east coast of the United States. The ship will be manned by a volunteer American crew consisting of a small number of officers experienced in square riggers and young red blooded American boys. Initial correspondence has been exchanged with the Boy Scouts of America and we are hopeful that many of our young volunteers will be nominated from Sea Scout ships throughout the Nation.

I think we know how much world attention was focused on just one lone Englishman sailing around the world. We expect that we will get the same type of attention sailing the *Kaiulani* with the Stars and Stripes, with a young crew, from the Far East to the United States.

It is planned to produce a documentary film on the voyage home. Discussions are underway with a major film producer at this time. It is expected that the *Kaiulani* will make several good will calls en route to the United States and will visit a number of U.S. ports on the eastern seaboard, including a ceremonial visit to her birthplace, Bath, Maine.

Once in Washington, the *Kaiulani* will be berthed on the Maine Avenue waterfront between Seventh and Ninth Streets, and converted into a living, floating maritime museum. We want visitors to the *Kaiulani* to thrill to the size and beauty of an American square rigger—the *Kaiulani* is 250 feet overall, including the bowsprit, and the mainmast

is 190 feet above the waterline. We hope to interpret the square rigger so that visitors will gain an appreciation of our maritime heritage. Below decks we plan to have a modern maritime museum, using the latest audiovisual displays to tell the story of America's maritime past, present, and future. We do not plan a musty old collection of ship models and artifacts. We look upon the *Kaivulani* as a maritime museum and educational vehicle.

As a maritime museum, we sincerely believe we can make a contribution to a better understanding of America's maritime history and, most importantly, to get across to the American people an appreciation for America's continuing need for a merchant marine in this period of expanding international trade and commerce.

Mr. Chairman, with your support and help, we will not fail in this objective. If we do, though, I am afraid the rusting hull of the *Kaivulani* on the shores of Manila Bay will remain as a monument of our unfulfilled obligation to the Philippine people. This cannot be allowed to happen. The *Kaivulani* must come here—and the enactment of Senate Joint Resolution 101 will assure that she does.

Senator BARTLETT. Thank you, Mr. Hutchison.

The committee will be in recess briefly.

(Whereupon, a short recess was taken.)

Senator BARTLETT. The committee will be in order.

Thank you, Mr. Hutchison. You have told us a thrilling story, and you have disillusioned me, because in Alaska we always said if we could get a spread in a magazine or a leading newspaper, it is worth a million dollars, and you've told us that you have had many newspaper stories and haven't been able to raise much money on account of them.

You say, "We're confident the loan can be repaid out of the earnings of the *Kaivulani* as a museum ship." What gives you this degree of confidence? I assume you were confident when you started your fundraising drive, too.

Mr. HUTCHINSON. Mr. Chairman. I think Mr. Kortum and Mr. Ver Standig will go into the details of the operation, and I think they can best give you the answer in their testimony.

Senator BARTLETT. I'll wait, then, until they do testify. From what you said, the Philippine Government and the Philippine people have had a very considerable participation in what has been done in the restoration process so far, even to the point of raising the ship after it sank. Would you expect further assistance from those sources?

Mr. HUTCHINSON. We have had such good relations with our friends in the Philippines, I'm sure they would help us in any way they can. I would like to emphasize, I think it is one of the few times in recent history where a former colony has given the mother country a gift. It is generally the other way around. And the giving of this gift by the Philippines to the United States made them very proud that they were in a position to give something to us. They're following the project very closely.

I was particularly pleased that even though this project was started during the administration of President Macapagal, who was defeated at the polls by President Marcos, and it was a fierce presidential campaign, and they became bitter personal enemies, that President Marcos is very enthusiastic about the *Kaivulani* and has accepted the position as honorary chairman of the National Maritime Historical Society.

Senator BARTLETT. I'm glad you said that, because I was going to put the question to you, how does the President of the Philippines view the *Kaïulani*, and you have answered that in ringing tones.

What if this legislation isn't adopted, what happens then, insofar as the National Maritime Historical Society is concerned?

Mr. HUTCHISON. That would be a sad situation. We have given a great deal of thought to this. We think this legislation is the *Kaïulani's* last chance. If it is not enacted, then we have to come up with the most tactful and diplomatic means of terminating the project, and taking the *Kaïulani* off of the hands of the Philippine Navy, which would probably mean taking her out and having a ceremonial sinking of the old ship on the grounds that it was too far gone to restore. But it would hurt the American image very badly in the Philippines.

Senator BARTLETT. This is a last-ditch stand, then?

Mr. HUTCHISON. Yes. Absolutely.

Senator BARTLETT. Has the U.S. Information Service, insofar as you know, taken any interest in this?

Mr. HUTCHISON. Yes, they have. Just after the donation of the *Kaïulani*, the U.S. Information Service produced a 20-minute film about the gift of the *Kaïulani* from the Philippines to the United States. It was an excellent film. It was shown throughout the film industry in all their motion picture theaters. Captain Kleinschmidt and I were in the film, and people stopped us on the street and told us they had seen us in the movie. There was very widespread interest.

Senator BARTLETT. Has the U.S. Ambassador to the Philippines taken a position?

Mr. HUTCHISON. The present Ambassador, Mr. Blair, has been really one of our good supporters. He has, on a number of occasions, publicly supported the project in every conceivable way that he could, that was proper and befitting his office as Ambassador. He has helped us to raise funds and contributions.

Senator BARTLETT. He has helped you to raise funds in the Philippines and the United States?

Mr. HUTCHISON. In both. He has appeared at functions in the Philippines, basically fundraising, to support the project, and he has written several letters of endorsement to prospective organizations who were donating money, to tell them that this was an important element in the United States-Philippines relations.

Senator BARTLETT. He has resigned in the last few days, although he is still there.

Mr. HUTCHISON. I didn't realize that.

Senator BARTLETT. My offhand recommendation would be that the society might persuade him to become the full-time fundraiser for this project. I happen to know personally he is a wonderful worker. In 1954 I happened to be with him and Adlai Stevenson in Katena National Monument in a very remote area of Alaska. Every morning he would have that morning's New York Times, and I never discovered how this miracle was accomplished. A man who arranges that can arrange money for the *Kaïulani*.

What is the public reaction, Mr. Hutchison, if you know, in the Philippines, to Mrs. Johnson's visit?

Mr. HUTCHISON. It was given widespread publicity in the press. There were pictures of Mrs. Johnson and Mrs. Marcos on the front

page in almost all the newspapers. Manila has 12 daily newspapers. It's a real newspaper-reading city. There was a very enthusiastic response.

After the ship sank there was a feeling that we weren't proceeding as fast as we should, which is quite true. Mrs. Johnson's visit gave us another shot in the arm. It was very favorable reaction. We were hoping we could capitalize on that visit in the United States with our fundraising. It helped some, but it didn't help enough.

Senator BARTLETT. There wasn't a concomitant response in the United States then?

Mr. HUTCHISON. No, sir.

Senator BARTLETT. I wonder if our Philippine friends feel there is a moral obligation or even a commitment on the part of the United States to complete the restoration of the *Kauiulani* and bring it home?

Mr. HUTCHISON. I would say very definitely they consider there is a moral obligation on our part to bring it home. If we fail to, this is rejecting their gift, and it is throwing it back at them. It would be very bad.

Senator BARTLETT. Of course, on that last voyage, the last homeward voyage, the last voyage anywhere, the ship won't carry any cargo.

Mr. HUTCHISON. No. We do not intend to carry cargo or passengers for hire. It will just be sailed by a volunteer crew.

Mr. Chairman, I would like to go back and say when this legislation was introduced, it was carried on the front page of almost all the English-language newspapers in the Philippines. They're following the legislation very closely.

Senator BARTLETT. I read an article in the 1966 issue of the *Explorer's Journal*, that may have been written by you, in which it was stated that it would take \$250,000 to cover the total cost of the restoration of the *Kauiulani*. Why do you now say that \$500,000 will be required?

Mr. HUTCHISON. First, we do not have a legally binding estimate from the shipyard on the cost of doing the work. This is an estimate of what we think it will cost. It will probably take another \$50,000 to \$100,000 to complete the vessel for the voyage home, and the legislation was drafted with a maximum of \$500,000 to give us a margin of safety. Also, we do not want to be in the position of having to come back to ask for additional authorizations. We believe that a maximum of \$500,000 is needed to complete this project, restore the vessel, have it sailed back to the United States and converted into a maritime museum, in Washington.

Senator BARTLETT. There may be an element of danger if we were to amend that figure to a lower figure?

Mr. HUTCHISON. I would say yes. I think that's a good, safe figure as a maximum.

Senator BARTLETT. Are you going to be one of the volunteers of the American crew when this ship sails east?

Mr. HUTCHISON. Yes, sir. I'm planning on it.

Senator BARTLETT. You are?

Mr. HUTCHISON. Yes, sir; absolutely.

Senator BARTLETT. How long will it take?

Mr. HUTCHISON. Ordinarily it would take 3 to 4 months, if this was a straight, deep-water voyage. But if we're going to have our camera and sound technicians aboard to shoot a documentary film, which they

hope to turn into a 60-minute TV special, I'm afraid it will take 6 months, because the TV people want us to make a number of stops which they consider to be picturesque ports to fill out the documentary. We're figuring on 4 to 6 months.

Senator BARTLETT. When she is under full sail and the winds are favorable, what will the ship cruise at?

Mr. HUTCHISON. I think Mr. Kortum can best answer that.

Mr. KORTUM. I would guess 14 knots.

Senator BARTLETT. It will be just as fast as some of the old crocks we've pulled out of the reserve fleet to serve in Vietnam.

Mr. HUTCHISON. If the wind is blowing strong, yes.

Senator BARTLETT. It has no auxiliary power?

Mr. HUTCHISON. It has no auxiliary power. Strictly sail.

Senator BARTLETT. I see a model of the ship here. Where did that come from?

Mr. HUTCHISON. This is on loan from the San Francisco Maritime Museum, Mr. Kortum's organization. The model was built by the San Francisco group that refurbished the ship in 1941, the General Steamship Co., who have been generous donors to the *Kaiulani* project.

Senator BARTLETT. She's a beauty. How high does the mast go?

Mr. HUTCHISON. The mainmast is 190 feet above the waterline.

Senator BARTLETT. Is it your proposal to be one of the volunteers going up to the top.

Mr. HUTCHISON. Yes, sir; I've already been up part of the way. The lower mast was still there when we took her over.

Senator BARTLETT. Will all the members of the crew be volunteers, or will some of them be paid?

Mr. HUTCHISON. We may have to pay the captain and the mates. Mr. Kortum is the expert on that. There are probably three or four old-timers around, men in their middle or late 70's, who have actually commanded big square-rigged merchant ships such as the *Kaiulani*. I met several of these. They are all very sound, physically and mentally, and anxious to take command of the ship. There are two or three younger men in their 50's who had experience on larger square-rigged yachts and training vessels such as the Coast Guard *Eagle* and *Sea Cloud*. These are similar ships, but they did have auxiliary power. These men all had the additional crutch of auxiliary power. We're going to have to get together an expert selection and evaluation board to see who will skipper the *Kaiulani*, because it is an awfully important choice.

Senator BARTLETT. How large a crew will be required?

Mr. HUTCHISON. When the *Kaiulani* was operated commercially she got by with as low as 12 to 18 crewmen. That's because the shipowner wanted to make a good profit, and he worked the boys very hard. I would think anywhere from 25 to 40, would be a comfortable crew. Again, Mr. Kortum is the expert sailor.

Senator BARTLETT. Will we find aboard all the amenities to which modern men in this part of the world are used?

Mr. HUTCHISON. No, sir; I'm afraid they will not. They will find conditions of the 19th century sailing ship, with the exception of radio equipment.

Senator BARTLETT. I should like to inquire into some of your fundraising efforts. You made presentations to all foundations having even the remotest interest in American history or maritime affairs. How much money did you get from them?

Mr. HUTCHISON. Technically, we never received any grants from foundations. We went through the entire foundation directory. It is difficult to tell what foundations are really interested in. Several wrote back and said, sorry, we only support Catholic charities, or only medical research. We never did receive a grant. A number of American corporations, and particularly shipping companies, maintain company foundations. Donations from those companies were made through their foundations. In that case, we received donations rather than grants amounting to several thousand dollars.

Senator BARTLETT. How much money did you receive from your nationwide membership fundraising campaigns, approximately?

Mr. HUTCHISON. We have always maintained a little better than 500 members, with almost all of them contributing a minimum of \$10. I would guess there has been about \$7,500 each year from our membership.

Senator BARTLETT. How much money came to you as a result of your direct fundraising approaches to all firms connected with the American maritime industry?

Mr. HUTCHISON. Approximately \$10,000 to \$12,000. From most of the companies. The United States Seaman's Service donated \$15,000.

Senator BARTLETT. Let's stick with the companies first.

Mr. HUTCHISON. Approximately \$7,000 to \$10,000.

Senator BARTLETT. I want to record a conviction right here and now that I think that is shocking, that these companies should have had an interest which should have elevated that figure far above the figures you gave. I am rather disappointed to learn from you that the figure is so small.

You had a direct-mail campaign, aimed at large American companies. Was that campaign productive?

Mr. HUTCHISON. No. That was one of the campaigns where we lost money, on the postage stamps and stationery.

Senator BARTLETT. A deficit operation?

Mr. HUTCHISON. Yes.

Senator BARTLETT. And you put on an extensive campaign, as you describe it, seeking donations of steel, for the purchase of steel on long-term credit. Did you find it useful to engage in that extensive campaign from the standpoint of the results achieved?

Mr. HUTCHISON. No, sir. We didn't get one steel plate. *Kaiulani* is a steel hull vessel, and the lower masts and yards are fabricated of steel. Steel is one of our major expenses. We made a proposal to the American steel industry that the last American merchant ship should be restored with American steel. We are going to do the restoration in the Far East. It is cheaper to use Japanese steel. We thought the steel industry would respond. Actually, we got a very good response from the public relations counsel of the steel industry, but when you get right up against the treasurers of the steel companies, they are very reluctant to make donations.

They do point out, in all fairness to them, that the steel companies get requests from all sorts of hospitals, schools, and other worthy charitable organizations for donations. And they try to concentrate their charitable donations in the particular geographical areas and towns and communities where they have steelmaking operations, and donate money to the local hospitals and local charities and to the

engineering schools that are producing the engineers and technicians they need.

Senator BARTLETT. This reminds me of my efforts to get funds from the Boeing Corporation Foundation, which has jet planes flying all over Alaska, to assist in the rebuilding of St. Michael's Cathedral at Sitka, the Russian Orthodox Cathedral for Alaska which was destroyed by fire. They didn't see that that came within their province at all. Sometimes we encounter discouraging responses. You know more about that than I, however.

I think it is very good that State societies put on a benefit ball for this purpose. You didn't get much money out of that, did you?

Mr. HUTCHISON. \$1,500.

Senator BARTLETT. That is good.

Mr. HUTCHISON. We had a good time on top of it.

Senator BARTLETT. You made approaches to commercial and investment bankers for commercial financing. Did you get anywhere?

Mr. HUTCHISON. We got to the loan committees, the top loan committees of quite a few New York and Boston banks, who gave it fairly careful consideration. Mr. Ver Standig did a great deal of this work, and is better qualified to answer these questions than I am. Basically, this is an unorthodox banking proposition. It is my understanding that even if a big company like American Exporters Isbrandtsen Line wants to build a ship, they have to have a title XI guarantee before they get most of their commercial financing. The bankers thought we had a commercially feasible project, but it really isn't a bankable one without some type of guarantee.

Senator BARTLETT. You issued 5- or 6-percent debentures. In what amount did you issue those?

Mr. HUTCHISON. We originally issued them in denominations of \$1,000, and then brought them down to \$500 and \$100, and sold just about \$5,000, primarily to members of the society.

Senator BARTLETT. You said something about the National Maritime Union coming through in a very laudable manner. Where was that?

Mr. HUTCHISON. As I mentioned, the National Maritime Union donated \$5,000 to the effort, which was very, very helpful. The United Seaman's Service which is doing a good job around the world for American seamen, donated \$15,000, which was the largest single donation from any organization.

Senator BARTLETT. That is great.

Mr. HUTCHISON. A number of individuals—Mr. Reynaud du Pont of Wilmington, Del., a yachtsman, made three donations of \$5,000 each.

Senator BARTLETT. Who?

Mr. HUTCHISON. Mr. Reynaud du Pont of Wilmington, Del., made three donations of \$5,000 each, one each year, on the theory that if you are still in business next year, come back. This has kept us going.

A number of individuals interested in the sea made donations of \$500, \$1,000, \$2,000 and \$3,000 in a few instances. Actually, almost half of the \$100,000 we raised was from less than a dozen or so sources.

Senator BARTLETT. Did you have a hearing in the House yesterday on House Resolution 751?

Mr. HUTCHISON. Yes, we did.

Senator BARTLETT. What kind of a reception did you have over there?

Mr. HUTCHISON. I would characterize it as a very favorable reception.

Senator BARTLETT. This is the very last ship of its kind?

Mr. HUTCHISON. Yes, sir.

Senator BARTLETT. You told us that the President of the Philippines, on October 5, 1964, presented the deed of donation to the *Kaiulani* to President Lyndon Johnson in a White House ceremony as a gift from the Philippine people to the American people. Continuing, you said:

President Johnson accepted the vessel on behalf of the American people and assigned the task of authentically restoring the *Kaiulani*, sailing her to the United States, and converting her into a Maritime Museum in the Nation's Capital, to the National Maritime Historical Society, as trustee for the American people.

Then you went on and said:

The Philippine people, the Philippine Government, had to come to our rescue.

Perhaps this is because we are not used to receiving foreign aid. We don't know how to be recipients. I want to say I think it is simply shocking that you should have to turn to the Congress now for Federal assistance under title XI of the Maritime Act of 1936 in a last-ditch effort to carry out a project which should have received applause immediately after the deed was given from one President to the other, and for which the money should have been raised within a month.

I find it difficult to believe, but I have to, that the American people must have lost their sense of historical values not to have rallied to this cause. I am rather appalled that we have to be here listening to you and others in reference to Senate Joint Resolution 101 for more Federal assistance. You know, it winds up costing the American taxpayer not a dollar, and it has to be requested to do that which should easily have been made possible by the public. Thank you, Mr. Hutchison.

The next witness is Mr. Kortum.

Mr. KORTUM. Mr. Chairman, it is a pleasure to be here this morning to speak for the *Kaiulani*. I little thought, better than a quarter of a century ago when I sailed before the mast in the *Kaiulani* that I would be speaking up for her in the Senate. But it is fine to do so.

I also want to say while I am here that those of us who love the old ship are particularly appreciative of the efforts of Mr. Hutchison, who during the long and difficult 5-year campaign has spearheaded the effort to keep the ship alive; has kept the interest in the ship alive.

It has not been easy. His testimony has reflected that. He has not given up. We appreciate it.

I might preface my remarks by explaining how I came to know Mr. Hutchison and became involved in this. In 1955 our museum in San Francisco, of which I am a director, secured an old sailing ship that was lying in the mud flats across the bay, and restored her and placed her on display on the San Francisco waterfront, where she has been extremely well received by the public.

As the years went by Mr. Hutchison came to San Francisco, came aboard the ship, and thought it characterized what he would like to see in the Washington, D.C., waterfront. He came to see me and asked whether another such ship could be secured, and I told him about the *Kaiulani*. He went back to Washington and organized this very persistent effort.

The *Kaialani* is the merchant service of this country what the *Constitution—Old Ironsides*—is to the Navy. The sole survivor of a spectacular era. In some ways it is more appropriate to preserve our last merchant ship—the signal that this Nation has sent forth to the world has been mostly about what free enterprise can do and less about what war can do.

As a museum ship tied up in the Nation's Capital, the *Kaialani* will be the best popular dramatization our merchant marine has ever had. I am not speaking about an empty ship, outwardly beautiful, and of interest only to the sea buff when the visitor climbs aboard. I am suggesting that the hold and t'ween decks be filled with exhibits that initially tell the story of the first smacks built by the colonists of New England and Virginia nearly 350 years ago.

The exhibits should then march through the centuries, telling of a time when the majority of England's merchant ships were built in the New World, of Boston ships venturing around Cape Horn to discover the Columbia River and develop the fur trade with China, of tiny Salem square riggers in the East Indies pepper trade not long after the Revolutionary War, of Baltimore clippers, of New Orleans cotton packets, of the Black Ball line sailing from South Street—the Western Ocean packets out of New York were the first sailing ships ever to sail on schedule—and of the most magnificent of all, the Yankee clippers.

The *Kaialani* is our last link with the clipper ships.

I have always liked Samuel Eliot Morison's lines about this class of vessel:

Never, in these United States, has the brain of man conceived, or the hand of man fashioned, so perfect a thing as the clipper ship. In her, the long-suppressed artistic impulse of a practical, hard-working race burst into flower. The FLYING CLOUD was our Rheims, the SOVEREIGN OF THE SEAS our Parthenon, the LIGHTNING our Amiens; but they were monuments carved from snow. For a brief moment of time they flashed their splendor around the world, then disappeared with the sudden completeness of the wild pigeon.

The *Kaialani* is not a clipper ship, she is a "down-easter," a type that followed the clipper ship and closed the era of the American square-rigged merchant ship. A short quotation from W. H. Rowe's Maritime History of Maine gives these vessels their place in history:

The down-easter and the clipper, besides their points of contrast, have much in common. It was California gold which had heightened the demand for the clippers. Now it was the California wheat which called forth the down-easter. The career of the beautiful but expensive clipper, like the gold rush, was short and romantic. The clipper ship era lasted but thirteen years—from 1846 to 1859. That of the down-easter extended the era of the wooden ship by at least a quarter century. The maritime history of Massachusetts flowered with the clippers; to Maine there came the Indian summer of the down-easter.

Toward the end of the down-easter era a few of these vessels were built of steel instead of wood. In 1899 the *Kaialani* was launched at Bath, Maine. She was a steel bark intended to ply between San Francisco and the Hawaiian Islands. Interesting enough she was fitted out to carry passengers—and one of her passengers from 60 years ago has recently come forward to express interest in her restoration. Thus the *Kaialani* has a second distinction in addition to being the last survivor in a lineage stretching back three centuries and consisting of some 17,000 American-built square riggers—she is as well the last square-rigged passenger packet built in the United States.

Morison mentions that the clipper ships were "monuments carved from snow." To be quite practical, the *Kaiulani* is a monument fashioned—but beautifully fashioned—from steel plates. That is why she survives—her stout old Maine-built hull enabled her to earn her own living for exactly 65 years. The steel plates also enable her to be repaired without excessive expense by modern shipyard techniques. I am speaking particularly of welding.

As it happens I have charge of a similar square-rigged ship which serves as a museum on the San Francisco waterfront. This is the *Balclutha*, an English sailing ship. We have filled her with educational exhibits and charge the public 75 cents to go aboard. The *Balclutha* took in a million dollars during her first 10 years on display—if that has a bearing on the time of the loan, the subject of this morning's discussion—and looks like taking in a million and a half dollars during her second decade before the public.

She supports not only herself but an active and popular maritime museum five blocks away. The earnings of the ship permit our historical society to keep the museum open to the public at no charge. A median figure for the operation and maintenance of the *Balclutha* would be half of what she took in last year—\$80,000. The other half of the \$159,146 that the ship earned goes to operate the maritime museum.

During the first half of 1967, *Balclutha's* earnings have been 7 percent over what they were in 1966. To go back—in 1965 we changed our fiscal year to correspond with the calendar year and the ship's earnings for the resultant 9 months were \$105,288. During the full fiscal year before that her income was \$117,817, the year before that \$129,492, the year before that \$115,530. The least we ever took in was during the recession of 1958 and that was \$85,828.

In other words, the ship has become steadily more popular and is one of the showplaces of San Francisco. We have a contract with the San Francisco school system that brings thousands of youngsters and their teachers aboard each year at a special reduced rate.

The *Balclutha* has been described at length in articles published in Dutch, Danish, German, Australian, New Zealand, and South American newspapers and magazines. She was on the cover of the *Ford Times*, by the Ford Motor Co. They distribute millions of copies.

She is a Scotch-built sailing ship and the venerable *Scottish Daily Mail* devoted a half page to her recently, commenting favorably upon her continued earning capacity. The *Balclutha* has been the subject of a *Voice of America* broadcast.

I think that our San Francisco ship blazes the trail for her old sailing mate from the Alaska Packers fleet—the *Balclutha* became the *Star of Alaska* in 1906 and the *Kaiulani* became the *Star of Finland* in 1910—they sailed together under the same house flag out of San Francisco for nearly a quarter of a century.

The tourist will unquestionably be the financial mainstay for the *Kaiulani* as he or she is for the *Balclutha*. The minimum figure for number of tourists visiting Washington, D.C., is 9.1 million a year, and I understand that the maximum estimate ranges up to 15 million a year.

Just before coming East, I contacted the Visitors and Convention Bureau of San Francisco and learned that we had 1,984,945 out-of-State tourists in San Francisco in 1966 and 509,045 convention dele-

gates residing outside of San Francisco who came to our city the same year.

So at a minimum you have three potential visitors aboard the *Kaiulani* for every one that comes up the gangplank of the *Balclutha*. It should be evident that the *Kaiulani* can not only pay off her bank loan in short order, but support herself handsomely in the future. Moreover, she may be able to support a second museum ashore, as we do. Or perhaps her excess earnings should be used for some other desirable and related activity such as a sea youth program in a small counterpart of herself as Mr. Hutchison has suggested.

Senator BARTLETT. Thank you very much, Mr. Kortum.

Do you have any questions?

Mr. POCOCK. I am wondering why it was named the *Star of Finland* at one time. How did the *Kaiulani* become the *Star of Finland*?

Mr. KORTUM. That came about shortly after the turn of the century. The Alaska Packers Association of San Francisco acquired four Irish-built sailing ships called Core's Irish Stars, and this was a fleet out of Belfast, and the vessels they acquired were the *Star of Bengal*, *Star of France*, *Star of Italy*, and one other. Up to that time the Alaska Packers had been buying vessels with a great variety of names. They liked the ring of the Star of this and that. They decided thereafter when they bought an old sailing ship they would remove her original name and call her the Star of this country or that. So our ship, the *Balclutha*, was acquired in 1906 and changed to the *Star of Alaska*, and the *Kaiulani* was changed to the *Star of Finland* when bought in 1910.

Mr. POCOCK. Thank you very much.

Senator BARTLETT. I suppose more than one conclusion could be drawn from that sentence of your statement reading:

In some ways it is more appropriate to preserve our last merchant ship. The signal that this Nation has sent forth to the world has been mostly about what our free enterprise can do, and less about what war can do.

Here we are turning to the Federal Government to preserve this ship, and to maintain it hopefully forever. I wish the free enterprise system could have operated more quickly and more adequately in this case.

When you sailed on the down easter, did you do it for fun or for the money that was involved?

Mr. KORTUM. It was for fun. There were a number of us in the 1930's who watched the vanishing of the sailing ships that were left in the graveyards. We were sorrowed and we had a chance by reason of the Second World War to go back to sea. Whenever they went around the Horn we made every effort to be aboard.

I might point out that the members of that same crew are still operating—the manager of the *Balclutha* is from that group and the restoration manager of several wooden ships that we have persuaded the State of California to preserve in San Francisco is another member of the *Kaiulani* group. It is a devotion to sailing.

Senator BARTLETT. Would you mind telling us who this passenger was who sailed aboard 60 years ago?

Mr. KORTUM. I was speaking to Mr. Hutchison about that last night.

Mr. HUTCHISON. Mrs. Devereux, and she wrote a wonderful letter to Congressman Garmatz concerning this bill which I would be most

pleased to produce, and perhaps you would want to include it in the record.

Senator BARTLETT. It is going to be included if you do that.

Mr. HUTCHISON. Unfortunately I don't have it with me.

Senator BARTLETT. Later will be all right.

Where did she sail from, and to?

Mr. HUTCHISON. It was most interesting. She was on her honeymoon and sailed to San Francisco from Honolulu. Mr. Garmatz also received a letter from Mrs. Devereux's daughter who said she was named *Kaiulani*, since her parents spent their honeymoon aboard the ship. So you have both mother and daughter supporting the legislation. (The letters mentioned above follow:)

HONOLULU, HAWAII, August 9, 1967.

Congressman EDWARD A. GARMATZ,  
Chairman, House Merchant Marine and Fisheries Committee,  
Longworth House Office Building,  
Washington, D.C.

DEAR CONGRESSMAN GARMATZ: This is to thank you for your interest and success in the restoration of the historic square-rigged merchant ship, the *Kaiulani*.

Together with my Mother, Mrs. Florence Amy Devereux, I offer my sincere support for this Legislation and will follow it with the keenest of interest.

My reasons are both personal and sentimental, for my mother sailed from her birthplace (Honolulu) on her honeymoon September 4th, 1904, and the original ticket costing \$80 for two, was blown up by Mr. John Wright, a local Trustee of the National Maritime Historical Society, and will be in the museum at the completion of the restoration. I was named *Kaiulani* after the ship, and by the way, the trip took 30 days from Honolulu to California. Mother is now 87 and I hope will live to attend the dedication.

With Fondest Aloha and Best Wishes for the continued progress in the restoration of this interesting old vessel.

Sincerely,

Mrs. WALTER BRADSHAW.

AUGUST 12, 1967.

DEAR MR. E. A. GARMATZ: I received the "History of Princess *Kaiulani* Sailing Ship" notifying me of your continuing helpfulness, which I appreciate so much; as I, or rather, "we" (Mr. W. E. Devereux and I) sailed from Honolulu, Hawaii, aboard this ship, as we knew Capt. Scully or Johnson & Wife (May 24th 1904 and about September 1904 we sailed to San Francisco, Cal. on our wedding trip.

I appreciate your every effort you are making to restore the "*Kaiulani*" and with that very fine "List" of "Trustees" and "Advisory Board" you will succeed.

Thanking you for your every effort put forth in joint Resolution 751 on July 26 to amend Title XI of Merchant Marine Act 1936 to authorize the Secretary of Commerce to guarantee loans as you desire they should be.

Enclosed is Check for "Membership 1968."

Yours respectfully,

FLORENCE AMY DEVEREUX (widow).

Senator BARTLETT. Mr. Kortum, what are the essential differences between the down easter and the clipper ship?

Mr. KORTUM. The clipper was built to respond to a special situation, essentially the need to get cargo out to San Francisco quickly from New York and Boston—mainly those two, because of the premium prices that certain goods in San Francisco would command. So speed being the essential, the vessels had knife-like entrances. I understand that on a clipper ship you could stand on top of the keelson, on top of the hull, reach out and touch both sides of the vessel.

As soon as these conditions of high-paying freight diminished, naturally a vessel like that, which could not carry extremely large

cargo in proportion to her size, was pushed aside by vessels that could be operated more economically. In other words a vessel of the same size which would carry more cargo with the same expenses and the same crew would survive. Essentially this describes the down easter.

The clippers, even the celebrated *Flying Cloud*, 7 years after being built was laid up for lack of cargo. And the clippers pretty much faded out in the late 1850's.

In the 1860's, and after the Civil War, the Maine shipyards survived with the fuller-built-type vessels, not to carry premium cargoes, but essentially California grain around the horn to Europe. They had a smaller crew. In profile it was pretty much like the clipper. With a bow like this you can see they were fatter. Nevertheless it was not a comedown from the standard of seamanship because the down easter was sailed throughout the world and was the standard of seamanship throughout the last century.

Senator BARTLETT. The down easter was steel hulled in contrast to the clipper ships that were wooden hulled?

Mr. KORTUM. No. The down easter was a wooden ship. At the end of the down easter era in the 1890's one company, in particular the firm of Sewall, of Bath, Maine, decided that wood had run its day and they turned to steel to build sailing ships. They built a dozen down easters with steel. The *Kaiulani* is one of that group.

Senator BARTLETT. Of course you didn't sail this ship 60 years ago when Mrs. Devereux and her husband and baby-to-be were passengers.

Mr. KORTUM. No, sir.

Senator BARTLETT. When you did sail it, were there any passenger accommodations?

Mr. KORTUM. They must have existed aft in different cabins that were used for storage and so on. Or possibly the vessel was altered. I don't have a clear memory. Of course I wasn't an officer in any case. But I don't have a memory of much passenger accommodations being under the poop. I can only draw the conclusion that the vessel was altered by the Alaska packers.

Senator BARTLETT. I am sure they didn't sail in luxury in those days.

Does your memory serve you as to the cargo capacity of the clipper ships, how many tons they could carry?

Mr. KORTUM. The *Flying Cloud* was a vessel of 1,700 gross tons. I can't interpolate that in deadweight tons.

Senator BARTLETT. If you can give us any information later on in writing to supplement the record on the cargo capacity of the clipper ships, and down easter ships, it might make an interesting postscript.

Mr. KORTUM. I can comment on the gross tonnage. The down easters ran to about 2,400 tons for a full ship, and an occasional clipper prior to that would be of the same size but it would be a large clipper. The down easters tended to be hard vessels for bulk cargo, the reason for their being.

Senator BARTLETT. Thank you very much, Mr. Kortum.

Mr. Ver Standig, do you have a statement?

Mr. VER STANDIG. Yes, sir. Thank you, Mr. Chairman. It is indeed a great pleasure and an honor to appear before you today to support Senate Joint Resolution 101, which would amend title XI of the Merchant Marine Act, 1936, to authorize the Secretary of Commerce to guarantee certain loans made to the National Maritime Historical Society for the purpose of restoring and returning to the United

States the last surviving American square-rigged merchant ship, the *Kaïulani*, and for other purposes.

My name is M. Belmont Ver Standig, and for the past 25 years I have been engaged in the advertising, marketing, and market research business in Washington, D.C. Several years ago I retired and wound up my advertising agency, M. Belmont Ver Standig, Inc., which at the time was one of the largest advertising agencies on the eastern seaboard, and have since devoted myself to my private business interests and the *Kaïulani* project. I became a trustee of the National Maritime Historical Society on its inception in 1963 and know the fascinating story of the *Kaïulani* from the time she was donated to the United States to the present.

My purpose in appearing today—and I might add parenthetically that this is my first appearance before a congressional committee—is to discuss the economics of the *Kaïulani* operation, which clearly demonstrate that the National Maritime Historical Society can repay a commercial loan of \$500,000 once the *Kaïulani* is berthed on the Washington, D.C., waterfront as a floating nonprofit maritime museum.

I think I know as much about the Washington, D.C., marketing area as anyone. During my 25 years in the advertising and marketing field, I have been privileged to represent such firms and organizations as Government Employees Insurance Co., Julius Garfinkel & Co., the Washington Post, the Washington Star, the Madison Hotel, and the Bureau of National Affairs. In addition, I have worked closely with the U.S. Navy, the National Aeronautics and Space Agency, the Johns Hopkins University Office of Applied Research on the problems of recruitment of scientists and engineers. Throughout my active business career in Washington, my largest client was the Hot Shoppe-Marriott Motor Hotels. I have worked with Bill Marriott almost from the beginning of his operation to help make Hot Shoppe and Marriott Motor Hotels one of the largest chains of its type in the world.

You have heard the testimony of Mr. Karl Kortum regarding the economic aspects of the *Balclutha* in San Francisco. Latest tourist statistics indicate San Francisco has somewhat less than 3 million visitors a year, while Washington has over 9 million visitors a year. It would follow that the *Kaïulani* should attract at least three times as many visitors as the *Balclutha*, creating a gross income of almost \$500,000 per year, assuming admission charges to be the same. Administrative maintenance and overhead charges should be approximately the same, or even less—for, as Mr. Kortum points out, the *Balclutha* received only a cosmetic restoration and must have extensive and expensive shipyard work done every 3 to 5 years. These figures, as you can readily see, indicate an annual net income in the neighborhood of \$400,000.

Another factor which must be taken into consideration is the makeup of the visitors to Washington and San Francisco. Washington has a much higher preponderance of junior and senior high school students than San Francisco.

As you all know, Washington is just jammed with buses for several months each year bringing schoolchildren from all corners of the country to the Nation's Capital. This is the prime audience for the *Kaïulani*. It is these young Americans we want aboard the *Kaïulani* to witness firsthand the magnitude and majesty of an American merchant square rigger. Through imaginative and modern audiovisual

exhibits, we want to impress upon these youngsters the great maritime heritage of this country, the importance of maintaining a strong merchant marine in this era of expanding international trade, and, lastly, the importance of the American merchant seaman in this whole story.

As a marketing man, I know the organizers of these tours would be delighted to include the *Kaiulani* in the itinerary of these visiting schoolchildren. During the past 2 years, I have traveled all over this country, and I have talked firsthand with some of the largest operators of tours that bring children into Washington, D.C. It is almost amazing, the enthusiasm that these people have had for a project of this type. They realize that this is a major attraction for children. I have yet to talk to one tour operator who did not promise that the *Kaiulani* would be included in any tours that they booked for Washington, D.C. This is going to be a big financial boost for us.

Another factor to be considered is the physical location of the *Kaiulani* alongside Maine Avenue on the Washington Channel waterfront. It is most fitting that the Maine-built *Kaiulani* should end her days on Maine Avenue in the Nation's Capital. From a business point of view, Maine Avenue is an ideal location. You couldn't find a better one in the United States of America for this kind of project. It is close to the Smithsonian Institution, the Washington Monument, the Tidal Basin, and the Jefferson Memorial.

It is expected the *Kaiulani* will be berthed between Seventh and Ninth Streets in the newly developed Fisherman's Wharf area. Directly across from the *Kaiulani* on Hains Point the Department of the Interior is planning to build the new National Aquarium and Fisheries Research Center. It is expected the Maine Avenue waterfront will be connected to the Hains Point Aquarium by a so-called Ponte Vecchio pedestrian bridge.

The National Maritime Historical Society has a resolution from the Board of Directors of the District of Columbia Redevelopment Land Agency stating that everything possible will be done to locate the *Kaiulani* in this area. This is the strongest legal document available from the Redevelopment Land Agency at this time.

The Department of Interior is estimating the new aquarium should attract at least 3 million visitors a year—and this is with an admission fee of \$1. I think it is a very fair assumption that the *Kaiulani*, located close to the Mall, the Washington and Jefferson Monuments, the new aquarium, and Fisherman's Wharf, will become one of the most important tourist attractions in the Nation's Capital.

It must be pointed out that at the present time there is no concentrated effort within Washington to promote any particular non-profit organization's public exhibit. The Washington Board of Trade and its subsidiary, the Washington Convention and Visitors Bureau, does an overall job of attracting tourists to Washington. The Government agencies, of course, conduct a general public information program, but do not promote visitors to the Smithsonian or to the National Gallery of Art. The commercial attractions, such as the wax museum and the Santa Maria, may do well financially, but they cannot generate wide publicity, since they are basically profitmaking enterprises.

I might interject, in my travels during the past 2 years to the various media throughout the country, sounding out the possibility of the kind and depth of cooperation that we could expect from them, refer-

ence was constantly made to the wax museum and the Santa Maria, et cetera, and the attitude of all media has been, "We are not interested in promoting any particular private enterprise, privately owned profitmaking enterprise, in the Washington area."

I think here is where we have our greatest source of cooperation, because most were surprised that the *Kauiulani* project would be a nonprofitmaking project. I have assurances from some of the finest magazines, newspaper syndicates, throughout the country that we can expect the kind of cooperation in depth that would make the *Kauiulani* most widely publicized.

The *Kauiulani* will undoubtedly receive great free worldwide publicity when she sails from the Far East to Washington, D.C. Discussions are presently underway with Metro Media, Inc., and its subsidiary David Wolper Productions, Inc., for a 60-minute television documentary on the homeward voyage of the *Kauiulani*. Wolper productions has done such outstanding television specials as the National Geographic series and "The Making of the President."

I might also add that once the rebuilding, the restoration of the *Kauiulani* is a reality, that I have no question but what we could make an arrangement with Life magazine, who have expressed an intense interest in sole rights to photograph the *Kauiulani* on its voyage home. I think \$50,000 would be the minimum that Life would contribute to our project for those rights.

I am not sure we want to give it to them. There are problems. A nationwide television film on the *Kauiulani's* voyage would certainly do much to make every visitor to Washington come to the waterfront to visit the *Kauiulani*. I know the *Kauiulani* story will receive extensive newspaper and magazine coverage making it well known to the American people. I know many large corporations would be pleased to use the *Kauiulani* in their advertising tie-in campaigns because it is a nonprofit organization. They would never think of doing this for a privately owned profitmaking attraction.

In conclusion, based on my experience in the promotional field, I would say the National Maritime Historical Society should experience no difficulty whatever in repaying a \$500,000 loan out of the proceeds of admission charges from the *Kauiulani*. Unfortunately, this is not the type of business proposition that you can take to a commercial or investment banker—it is just too unorthodox. I say that from firsthand experience. I had met with bankers, private banking groups in Boston and New York last year and the year before, attempting to get financing for the *Kauiulani*, and it was just impossible.

It is for this reason the Board of Trustees of the National Maritime Historical Society seeks a Federal guarantee under title XI of the Merchant Marine Act of 1936. I assure you from an economic point of view that this is a nonrisk, solid, worthwhile investment, which will pay continued dividends in international good will and public appreciation and understanding of the U.S. maritime industry. I strongly urge you to favorably report Senate Joint Resolution 101.

Senator BARTLETT. Do you have any questions?

Mr. POCOCK. Yes. Thank you very much. If there is a profit after the loan is paid off, what is going to be the disposition of those funds?

Mr. HUTCHISON. It is conceivable that the *Kauiulani* here, with the type of public response that we expect, we should be able to retire

the loan in a very short period. Any surplus funds have to be devoted to maritime historical purposes, as required by the charter of corporation of the society. The society is a tax-exempt organization and an educational organization. No individual can benefit from the surplus funds of the society. While we have not promulgated any firm policy as to how we would like to devote surplus funds, primarily because we didn't want to enjoy the luxury of thinking what we were going to do with extra money when we were struggling so hard to get money, we nevertheless have given some thought to the use of funds.

First and foremost, we would probably want to reduce the admission charge, particularly for children, to make it possible for everyone to come aboard. Additional funds after that would be devoted to assisting other worthwhile maritime historical restoration projects. And I would like to say there are quite a few very good ship restoration projects throughout the United States. Most of them are local in nature, belonging in one particular area, the Northwest, the South, or Hawaii. They are all experiencing the same problems we are in raising funds. It is difficult to raise funds for an old ship. Lastly, this is something we have given thought to, if we did have the funds we would like the National Maritime Historical Society to sponsor a private sail training organization and actually operate a square-rigged training vessel for young American boys, probably young men who have a desire to gain the experience of sailing before the mast, and probably work in something of a social program to get some of the underprivileged boys off the street who are having problems, let them get at sea and see if we can help straighten them out.

As you may know, almost all the major maritime nations in the world maintain sail training vessels. The United States has only one, the bark *Eagle*, operated by the Coast Guard Academy, and you must be a cadet in the Academy to sail on the *Eagle*. Norway has three privately operated sail training vessels, jointly superintended by the Norwegian maritime industry and the Government.

For a long while, graduates of the sail training vessels were the mainstay of the Norwegian merchant marine. Today I am told less than half of the young men from the sail training vessels go on to sea. Most of them go on to the universities. From the Norwegian point of view, they think 6 to 9 months on a square-rigged sail training vessel helps a boy grow up, helps him learn cooperation with his crewmates, gives him self-confidence.

Sweden has two vessels. Germany has one. England has one. Chile and Argentina and Thailand operate vessels. We think this would be a worthwhile use if the *Kairuani* could make a profit to put that money into maintaining the sailing heritage in the United States. I think it is a good youth training program.

Mr. Pocock. The Sea Scouts, for example, would be quite interested in this kind of thing.

Mr. HUTCHISON. Yes, sir. This is why I mentioned in my testimony we had an exchange of correspondence with Adm. Arleigh Burke, now the chairman of the Boy Scouts in the metropolitan area, on whether we can work out a program to have Sea Scout ships throughout the United States nominate candidates to be on the crew. We would very much like to work with them in sailing the ship back.

Mr. Pocock. You answered the other question I had, that one of

your first considerations would be to reduce the fee, primarily for children—elementary and high school children.

Mr. HUTCHISON. Yes, sir.

Mr. POCOCK. I have no further questions. Thank you, Mr. Chairman.

Senator BARTLETT. I want to take vigorous exception to one of your remarks in your statement. It is obviously in error, and should not have been included. I say this especially because you note that this is your first appearance before a congressional committee.

You remarked that, and I quote: "Several years ago I retired." From what you tell us here today, your retirement has been quite to the contrary.

Mr. VER STANDIG. Let me say I hoped I could retire.

Senator BARTLETT. Actually, and in a serious vein, your testimony has been extremely helpful, because whenever a bill comes up in Congress, whenever a resolution is considered, there is always the question, where is the money coming from? And although Mr. Hutchison and Mr. Kortum dwelt upon this subject, you have pinpointed it. You gave more exact descriptions of why it is that a loan of \$500,000 can be repaid, and that without any considerable difficulty.

When this resolution comes up for consideration, which I hope will be soon, we are going to be able to rely upon the testimony which you have offered. You said the *Kaiulani* ought to be able to attract three times as many visitors as a similar ship in San Francisco, assuming that the admission charge is to be the same. By that, you mean 75 cents per visitor?

Mr. VER STANDIG. Mr. Kortum can explain that to you.

Senator BARTLETT. 75 cents is the going fee in San Francisco?

Mr. KORTUM. Yes.

Senator BARTLETT. You have a special rate for children?

Mr. KORTUM. Yes, sir.

Mr. VER STANDIG. There is a block rate, a booking rate.

Mr. HUTCHISON. It is 75 cents for adults on the *Balclutha* and 25 cents for children.

Senator BARTLETT. I am very grateful to all of you. At this point, I think I should, in all fairness, say that aside from your efforts, Mr. Hutchison, my interest in this project was aroused and stimulated by Mr. Robert Charles, who was formerly on my staff, and who is now in the executive department of Government. He is the son of an Assistant Secretary of the Air Force. If I had been inclined to be opposed to this, which I never was, he wouldn't have allowed that condition to remain mine. Thank you very much.

Mr. HUTCHISON. Mr. Chairman, before we adjourn I would like to submit for the record some documents which I think might be helpful. One is the deed of absolute donation of the *Kaiulani*, the deed of acceptance, President Johnson's letter of November 13, 1964, to the society, and a copy of the resolution of the Board of the Redevelopment Land Agency.

Senator BARTLETT. They will all be incorporated in the record at the end of this day's hearing.

Mr. HUTCHISON. Also, I have a suggestion concerning the technical language of the resolution. Mr. Gulick in his testimony suggested that subsection (f), which now reads:

The vessel *Kaiulani* shall, for purposes of all maritime and customs laws, be deemed to be a vessel in the service of the public authority which is not engaged in trade—

Mr. Gulick suggested that language be struck and in its place be put:

Notwithstanding any other provisions of law, the vessel *Kaiulani* shall be entitled to be registered and enrolled under the laws of the United States of America.

This is a technical amendment which we favor. I understand the vessel must be documented under the laws of the United States in order to be eligible for title XI. I would like to add additional language to insure that the *Kaiulani* is not required to pay a tonnage tax or customs duty when she returns to the United States, and add to section (f), or a new section, the wording:

The vessel *Kaiulani* shall be exempt from all U.S. customs, duties, and tonnage taxes upon return to the United States.

Senator BARTLETT. You then approve of the suggested amendment offered by Mr. Gulick?

Mr. HUTCHISON. Yes, sir.

Senator BARTLETT. And you make this additional suggestion on your own part?

Mr. HUTCHISON. Yes, sir.

Senator BARTLETT. Thank you, gentlemen.

The next and last witness is Mr. Haddock, executive secretary, AFL-CIO Maritime Committee, who is not testifying before a congressional committee for the first time.

**STATEMENT OF HOYT HADDOCK, EXECUTIVE SECRETARY,  
AFL-CIO MARITIME COMMITTEE, WASHINGTON, D.C.**

Mr. HADDOCK. Good morning, Mr. Chairman. And, I am ready to retire at any time.

Senator BARTLETT. Your retirement will be no less active than that of the other gentleman.

Mr. HADDOCK. Mr. Chairman, we support Senate Joint Resolution 101. More specifically, we should like to associate ourselves with and support the remarks of the witnesses of the National Historical Society.

We should like to offer an amendment to section B, and our amendment would change the section to read:

Each guarantee issued under this section shall be made by the Secretary of Commerce, without respect to the economic feasibility of the project. The guarantee shall be subject to such reasonable terms and conditions as he may deem reasonably necessary to assure the success of the project.

I think the testimony of the prior witnesses has indicated the necessity for such an amendment.

Under that amendment, for example, the Secretary of Commerce could require as a condition that an agreement be entered into with the society, requiring that, say, 50 percent of the net proceeds of the *Kaiulani* should be paid toward repayment of any loan until fully paid, or for a period of 10 years, whichever comes first.

There is a full obligation on the part of the U.S. Government to assure the success of this project, in our opinion. Discretionary loaning authority to the Secretary of Commerce, does not, in our opinion, come close to meeting such obligations. Let us assume, for example, that the Secretary should be convinced that the loan does not have a reasonable chance of being fulfilled. Then the project, in all likelihood, will be abandoned and the *Kaiulani* destroyed.

This, in our opinion, could be a serious blow to the people of the Philippines and to our relations with them. The Philippine people have already done as much, perhaps, to assure the success of this gift to the American people, as the interested people in the United States.

In our opinion, it would be unconscionable to permit this project to fail. It now appears reasonably certain to fail without financial help from our Government. I do not feel that our Government can rely on this legislation without our suggested amendment to get the job done.

Accordingly, we urge the adoption of legislation calculated to assure the success of the *Kauiulani*. Mr. Chairman, at the time the gift was made by the National Maritime Union, we took up—I suggested the possibility of sufficient loans from the pension and welfare funds to finish the *Kauiulani*. Because of restrictions on trust funds in New York, no such loan could be made. I should think that such a suggestion, after a guarantee of such a loan by the Government, could probably be looked on favorably, and I certainly see no reason for this society going out and paying 6 percent interest on a loan, if we can get the industry a little more interested, and a little better oriented to such a very fine project.

Senator BARTLETT. Does that conclude your statement?

Mr. HADDOCK. That concludes my statement.

Senator BARTLETT. Mr. Pocock.

Mr. POCOCK. Is it true that Mr. Curran is one of the trustees of the National Historical Maritime Society?

Mr. HADDOCK. Yes; it is.

Mr. POCOCK. At the beginning of the statement, you say:

We ask, however, that you give consideration to extending the loan guarantee to all loans that have been made to this worthy project.

I am a little in the dark as to what loans you are talking about, that have been made.

Mr. HADDOCK. There may have been some additional loans made to this project by nonprofit organizations, and if they have been made, they should be in a position to guarantee them. I don't know that they have. It is really not an important point. The important point is to get legislation passed, which will assure the success of the project, not permit some government official to make a determination as to the economic feasibility of the project. Very frankly, I am fearful of this situation, because at best, you can only take the evidence that we can accrue and make a reasonable assumption. I know that with respect to title XI loans, companies have to adduce evidence to assure that those loans are going to be paid.

Mr. POCOCK. The only reason I asked the question is because in my limited research on the subject of the *Kauiulani*, about which I knew nothing, unfortunately for me, until about a week ago, my impression was that no loans had been made. You are not aware of any specific loans?

Mr. HADDOCK. No. Actually, the point is unimportant, as far as I am concerned. The important point is to pass legislation which will assure the completion of the job and bring her here, and let it do the job it ought to do.

Mr. POCOCK. Thank you.

Mr. Chairman, I have no further questions.

Senator BARTLETT. Mr. Haddock, have you talked with the Maritime Administration about any of these changes you suggest?

Mr. HADDOCK. No, sir; I have not.

The questioning of the Congressmen, the witnesses yesterday before the House Merchant Marine and Fisheries Committee, suggested this amendment to me. I offered a similar amendment to the House committee yesterday. Other than just asking Mr. Hutchison if he saw any objection to the amendment after I offered it, I have discussed it with nobody.

Senator BARTLETT. Let's take a look at this. What if the Maritime Administration says no?

Mr. HADDOCK. You mean "no" to my suggested amendment?

Senator BARTLETT. Right. What course should we follow then?

Mr. HADDOCK. I think you go back to the bill. I would be surprised if they would say no.

Senator BARTLETT. Don't you think, however, in view of Mr. Gulick's testimony this morning, that in all likelihood, the Administration has made up its mind already that this loan is economically sound, otherwise it occurs to me that Mr. Gulick wouldn't have testified so affirmatively.

Mr. HADDOCK. I can tell you that before the House he testified that they had not made up their mind as to whether or not it was economically feasible.

Senator BARTLETT. What we're going to do right away is to receive from you, if you have it written out, the language of your suggested amendment or amendments, and communicate orally with Mr. Gulick. I can see the advantages of doing this. But I don't want to run into heavy winds that would becalm us.

Mr. HADDOCK. I should not want to defeat the other bill if this does not stand an opportunity of being advanced.

Mr. Chairman, I feel very strongly, I would like to emphasize with all weight that I think that this Government has a basic responsibility to see that this job is done. I think the Congress just ought to say we are not going to look to anyone to make a determination as to whether or not it is reasonably feasible to do this economically, that this job ought to be done whether it is economically sound or not. And there is too much at stake to permit it to ride on the Commission.

I may say that I, myself, was convinced, I guess, about 2 years ago as to the economic feasibility of it myself. But I was convinced not on the basis of any proof which you can offer, but on the reasonableness of what you can expect from the project.

Senator BARTLETT. We have had some proof here today, which is going to be very helpful.

First, I want to say to you, Mr. Haddock, that I congratulate the organizations with which you are associated, not only in having you appear here today, but in taking such an interest in this project and in making such substantial donations of money.

Second, I have a mild disagreement. I don't think it should be the duty of the Congress to see to it that this project is carried through. This is repetitive on my part. I think that public interest, a sense of historical perspective, a desire to maintain that which is important in our Nation's history, should have combined long since to make it possible for the National Maritime Historical Society to raise this rela-

tively small amount of money. But since that has not been the case, and since as a last-ditch effort it has been found necessary to come to the Congress, since you and others here today are testifying in favor of resolutions both in the Senate and the House offered on this subject, and since there is no other way, apparently, in which the money can be obtained, it is my hope that prompt action will be taken.

Speaking as one member of the committee, I propose to do everything I can to have this resolution reported out in its present or amended form, very promptly, and I hope the full committee will endorse and report to the Senate and that the Senate will take affirmative action soon.

Mr. HADDOCK. Mr. Chairman, I share your feeling with respect to the failure of the maritime industry to give adequate support to this project. However, they have not. As I indicated, I feel sure that serious consideration would have been given by the NMU pension and welfare fund to a loan to complete this project, had it been permitted to do so under law. But because it is a trust fund it could not make a loan at the time this thing was being considered.

I know that one of the trustees of the fund actually took the matter before the fund for consideration, and it was rejected solely because they were not permitted under law to make the loan.

I also indicated that I would be willing to turn this project back over to that fund for consideration after guarantee, because at that point they can legally make a loan, and I see no reason for paying 6 percent on a loan for an organization like this.

Senator BARTLETT. I'm hopeful that, (a) the laws of the State of New York, or whatever State is involved, will be promptly changed to take cognizance of such situations, and (b) since that isn't likely to happen, that with your proposal at hand, the money can come from the trust fund and not pay 6 percent or some other such elevated structure.

Mr. HADDOCK. I hope we don't have to pay 5 or 6 percent for money. That is just too much.

Senator BARTLETT. Thank you very much.

There will be included in the record a statement of Mr. S. Dillon Ripley, Secretary of the Smithsonian Institution, favorable to the resolution, but noting woefully that the Institution is not in a position to give financial help.

(The statement follows:)

STATEMENT OF S. DILLON RIPLEY, SECRETARY OF THE SMITHSONIAN INSTITUTION

This legislation would authorize the Secretary of Commerce to guarantee certain loans made to the National Maritime Historical Society for the purpose of restoring and returning to the United States the merchant ship *Kaivani*. This vessel, given to the people of the United States from the people of the Philippines, was formally presented to President Johnson in a White House ceremony in October 1964. The President assigned the task of restoring the *Kaivani* to the National Maritime Historical Society and it is currently being restored by the Society in the Philippines. Upon completion of restoration it will be returned to the United States and permanently berthed on the Washington Channel waterfront as a non-profit museum memorializing the Nation's maritime heritage.

This ship is an expression of our country's devotion and pioneering in the development of fast means of maritime transportation that ultimately led to the development of our modern posture in commercial shipping. The fact that the Republic of the Philippines saw fit to give this great gift to the American public

is additional evidence of their respect for our earlier achievements in maritime transportation.

While we are not in a position of financial competence to judge the technical merits of the proposed financial arrangements in the legislation, we feel that it would be to the interest of the American people to have on exhibition such a specimen of an example of our early days in maritime interests.

Senator BARLETT. The committee stands adjourned, subject to the call of the Chair.

(Whereupon, at 12:27 p.m., the committee was adjourned.)

(The documents referred to in the National Maritime Historical Society's testimony and letters submitted for the record follow:)

#### DEED OF ABSOLUTE DONATION

##### *Know All Men by These Presents:*

Whereas, the Maritime Historical Society of the District of Columbia has been actively negotiating for the purchase of the bark *Kaiulani*, formerly the clipper ship *Kaiulani*, the last surviving square rigger built in America;

Whereas, President Diosdado Macapagal, aware of the above negotiations, has made representations for the donation of the *Kaiulani* to the Maritime Historical Society of the District of Columbia for the benefit and enjoyment of the American people;

Whereas, the state visit of the President of the Philippines to the United States provides an excellent opportunity for the immediate transfer of the bark; and

Whereas, as a gesture of the friendship of the Filipino people to the American people, in recognition of the noble purposes of the Maritime Historical Society of the District of Columbia, and in appreciation of the efforts of the Philippine Government:

Now therefore, in consideration of the foregoing premises and as a pure act of liberality, We, the family of Don Vicente Madrigal, and the Madrigal Shipping Company, Inc., a corporation duly organized and registered under the laws of the Philippines, with principal offices located at the Madrigal Building, Escolta, Manila, Philippines, acting through Jose P. Madrigal, member of the Board of Directors of the aforesaid corporation, hereby voluntarily and freely give, transfer, and convey, by way of donation, unto the Maritime Historical Society of the District of Columbia, a non-profit organization incorporated under the laws of the District of Columbia, with principal offices located at 1108 16th Street, N.W., Washington, D.C., United States of America, for the enjoyment and benefit of the American people, that barge covered by Certificate of Philippine Register Number 1752, issued by the Collector of Customs at the Port of Manila on September 24, 1948, and more particularly described as follows:

##### *Barge Kaiulani:*

Gross Tonnage, 1699 tons;

Net Tonnage, 1425 tons;

Overall Length, 225.7 feet;

Breadth, 42.3 feet;

Depth of Hold, 20.0 feet,

which barge shall be available for delivery to the donee or its authorized representative on or about November 15, 1964 at the North Harbor, Port of Manila, Philippines.

In recognition of the role of the Philippine Government in making this donation possible, His Excellency, President Diosdado Macapagal of the Philippines, is hereby requested to formally present this donation for the American people, through His Excellency, President Lyndon Johnson of the United States.

In witness whereof, I have hereunto affixed my signature on this 18th day of September, 1964, in the City of Manila, Philippines.

For and in behalf of the donors; the family of Don Vicente Madrigal and the Madrigal Shipping Co., Inc.:

JOSE P. MADRIGAL.  
RUFINO G. HECHANOVA.  
ARMAND V. FABELLA.

## DEED OF ACCEPTANCE

*Know All Men by These Presents:*

Whereas, the family of Don Vicente Madrigal and the Madrigal Shipping Company, Inc., a corporation duly organized and registered under the laws of the Philippines, with principal offices located at the Madrigal Building, Escolta, Manila, Philippines, acting through Jose P. Madrigal, member of the aforesaid family and of the Board of Directors of the aforesaid corporation, did voluntarily and freely give, transfer, and convey, by way of deed of absolute donation dated the 18th day of September 1964 the *Kaiulani* to the Maritime Historical Society of the District of Columbia, a non-profit organization incorporated under the laws of the District of Columbia with principal offices located at 1108 16th Street, N.W., Washington, D.C., United States of America, for the benefit and enjoyment of the American people; and

Whereas, President Diosdado Macapagal of the Republic of the Philippines made a token presentation of the *Kaiulani* to the American people on October 5, 1964 during the course of his state visit to the United States; and

Whereas, President Lyndon B. Johnson of the United States of America accepted the *Kaiulani* in behalf of the American people on October 5, 1964.

Now therefore, in consideration of the foregoing premises, the Maritime Historical Society of the District of Columbia, acting through Alan D. Hutchison, the President of the aforesaid society, does hereby accept the following described vessel, free of liens and encumbrances:

Barge *Kaiulani* covered by Certificate of Philippine Register Number 1752, issued by the Collector of Customs at the Port of Manila on September 24, 1948, and more particularly described as follows:

Gross Tonnage, 1699 tons.

Net Tonnage, 1425 tons.

Overall Length, 225.7 feet.

Breadth, 42.3 feet.

Depth of Hold, 20.0 feet.

Further, the Maritime Historical Society expresses its gratitude for the liberality and charitability of the Madrigal family and the Madrigal Shipping Company, Inc.

In witness whereof, I have hereunto affixed my signature this 18th day of November, 1964, in the Municipality of San Juan, Province of Rizal, Philippines For and on behalf of the Maritime Historical Society of the District of Columbia:

ALAN D. HUTCHINSON.

Signed in the presence of:

WILLIAM McC. BLAIR, JR.  
A. P. MADRIGAL.

## RESOLUTION BY THE DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

Whereas, President Diosdado Macapagal of the Republic of the Philippines, on behalf of the people of the Philippines, has presented the *Kaiulani*, the last surviving American-built square rigged merchant ship, to the people of the United States as an expression of the warm friendship existing between the United States of America and the Republic of the Philippines; and

Whereas, President Lyndon B. Johnson accepted the gift of the *Kaiulani* on behalf of the people of the United States; and

Whereas, the *Kaiulani* will become a monument to the good relations existing between the Republic of the Philippines and the United States of America and will be operated as a museum ship by a non-profit organization, the National Maritime Historical Society, the trustee for the *Kaiulani*: Now, therefore, be it

*Resolved by the Board of Directors of the District of Columbia Redevelopment Land Agency:*

(1) That the District of Columbia Redevelopment Land Agency intends to do all in its power to provide for the permanent berthing of the *Kaiulani* on that portion of the Washington Channel Waterfront within Project Area C; and

(2) That this resolution shall take effect immediately.

## CERTIFICATE OF RECORDING OFFICER

The undersigned hereby certifies that:

1. He is the duly qualified and acting Secretary of the District of Columbia Redevelopment Land Agency (hereinafter called the "Local Public Agency") and the custodian of the records of the Local Public Agency, including the minutes of the proceedings of the Board of Directors of the District of Columbia Redevelopment Land Agency (hereinafter called the "Governing Body"); and is duly authorized to execute this certificate.

2. Attached hereto is a true and correct copy of a resolution, including the whereas clauses, adopted at a meeting of the Governing Body held on the 17th day of March, 1965.

3. Said resolution has been duly recorded in the minutes of said meeting and is now in full force and effect.

4. Said meeting was duly convened and held in all respects in accordance with law and the bylaws of the Local Public Agency. To the extent required by law or said bylaws, due and proper notice of said meeting was given. A legal quorum of members of the Governing Body was present throughout said meeting, and a legally sufficient number of members of the Governing Body voted in the proper manner for the adoption of said resolution. All other requirements and proceedings under law, said bylaws, or otherwise, incident to the proper adoption of said resolution, including any publication, if required by law, have been duly fulfilled, carried out, and otherwise observed.

5. If a seal appears below, it constitutes the official seal of the Local Public Agency and was duly affixed by the undersigned at the time this certificate was signed. If no seal appears below, the Local Public Agency does not have and is not legally required to have an official seal.

In witness whereof, the undersigned has hereunto set his hand this 17th day of March, 1965.

[SEAL]

\_\_\_\_\_, Secretary.

THE WHITE HOUSE,  
Washington, November 13, 1964.

I am pleased that the Maritime Historical Society of the District of Columbia, which has already done much to preserve the *Kaiulani*, will serve as trustee for the American people in realizing the full potential of the gift of the hull of that ship from the Philippine people.

As trustee, you will have the tasks of authentically restoring the *Kaiulani*, sailing her to the United States, and converting her to a maritime museum in the Nation's Capital. The project will save the last American-built square-rigged merchant ship now afloat. Fully restored, the ship will provide not only a most appropriate basis for a naval museum, but also a constant reminder to the American people of our country's seagoing heritage.

Your Society has my warmest best wishes for the successful and speedy completion of your tasks. I will look forward to visiting the *Kaiulani* at its permanent berth on the banks of the Potomac.

LYNDON B. JOHNSON.

JAMES W. ROUSE & Co., INC.,  
Washington, D.C., October 20, 1967.

Re: *Kaiulani*.

Hon. BOB BARTLETT,  
Chairman, Senate Merchant Marine Subcommittee,  
Senate Office Building, Washington, D.C.

DEAR SENATOR BARTLETT: Years of service as Vice Chairman of the Commissioners Planning and Urban Renewal Committee have made me very familiar with Washington's problems and opportunities. The *Kaiulani* is a Washington opportunity. Tourism is tremendously important to the tax base of the District. The presence of this famous ship as an additional tourist attraction will many times repay itself. In the interest of history alone and our position with the Philippine government, it deserves your strong support.

Sincerely,

GEORGE M. BRADY, Jr.,  
Senior Vice President.

THE PROPELLER CLUB OF THE UNITED STATES.  
New York, N.Y., September 28, 1967.

HON. E. L. BARTLETT,  
Member, Committee on Commerce,  
U.S. Senate, Washington, D.C.

DEAR SENATOR BARTLETT: The Propeller Club of the United States, consisting of 75 local Clubs in the United States and overseas and a total individual membership of over 12,000, is a responsible maritime society dedicated to promoting an American Merchant Marine adequate to meet the national security and economic welfare requirements of our country.

In consideration of the best interests of the Merchant Marine our society has taken a Position with regard to the Museum Ship *Kaiulani*. A copy of the Position is attached.

I respectfully request that this Position be given sincere consideration in the guidance of your actions concerning this matter.

Yours faithfully,

E. D. VICKERY,  
National President.

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CRIMMINS, KENT, BRADLEY & BURNS,  
San Francisco, Calif., September 26, 1967.

HON. E. L. BARTLETT,  
U.S. Senate,  
Washington, D.C.

DEAR BOB: Many thanks for your thoughtfulness in writing me on September 19th. It is always the greatest of pleasure to talk with you.

Karl Kortum, the highly effective and dedicated director of the San Francisco Maritime Museum, called on me yesterday with the story of the restoration of the *Kaiulani* and of your interest in it.

Karl tells me (and will so testify in Washington) that last year the *Balclutha*, our San Francisco restored sailing vessel, took in something over \$160,000 from tourists at an expense of approximately half that amount. I am delighted you are interested in the Bill and I think you can be assured that it wouldn't cost the government a cent because obviously the number of tourists in Washington is on a high level geometrically greater than San Francisco.

Again, best wishes and best regards.

Sincerely yours,

ROGER KENT.

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AUGUSTA, MAINE,  
September 21, 1967.

Senator ROBERT BARTLETT,  
Chairman, Senate Merchant Marine Subcommittee,  
Senate Office Building, Washington, D.C.

DEAR SENATOR BARTLETT: I sincerely hope you are in favor of the *Kaiulani* legislation.

This old ship, repaired and returned to Washington, would be a most important museum piece representative of the great square rigged sailing era. How few people have ever seen a great square rigged vessel!

Sincerely yours,

FRED R. LORD.

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U.S. NAVAL SEA CADET CORPS,  
Kalamazoo, Mich., September 21, 1967.

HON. ROBERT BARTLETT,  
Chairman, Senate Merchant Marine Subcommittee,  
Senate Office Building,  
Washington, D.C.

DEAR SIR: I wish to express my hope that the restoration of the bark *Kaiulani* can be attained.

As the British saved the *Cuttysark*, so should we for the same reasons preserve this last remaining example of a part of our maritime history.

Very truly yours,

FREDERICK J. ASHBY,  
Commanding Officer.

J. J. HENRY, Co., INC.,  
Washington, D.C.

HON. ROBERT BARTLETT,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR BARTLETT: As a member of the Board of Trustees of the National Maritime Historical Society, I urge your earnest support for the *Kaiulani* legislation. In my opinion this is a most worthwhile project which thoroughly justifies government support to the extent provided by the proposed bill.

Sincerely yours,

RALPH E. WILSON,  
Vice Admiral, U.S. Navy (Retired).

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COMMONWEALTH OF PENNSYLVANIA,  
DEPARTMENT OF PUBLIC WELFARE,  
PHILADELPHIA STATE HOSPITAL,  
Philadelphia, Pa., October 5, 1967.

Senator BOB BARTLETT,  
Chairman, Senate Merchant Marine Subcommittee,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR BARTLETT: You may recall my connections with Alaska, our meetings at Petersburg on the plane and the subsequent talk which you gave to the local people on the subject of fisheries and my interest in the mental health of the people of Alaska.

I am writing you now under another interest of mine which has to do with the Merchant Marine and particularly the great history of the country as related to the clipper ships, the square riggers and so on.

I am aware, through my membership in the National Maritime Historical Society and through other connections of the efforts made to restore the *Kaiulani* to good condition and place it in the United States where it can be placed on exhibition for the edification and historical education of the people of this country particularly the younger generations coming on.

I would like to add my name to thousands of others who are supporting this effort and strongly urge your sub-committee to report favorably on this matter.

I have many things to discuss with you concerning Alaska and will do so at some opportunity not too far distant, I hope.

With every good wish to you in all your efforts,

Sincerely yours,

DANIEL BLAIN, M.D.,  
Director.

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ANCHORAGE DAILY NEWS,  
Anchorage, Alaska, October 6, 1967.

HON. E. L. BARTLETT,  
U.S. Senate,  
Washington, D.C.

DEAR BOB: I am astounded and delighted by the prompt and thorough service on our request for "scallop industry" information. You can count us among your satisfied customers.

Thanks, also, for the information on the good ship *Kaiulani*. We agree that the story deserves to be told in Alaska and are scheduling it for a future *Alaska Living*. We hope, also, to gather some pictures from the sources listed in the testimony. When the time and urge combine and you do write an article for *Alaska Living* on any topic, you can be certain of a sympathetic reception.

Sincerely,

JOE ROTHSTEIN,  
Executive Editor.

MARITIME PRINTS, LTD.,  
Dublin, N.H., October 9, 1967.

Senator BOB BARTLETT,  
Chairman, Senate Merchant Marine Subcommittee,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR BARTLETT: I would like at this time to express my support for the *Kaiulani* legislation now before the Senate. I believe we should do everything possible to get this last of the square-riggers to our nations capital as a museum for the future generations of young people. This is an important part of our country's history and the *Kaiulani* will do much to show a part of our maritime background.

All of us here at Maritime Prints support your efforts in behalf of the *Kaiulani* project as well as any project to bring our past maritime history to the people.

I'm sending you a set of our early American ship prints under separate cover. I hope you enjoy them.

Sincerely yours,

STEPHEN G. AVERY.





