



Ship Shaping: How Congress and Industry Influenced U.S. Naval Acquisitions from 1933-1938

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Henry Carroll (hcarroll@csis.org / 202-644-5639)

This research is derived from academic analysis independent of CSIS products.

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Photo from the National Parks Service, [BOSTS-13817-785](https://www.nps.gov/subjects/shipbuilding/)

Congress and Industry Played Underrated Role in US Interwar Naval Build-Up

- Interwar shipbuilding is often seen through the lens of the Executive Branch – FDR and the Navy Department
- Congress and industry played a key – and underappreciated – role in preparing the Navy for WWII
- History shows complex interactions between industry and Congress drove outcome, not “ideal” military solution

Shipbuilding funding is susceptible to self-reinforcing political cycles – what can scale up quickly can also rapidly fall apart

1930s US Naval Shipbuilding Industry Faced Major Oversupply and Workforce Retention Issues

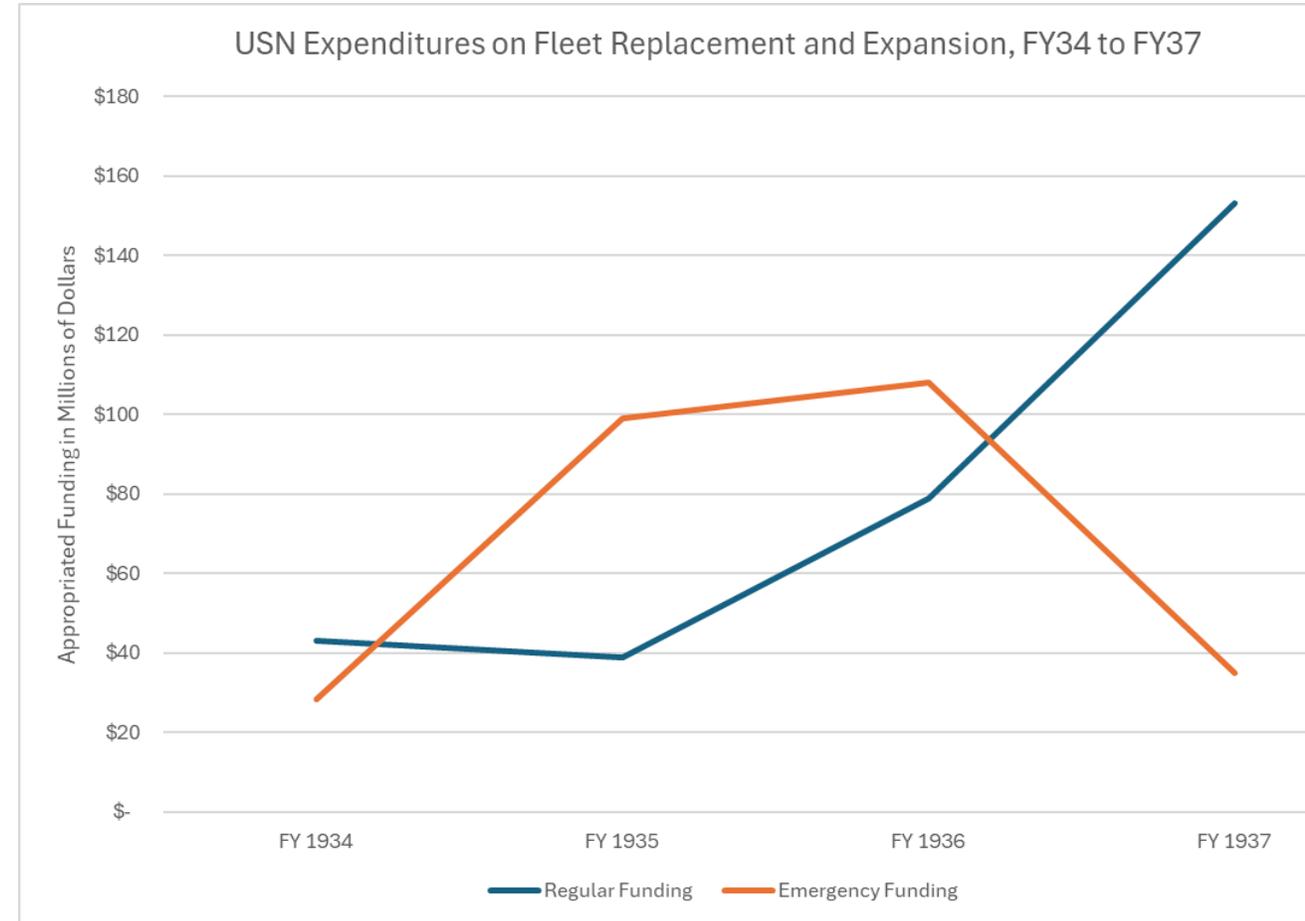
- US had 54 private shipyards created to supply WWI needs
 - By 1933, only 6 remained active
 - Only ½ Pre-WWI shipyards survive
- Public shipyards also under pressure: *“no justification for the great number of Navy stations and yards now kept open”* – 1933 Navy memo to FDR
- Emerging two-ocean threat created pressure to build up, despite lack of political support from a largely isolationist Congress



Aerial photograph of the Charlestown Navy Yard in 1925 from the National Parks Service, [BOSTS 8613-2865](#)

Funding from Regular Appropriations Takes Second Place to Funding from NIRA Through FY36

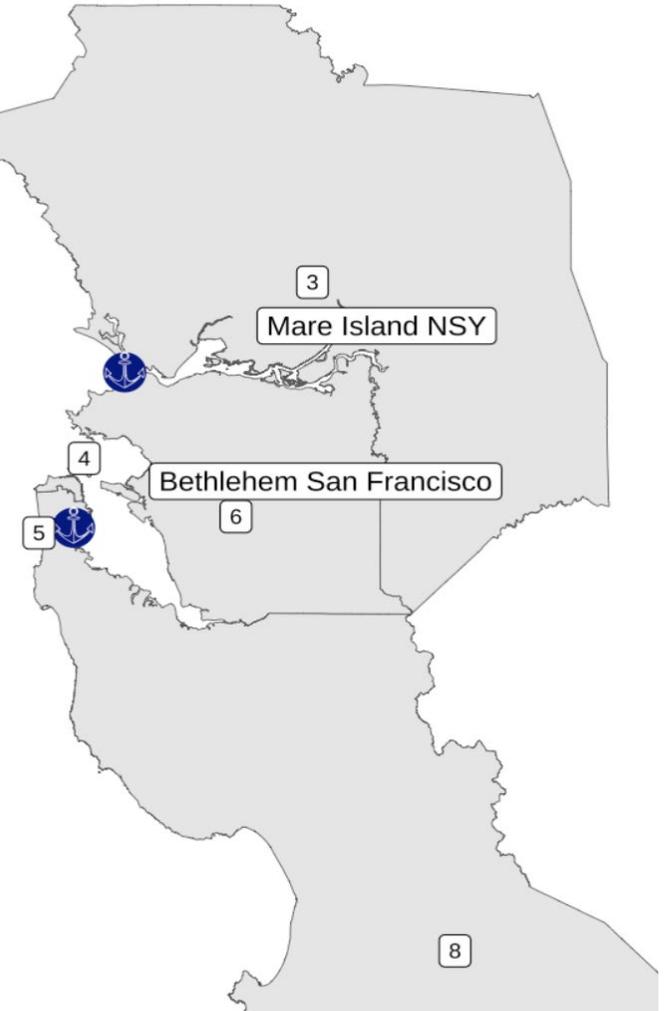
- In 1933, FDR submitted the National Industrial Recovery Act (NIRA) to Congress
 - Allowed public works funding to be used for shipbuilding
 - Idea originated from Navy and Congress
- NIRA funding combined Vinson-Trammell Act (1934) shipbuilding authorizations removed shipbuilding funding from Congressional control



Congressmen Influenced the Distribution of NIRA Contracts Towards Their Districts

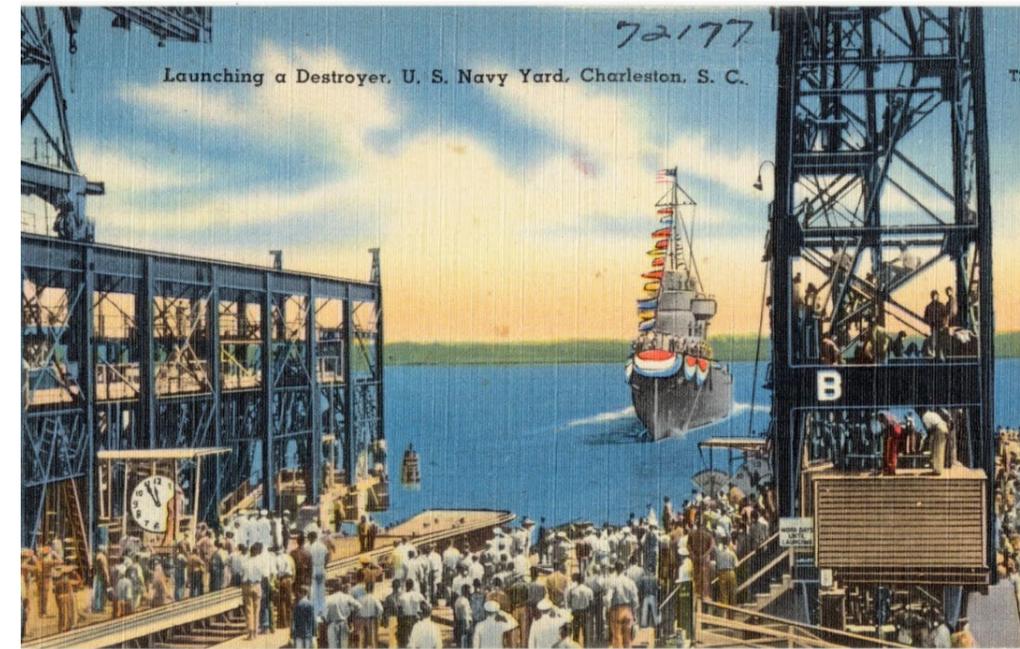
- Congressmen tied Navy or PWA actions on NIRA shipbuilding funding to votes on other legislative issues
- California members pressed for work for their local shipyards
- Bethlehem San Francisco received contracts for two destroyers in next appropriations cycle in 1936

Shipyards Building U.S. Naval Vessels in California. 1930-1939



Powerful Congressmen Could Influence the Types of Ships Constructed by Shaping Geographic Distribution

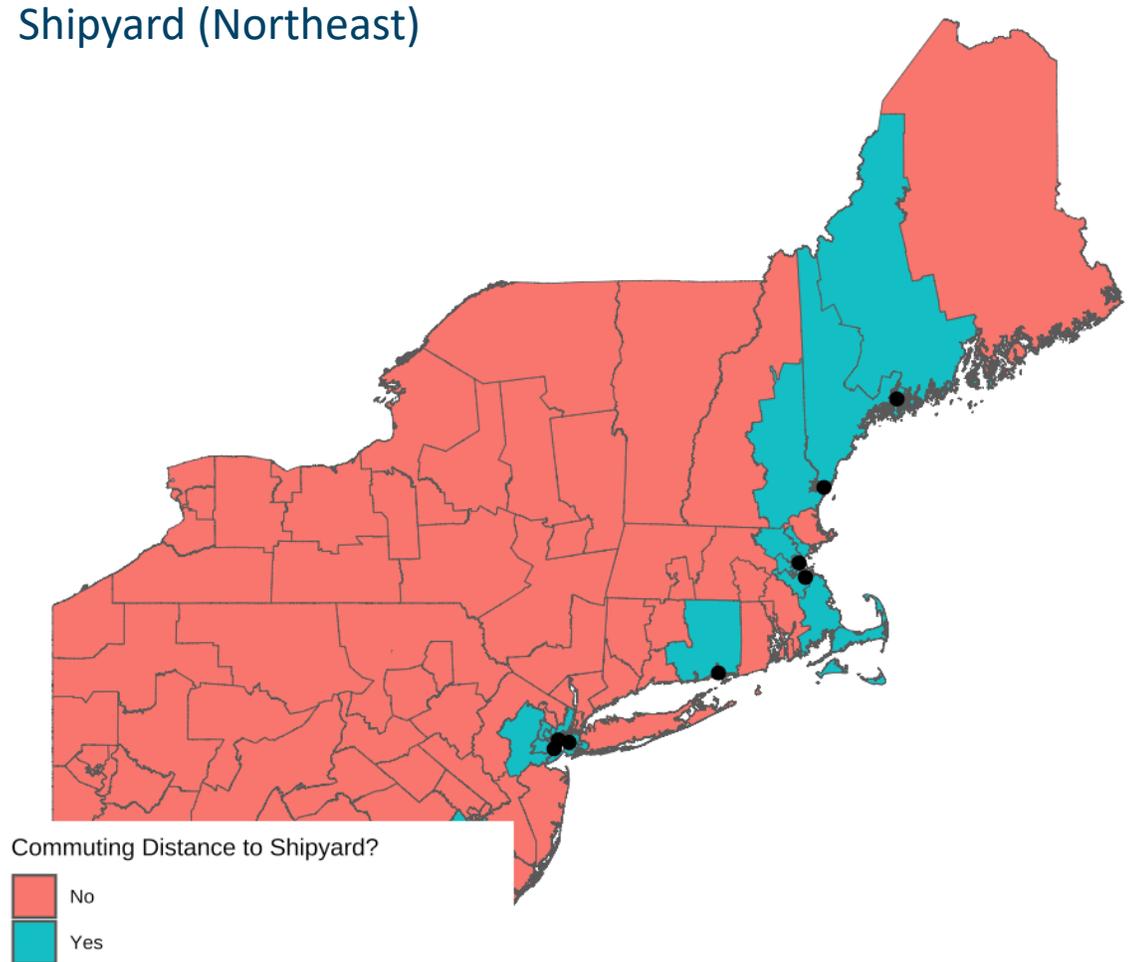
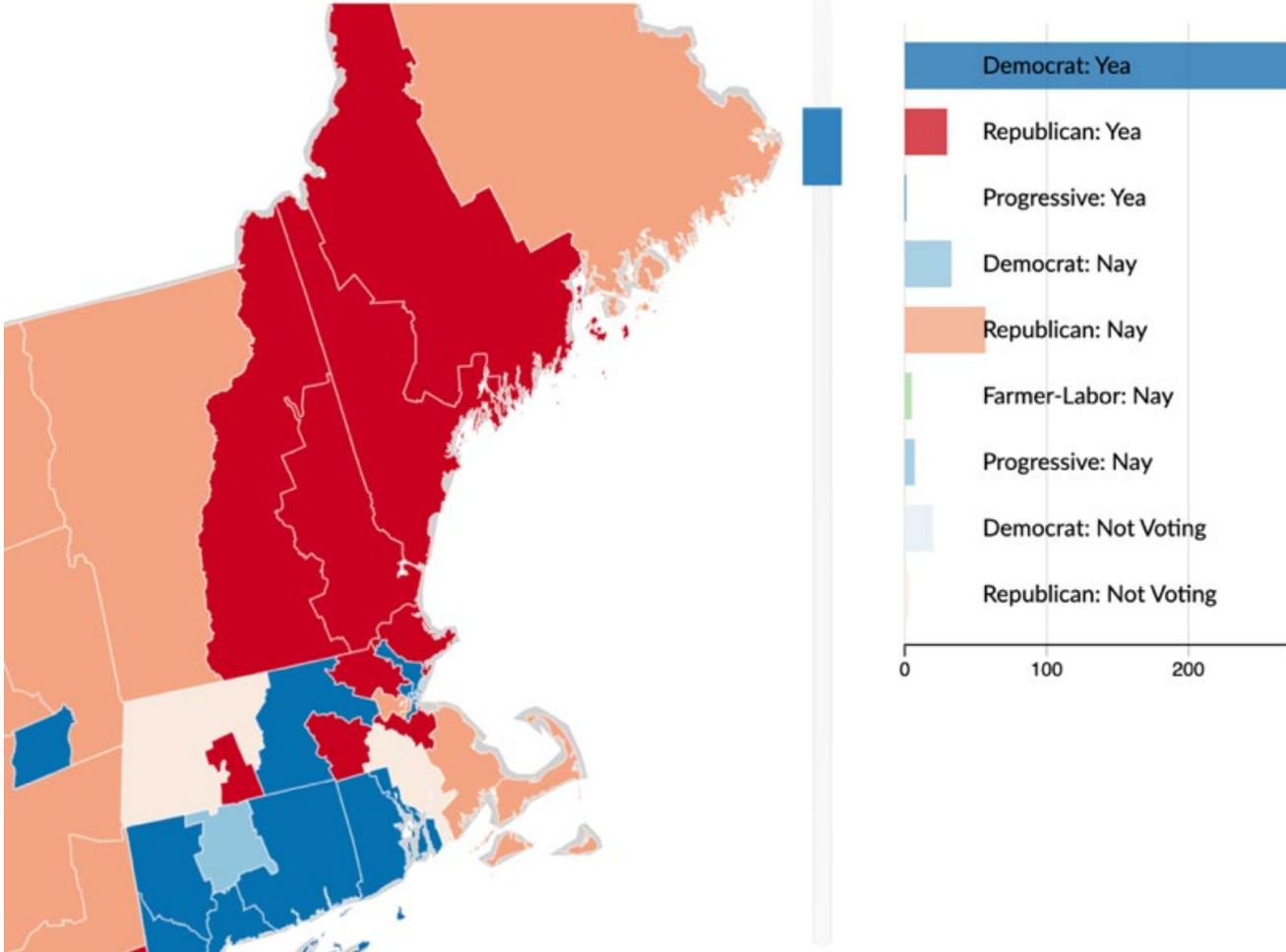
- Influential South Carolina senators drove work to underused – and perhaps noncompetitive – Charleston Navy Yard
 - Even with PWA investments, facilities capable of ships only up to destroyer size
 - To satisfy its political supporters, the Navy ordered the construction of a gunboat
 - Of limited use in Pacific war
 - From 1933-1937, the Navy allocated contracts for six destroyers and additional small craft



Proximity of Congressional Districts to Shipyards Influences Voting Patterns on Naval Spending

Voting on the Second Vinson Bill (H.R. 9218) (Northeast)

Congressional Districts Within Commuting Distance to Shipyard (Northeast)



The National Council of American Shipbuilders Used Information Asymmetry to Lobby More Effectively

- NCAS had state-by-state data on all shipbuilding industry supply chain purchases
- Navy provided NCAS figures – including estimates of profits – to congress without independent verification
- Later congressional investigation estimated true shipyard profits were triple what was reported

STEADY AID URGED FOR SHIPBUILDERS

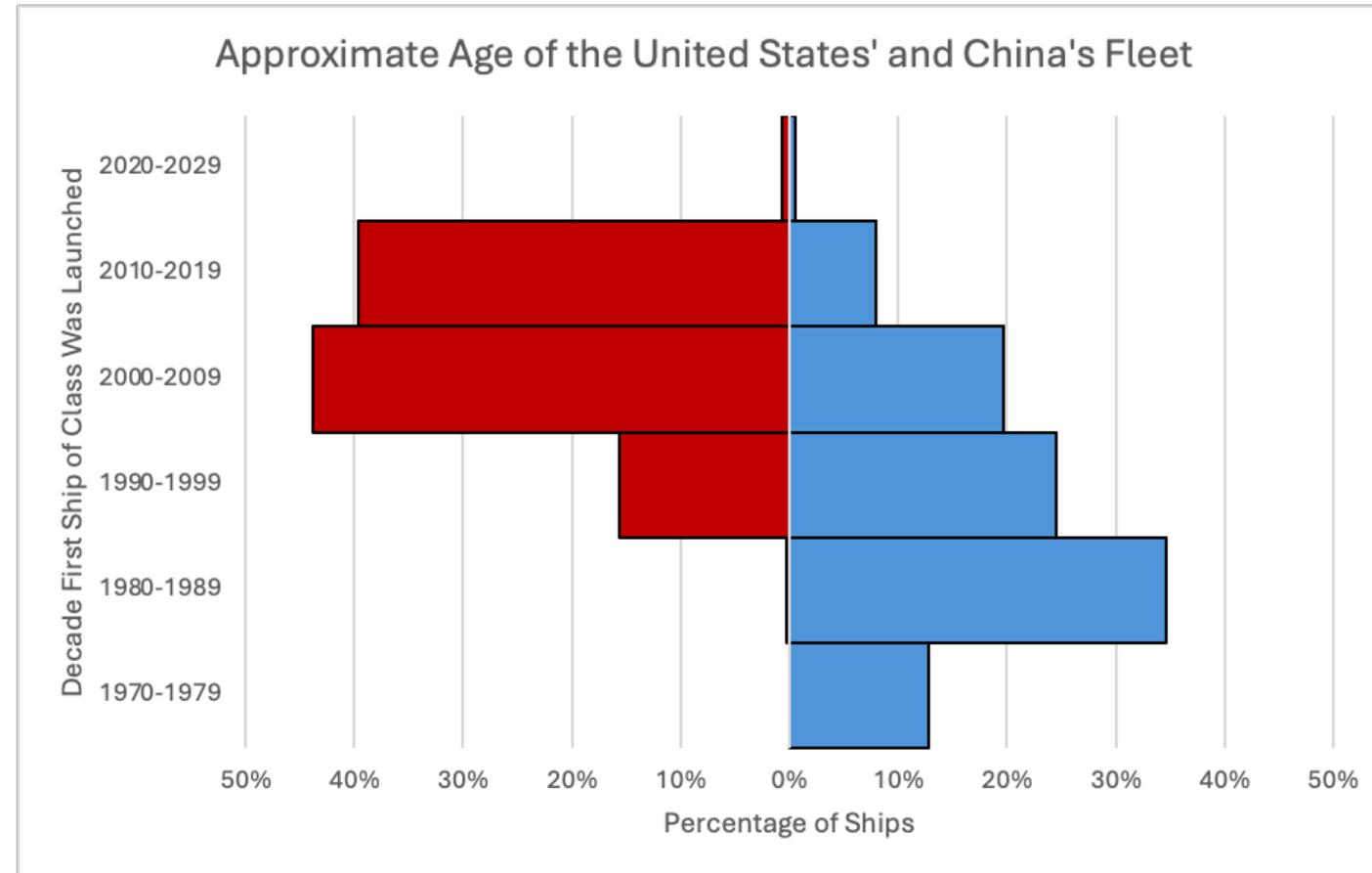
American National Council
Would Spread Federal Help
Over Long Period of Years.

SCORES 'HIT-OR-MISS' PLAN

Says Balanced Construction Will
Uphold Efficiency of Yards—It
Favors Vinson Bill Program.

The Nature of the Threat has Changed

- China is the world's largest shipbuilding nation with 230x capacity of the US
- US Navy estimates found that one single Chinese shipyard currently has more capacity than all U.S. shipyards combined



Interwar Political Dynamics Remain Relevant Today

- Local congressional politics continues to drive naval construction spending
- Concern: offshoring of US naval construction could trigger self-fulfilling prophecy of loss of capability, skilled workforce, & political support
- Impact of growth of uncrewed naval systems not yet clear