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SONOMA STATE UNIVERSITY



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Transcript

THE CALIFORNIA MARITIME ACADEMY

HEARING
BEFORE THE
COMMITTEE ON
EFFICIENCY
AND
COST CONTROL



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MAY 26, 1971

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AND COST CONTROL

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JOHN W. BILLETT, CONSULTANT

JAN SHARPLESS, ASSISTANT CONSULTANT

STATEMENT OF PURPOSE

The Assembly Committee on Efficiency and Cost Control shall exercise general legislative oversight in order to determine the extent to which programs, policies and actions of government fall within and adhere to the expressed intent of the Legislature, including but not limited to the:

- I. Determination of programs which duplicate or overlap other programs in existence; the
- II. Determination of programs which no longer fulfill an intended or necessary need; the
- III. Determination of agencies which are conducting programs or functions not within the intent of the Legislature; and the
- IV. Determination of agencies failing to conduct programs or functions intended by the Legislature.

LETTER OF TRANSMITTAL

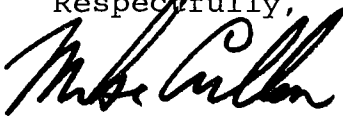
State Capitol
Sacramento, California
May 26, 1971

The Honorable Robert Moretti
Speaker of the California Assembly
State Capitol
Sacramento, California

Dear Mr. Speaker:

Your Committee on Efficiency and Cost Control hereby transmits its hearing record supporting the findings and recommendations concerning the California Maritime Academy which were submitted to you on April 27, 1971.

Respectfully,

A handwritten signature in dark ink, appearing to read "Mike Cullen", written in a cursive style.

MIKE CULLEN
Chairman

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Tuesday, March 23, 1971

The Committee met at 1:45 p.m. in Room 6028, State Capitol, Chairman Cullen presiding.

Present: Assemblymen Mike Cullen, Ernest Mobley, Peter Schabarum, Raymond Seeley, and Vincent Thomas.

Staff Present: John W. Billett, Consultant and Jan Sharpless, Assistant Consultant.

Also Present: Assemblymen Charles Conrad, and John Dunlap and Senator Peter Behr.

NOTE: (PORTIONS OF THIS HEARING NOT PERTAINING TO THIS SUBJECT DELETED.)

CHAIRMAN CULLEN: Before we begin the second item I want to outline the reason for this proceeding.

Among the responsibilities of this Committee lies the responsibility to ferret out state programs which are duplicative of other existing programs at other governmental levels or in the private sector. It also is the responsibility of the Committee to seek out programs in state government which for various reasons have become self-perpetuating, even though the need for the program may have disappeared.

The California Maritime Academy was established in 1929, during the intervening 42 years it has graduated persons who today rank among the leadership of the maritime industry. The questions facing this Committee have, however, included such things as:

Is the original purpose of the school being fulfilled?

Is the original purpose for which the school was organized still legitimate?

Without objection from the Committee we will enter the Academy's position paper into the record at this point. (See Appendix A)

Admiral, do you want to lead on?

APPEARANCE OF REAR ADMIRAL FRANCIS T. WILLIAMSON, SUPERINTENDENT, CALIFORNIA MARITIME ACADEMY; ACCOMPANIED BY CAPTAIN CARL G. BOWMAN, COMMANDANT OF MIDSHIPMEN AND COMMANDING OFFICER, T.S. "GOLDEN BEAR", CAPTAIN HARRY A. SEYMOUR, ACADEMIC DEAN, WILLIAM H. McPHERSON, CHAIRMAN, BOARD OF GOVERNORS, CALIFORNIA MARITIME ACADEMY, AND CAPTAIN EDWARD C. SAVAGE, NATIONAL PRESIDENT, CALIFORNIA MARITIME ACADEMY ALUMNI ASSOCIATION.

ADMIRAL FRANCIS T. WILLIAMSON: Thank you, Mr. Chairman. Of course in our position paper we offer rebuttal to summaries of findings in the interim report by the Subcommittee on Education.¹

Under A, they say the total support of the California Maritime Academy by the Federal Government in 1965 was \$276,733.00. Now the total state support was \$532,045. This is 52% of the state's support. In 1969, the total federal support was \$342,891, the total state support was \$697,668. That was approximately 49.2% as much as the state support. A difference of only 1.8%.

Now what makes the difference in this comparison, Mr. Chairman, is the fact that we put in there \$120,000 which the Maritime Administration gives for the upkeep of the "Golden Bear", or the training ship. To say the program primarily benefits the Federal Government is not entirely correct. Waterborne transportation which provides a lifeline for the accounts of the State of California amounted to about 45 million tons in 1969.

It is estimated that for every ton of cargo moved in and out of the California port, \$22.50 is spent locally. This means approximately \$1 billion in economic benefits for the citizens of this State.

In addition, the California shipping industry means payroll revenues for the citizens of this State. There are over 40,000 Californians so

¹An Interim Report on the California Maritime Academy, prepared by the Assembly Ways and Means Committee, Subcommittee on Education, December 31, 1970.

employed, that they have a payroll of over \$400,000,000 per year. I believe this is very helpful to the economy of this State.

Under B it said the Federal subsidy for the fiscal year 1972 would not be granted for new students entering the Academy. This is rumor. The Maritime Administration has not eliminated the subsidy for freshmen. A board of 110 subsidized freshmen, directly assigned to the California Maritime Academy, and this 110 is equal to the average input subsidized for the last five years.

Number C. The requirement that the California Maritime Academy share its newly acquired training ship with the Texas Academy during the summer of 1971, has been deferred. Reduction in school ship pay has been postponed for a year for further evaluation.

Number D. State capital outlay support for the Academy has been inadequate in terms of dormitory space. For this reason the Governor's citizens committee, that was chaired by O. Kenneth Pryor, recommended an additional dormitory be built. This was approved by the Legislature in the 1969-70 Budget and funds were made available for the specification and draft of the plan for the new dormitory. However, this was deferred.

The Academy is a prime recruiting source for the maritime industry. It is interesting to note that of the total number of maritime academy graduates permanently employed as shipboard officers by the West Coast company members of the American Institute of Merchant Ships, 55% of these state academy graduates are from the California Maritime Academy, 31% in Kings Point, which is a national academy, and only 14% from the other states schools.

Now when you consider, Mr. Chairman, that we're a very small Academy compared with New York, Maine, or Kings Point percentage wise this is a

very good showing. There are about 700 graduates from all academies and we generally graduate maybe between 67 and 73 men each year.

Although the industry provides no direct support for the Academy, what I mean by that, Mr. Chairman, I mean not financially, because they don't fund us in any way. They give us support in other ways such as equipment, or allowing our students to ride their ships, and graduation prizes, and I have a whole list of things that the industry has given us.

CHAIRMAN CULLEN: Senator Behr could you join us up here, sir. I appreciate having you. Senator Behr represents the district in which the Maritime Academy is located. Also, I failed to introduce Assemblyman Dunlap, the Assemblyman from the district in which the Maritime Academy is located.

ADMIRAL WILLIAMSON: I have a summary of the various programs and cooperation between the shipping company, related agencies, business firms to the California Maritime Academy. We get gifts, loans and aids to the student. Those include gifts and trophies, loans and programs such as American Export Land Grant that were in combination with land and future job opportunities. The sponsors include: The Propeller Club of Los Angeles and San Francisco, the Women's Propeller Club of San Francisco, the California Maritime Academy Alumni Association, California Maritime Academy Foundation, and at least 40 of the companies have helped out at one time or another. Existing loans of equipment include: the 37 foot auxiliary sloop, which is the "Duchess", at an estimated value of \$35,000, a mercury class sloop, estimated value at \$1,000, working cargo model of SS Colorado, one of the latest ships -- cargo ships -- reported to have a cost of close to \$60,000, and several other models of less value. Donations are included with those listed in Enclosure B.

I'd like to submit this to the board after I finish going through it. (See Appendix B)

General equipment. In addition to the "Duchess" which is used for all training and boat handling, there is a cargo handling model used in cargo classes, two 65 foot T-boats that are on lease for \$1.00 a year from the Department of the Navy. Now these boats originally cost the government about a quarter of a million dollars a piece. They were up in Rio Vista on reserve status and through the efforts of Captain Bowman and members of the Board of Governors, they induced the Army to turn those over to us for training purposes.

They have subsequently been turned over to the Maritime Administration and made available so we don't have to report on them each year.

The Pacific Maritime Administration makes the equipment and instructors of their PMA/ILWU training establishment available for the Academy at no cost. Engineer training equipment has been received or offered from the following firms:

Air Equipment Tools, Incorporated - Hydraulic equipment and literature,
States Lines, Incorporated - Working hatch now installed on the
Golden Bear,

Westinghouse Electric Corporation - Turbine model - steam,

Naval Electronic School - Mare Island - Electronics boards,

Babcock Wilcox Corporation - Steam manuals to First Class every year,

Hagen Division, Westinghouse Corporation - Manual on automation
equipment and provides a guest lecturer,

Ameriod Company - Boiler water chemistry manuals yearly,

Keiser Associates - a coffin pump and provides a lecturer yearly
explaining the design and construction of their equipment.

Walworth Company - Clear plastic valve models.

Jobs For Midshipmen. Part-time and vacation jobs have been provided to midshipmen by: Sea-Land Incorporated, Waterman Corporation, Chevron Shipping, Red Stack Company, and the Army Engineers.

Midshipmen Training Aboard Merchant Ships. The following companies and agencies have provided training aboard their ships for periods varying from one day to two and a half months: Prudential-Grace Line, Matson, Oceanic Steamship Company, American President Lines, Pacific Far East Lines, Chevron Shipping Company, Keystone Shipping Company, Pacific Coast Transport, American Export-Isbrandtsens Company, Waterman Corporation, States Line, Colmar Line, Sea-Land Incorporated, Military Sealift Command, U. S. Navy, Army Corps of Engineers, and Naval Weapons Station, Concord.

In fairness to companies not on the above list, it should be noted that no company who has been solicited for this service has refused. Field trips are regularly assigned and arranged for visits to: Bethlehem Shipyard, Todd Shipyard, Long Wharf, Richmond, Williamette Shipyard, General Electric Operated Nuclear Research Station, Enterprise Diesel Division, DeLaval Corporation, Shell Oil Company, Westinghouse Electric Corporation.

And our guest lecturers, you have through our Propeller Club Auxiliary at the Academy, we have experts from the shipping companies or from ship building companies to come and talk to our midshipmen. A typical example might be cited, the officials from the Mitsubishi Corporation in Japan gave a little lecture on their shipbuilding accompanied by a color movie which could only be described as incredible. It could have won an award on his color camera work alone. We just recently received a movie from a shipbuilding company that shows the jumboizing of a new tanker from start to finish, and made part of our record in the library.

The above are the highlights of the cooperation the California Maritime Academy has received from private and public sectors of our society. Most of our donors have associated with maritime affairs to one degree or another, but many have been merely public spirited citizens with

a sincere desire to employ graduates of companies and individuals maintain a positive relationship with the Academy is exemplified by the letters in the enclosures which I will submit to the Chairman. I just want to make the record clear on back on I had made a statement first when asked about funds. We have received direct aid from the company.

CHAIRMAN CULLEN: You know we had gained the initial impression that you were operating on a shoestring down there. Your testimony indicated that you have other support which is not a conclusion at this point because we have some other witnesses coming along.

ADMIRAL WILLIAMSON: Graduates from the state academy have been restricted from joining the MEBA. Well, this is true and I have submitted a paper on this to the Board today to give all the facts of the problem with the union. (See Appendix C) This has been one union particularly, all other unions we seem to get along with very well.

We are now facing the greatest challenge in maritime history. The present Maritime Act of 1970 provides for building ships of a highly sophisticated equipment, and we demand an ever increasing quality in education on the part of our officers and personnel. The graduates of the state academies have made outstanding contributions in the past. Not only to the commercial fleet, but also to the nuclear ships, MSTs, missile tracking fleet and our expanding fleet of oceanographic vessels. Furthermore, they have qualified for U.S. Navy and U.S. Coast Guard active commission.

The union's, true of their efforts, are unable to compete with our boys. There'll be a greater demand for state academy graduates. They'll seek new preparedness of ships with the industry. Now since this is made up of course, I understand that they're now -- the union's go into a three-year course which will give them a much better preparation for a career.

The California Maritime Academy is not fully accredited to the Western Association of Colleges. However, they do issue a B.S. degree. It is not correct to say that its credits are not transferrable. Transferred credits are, in fact, given in most instances. And the education received at CMA may be converted toward a B.S. or B.A. at other public or private education institutions.

The administration is aware of this problem and has been seeking to upgrade the academy. This is very difficult to do under the constant requests for budget reductions. The Academy should be given time to explore the feasibility of removing the Academy from the Department of Education to the State College Board of Trustees in the State College system. As a member of the State Colleges as designated by the Board of Trustees.

The instruction program at the Academy needs to be upgraded so it may have full accreditation. Because of the unique location of the Academy, it could readily include courses in marine sciences and the sea farming, marine petroleum. And, I think, maritime oriented industries, such as intermodle handling of containers and also in courses in business administration particularly having to do mostly with the shipping industry.

Gentlemen, that's all I have at the present time.

CHAIRMAN CULLEN: Assemblyman Thomas.

ASSEMBLYMAN THOMAS: Admiral, can you tell me how many students, voluntarily leave the Academy every year? And, secondly, what percentage of the graduates go into the Merchant Marine when they leave the Academy. What percentage of your graduates would you say?

ADMIRAL WILLIAMSON: From 1965 to 1968-69, approximately 95% of them go into the industry. A few are going into the armed forces, I mean commissions in the Coast Guard or in the Navy.

ASSEMBLYMAN THOMAS: I don't mean in the industry, I mean actually going to sea on a ship.

ADMIRAL WILLIAMSON: I'd like to have Mr. Savage answer this.

CAPTAIN SAVAGE: I'd like to answer this. I'm Captain Edward C. Savage, the President of the California Maritime Academy Alumni Association. We conducted a very thorough survey in 1970 which included all the graduated from 1929 to 1970, and 30% of these graduates remain at sea, actively as ship's officers. Twenty-one percent of our graduates are employed in related industries such as vessel operations, stevedores, stevedoring management, sales and ship's services. Nineteen percent of our graduates are or were in the military service. Twenty-five percent of our graduates are outside of this industry, sometimes they may enter admiralty law but we include this as actively in related industry, and 15% we couldn't get data on.

ASSEMBLYMAN THOMAS: What percentage leave the Academy - the drop-outs or the failures - during the year?

CAPTAIN HARRY A. SEYMOUR: Gentlemen, I'm Captain Seymour, Dean of the Academy. In answer to Mr. Thomas' question, a good rule of thumb would be, in the three year course of residency at the maritime academy, one-third from all courses through attrition, two-thirds of that through attrition take place in the first year.

ASSEMBLYMAN THOMAS: I mean those are just drop-outs, not just failures. Do you have any failures from the Academy?

CAPTAIN SEYMOUR: From all sources approximately 70 percent of that's attrition due to academic failure.

CHAIRMAN CULLEN: Mr. McPherson.

MR. WILLIAM H. MCPHERSON: Mr. Chairman, I have just a few comments

to add to what Admiral Williamson has already stated. I'm sure you're aware that the purpose of the school is to provide a facility to train and develop deck and engineer officers for the maritime industry. The Admiral has mentioned the importance of the industry in part to the State of California. I would like to reemphasize that. Approximately \$8.6 billion in cargo go through California ports annually. In the entire United States, the second largest seaport is Los Angeles, and the third largest is San Francisco, both in the State of California.

The Admiral also indicated that we have about a billion dollars annually in income benefits from the maritime industry. Now, taking this into consideration the only school to provide professionally trained officers from the Pacific Coast, the entire Pacific Coast, is the California Maritime Academy. The other academies are on the East Coast or in Texas. So, we feel that not only should the Academy remain, but it's necessity for remaining is extremely important to the large industry in the State of California.

Now there are several factors I think that should be taken into account as to the effectiveness and efficiency of the graduates of the Maritime Academy. About, I think it's been mentioned, some 75 percent have remained in maritime related activities for their future careers. I have a letter from the manager of Todd Shipyards that I would like to read just one or two sentences. This was in March 1971. This is signed by Robert D. Mayer of Todd Shipyard Corporation. The Federal Academy is in New York, the California Maritime Academy is the only one on the Pacific Coast. It was established in 1929 and has done a magnificent job to find officers for the American Merchant Marine, many of whom are sailing as top officers on flagships out of the West Coast ports. Some of our graduates

are executive officers on steamship lines here and elsewhere. It's perfectly possible that the Academy should and will be consolidated into the state educational system with a broadened curriculum, a four-year course, a better degree being granted to graduates. But under no circumstances should this fine institution be closed summarily. This institution is vitally linked to California's ocean commerce which in turn supplies thousands of jobs for Californians.

This letter was addressed to the San Francisco Examiner --

CHAIRMAN CULLEN: May we have a copy of that for the record?

CAPTAIN SEYMOUR: Yes, we'll make one up for you. (Witness did not supply)

I think that one of the things that concerns us at the Academy most is a number of statements in the interim report by the Assembly Committee, Mr. Lanterman, Chairman. But actually our circumstances either have changed or are not based actually on facts. And I think if we have laid to rest some of the factual information that the Admiral has mentioned in these reports we feel is not true, we've done our job here. We feel that there is a need for officers in the Merchant Marine. One thing I don't think has been brought out at all is the fact that up until 1970, all of our graduates for years have been sought after by the industry almost vigorously to the extent that they have asked that we graduate the members of the Academy as midshipmen early so they could go aboard ships and perform their duties after graduation.

1970 was the first year that there's been any problem with employment - full employment - from the Academy. Certainly with the economy throughout the entire United States somewhat down it's to be expected that the Merchant Marine industry is going to suffer a similar decrease in demand.

I would point out Mr. Gibson's statement which is in March 10, 1971, Andrew E. Gibson, Assistant Secretary of Commerce for Maritime Affairs, testified before the House Merchant Marine Committee that full application of the entire dry cargo fleet expected to be available in 1975 under the most optimistic assumptions regarding fleet growth we will not be able to satisfy the full requirements of a major Asian contingency. Although there has been a good deal of statements -- a number of statements -- that MARAD has indicated a great decline for the need for ships and men. There are statements also being made by Mr. Gibson to the effect that in 1975 we may have a need that is far greater than is anticipated and the Maritime officers will be needed.

There are statements in this report and Mr Post's report and the Finance Department that the union schools are producing and will produce most of the officers. The Admiral has touched very lightly, and there has been presented to you a report, that report the facts that the union schools, Calhoon particularly, and Baltimore has now gone to a three-year course, and with that change into a three-year course, there will be only a very small number of graduates, not 50 per month or 25 per month as indicated in one of the reports that has come to your attention. The state schools and the Federal schools are producing far, and a way a greater number of graduates than the union school. And this is the one major union school that is producing officers.

There are two other things that I think are of significance. The report from the industry has indicated that there is a very high age profile of officers in the Merchant Marine at the present time. Officers over 45 to 50. This means that in a few years there is going to be a very high decrease in the number of officers, and a higher demand and a

greater demand than is normally anticipated, so that if we are anticipating cutting out the schools now for the purpose of mainly economy is going to mean in a few years a great, great demand for officers and, of course, this demand will not then be able to be met.

In the Merchant Marine Act of 1970 provided large sums of money for the expansion of the Merchant Marine and the number of ships. This is going to increase the demand for officers. These are factors that I think this Committee should consider in determining whether this is a marginal school or marginal educational facility or whether it is essential to the economy, not only in the State of California, but also to the nation.

I think that basically these are the facts that I wish to present. There is one statement that I think this Committee should be interested in in reference to the support, the Admiral has indicated the support of our industry. I would like to read an excerpt from hearings before a special Subcommittee on Maritime Education and Training, on the Committee on Merchant Marine, Fisheries in the House of Representatives. This was July 14, 1970, and this is a quote from that report: "Finally in this regard, we are pleased to note in the course of the meeting on July 23, 1970 in Washington that union representatives, with one exception, supported the role and position of the state academies." The one exception made no secret of the fact his recommendations to curtail the number of state academy graduates was closely related to his personal advocacy of his own union supported school and ultimately to the preservation of his position in the union school. Unfortunately, in the position of various ship operators, organizations, independent tankers association, United States Navy, Coast Guard, MSTs and ESSA were not explored. We feel we have in large part the support of the unions in the state academy as well as in

the industry. I think we are prepared -- at least we would like to answer any questions. Maybe Mr. Savage, if you have something to add from the Alumni Association.

CAPTAIN SAVAGE: It hasn't been brought up here, perhaps I might serve to prescribe the requirements on board ship. Federal law requires that we carry a master, a chief mate, a second mate and two third mates on each of our ships, along with a chief engineer, first second and two thirds. The source to the industry for these people are two -- one is through the formal education of the school, and the second is through the personal initiative of the individual seaman who must have four or more years at -- that's between three or four years at sea.

Today, in 1970, we in the industry have containerization, computerization, electronics that previously to this date we have never required the level of talent that we are experiencing today. In days past, the American Merchant Marine has fluctuated from relative success to failure and during these times of failure, expanding on the Admiral's statement of \$1 billion in this state's cash flow per year perhaps the failure -- Japanese and the Norwegian -- and other companies tend to subtract this from our state's economy, in our successful years we add to the support that the school needs in this state. That's all I have.

CHAIRMAN CULLEN: We have been talking about the benefits to the state, the benefits to the industry, we haven't touched upon the benefit to the graduate which I would like to do because it is contained in your statement. On Page 12 you mention units that have course equivalency on our campuses such as English and mathematics courses that are readily transferable toward B.S. and B.A. degrees at other institutions. And then you say it's true that a number of courses do not generate transferable

credits -- I'm on Page 2 now -- and further down, courses and subjects normally taught elsewhere are transferable at the discretion of the receiving institution. And then on the first page you open by saying that the Academy is a small, college level school. And at the bottom of the page, the college level education which the students receive at the Academy fit them for executive level positions which might be denied them of less formal training. Now, apparently there is a difference of opinion, at least among your graduates and the Alumni Association. Captain Savage authored a letter to the Board of Governors in which he says, "Our graduates with a non-accredited degree cannot legitimately compete with the graduates from other accredited institutions including the other maritime academies. This naturally evokes a great amount of bitterness and disillusionment in the ranks of our last five years of graduates, and further, those men who eventually seek positions ashore within the maritime industry may or may not achieve top positions due to their limited education or credentials." Now, we have a letter from the University of California in which they say they will not accept any single one of your courses. (See Appendix D) Would you like to respond to that, Admiral or Dean?

CAPTAIN SEYMOUR: Well, Mr. Chairman, as an exponent of accreditation, and have been since three and one-half years ago, I think my best answer to your question is that it does depend to a great degree as to that particular institution of higher education that the student wishes to attend as to the amount of credit that is transferable. It would be very difficult for me to defend the easy transferability of credits. I can only say that it does depend on the particular institution. I have known for some time that the University of California will not. Other institutions will. Again, when you transfer from institutions of higher education across this

nation from one state to another it does depend on the admissions group in the institution which you wish to matriculate as to how much transfer of credit you will receive, usually by a line item by line item examination of the transcript of records. However, if the student has transferred or intends to transfer from an institution of higher education that is accredited by one of the six regional accrediting groups in the United States for schools and colleges, there usually is no question. This is why it is very difficult for me to respond to this question. It is clear that the institution is not accredited. We now have correspondence status with the Commission for the accreditation of senior colleges and universities of the Western Association of Schools and Colleges. This is as far as we have gone. It is the first purely accreditation step the Academy has taken. We do have that status and beyond that it would be difficult for me to say anymore about the issue.

ASSEMBLYMAN THOMAS: May I ask a question? I don't know if the committee is aware -- isn't the purpose of establishing this Academy for two purposes only? Deck and engineer officers. Isn't that the original intent of purpose of the Academy?

CAPTAIN SEYMOUR: Yes, Mr. Thomas.

ASSEMBLYMAN THOMAS: What has accreditation got to do with having the seaman or an engineer go on a ship? Why should he be a PhD? Are we going away from the purpose of the Academy?

CAPTAIN SEYMOUR: Yes, that is one of the problems, of course, is that we are losing sight of the fact that the purpose of the Academy is to do that very thing, to train...

ASSEMBLYMAN THOMAS: Why is the pendulum going towards accreditation? Is that necessary?

CHAIRMAN CULLEN: Excuse me, Mr. Thomas. Mr. McPherson said the original purpose was to train deck officers.

ASSEMBLYMAN THOMAS: Two purposes. Deck officers and engineer officers. Now if that is the purpose, why all of this? I come from a seaport town. I saw people on battleships for years. The officer that leaves your Academy doesn't he come out to be a good officer, isn't he responsible for that ship, isn't that the purpose of his training?

ADMIRAL WILLIAMSON: Absolutely right. The mission of the Academy is to train deck officers and engineering officers. That mission has not been changed. But over the last year or two the academies on the East Coast have been broadening their curriculum to include transportation and other maritime affiliated businesses and they have... New York, I believe, has gone into oceanography and hydrography in their courses. Our mission has not been changed. We have had urgings from the Alumni Association particularly to broaden our curriculum so that our graduates would be knowledgeable in marine transportation and marine business administration and marine chemistry and other studies. However, on our accreditation, it was my understanding, that Long Beach and Chico State do accept our credit.

ASSEMBLYMAN SEELEY: Mr. Chairman, you mentioned a while ago that the University of California said that they do not accept units from this Academy. I was wondering if anyone from this Academy sought to go to the University of California, have they ever been turned down or did they just make this statement?

CAPTAIN BOWMAN: I can make a statement very much to the point. My son who just spent ten years in the Coast Guard is out now and has applied for graduate status at the University and he has been told that he will be accepted this Fall. This is the point I was going to make. There is

a difference between accreditation for undergraduate transfer and acceptance for graduate work. I know of at least six and probably ten or 12 boys who have graduated since I have been at the Academy who have gone on to San Francisco State, Long Beach State and other state colleges, had obtained master degrees in areas related to marine transportation and marine merchant. In fact, I know of no one who has graduated and spent a year or so at sea and seriously tried to get into graduate work who has been refused. Now I believe, in speaking of Captain Savage's letter, I think we should consider the context in which it was written. It was written, I believe with the idea of supporting an improvement of the level of education of the Academy and leading toward accreditation. No one is against creditation for anyone, but this is something we must work out slowly and at the time this letter was written, I believe this was a very urgent thing and consequently --

ASSEMBLYMAN THOMAS: I don't want to take too much time since we have several other witnesses, but when a student applies at the Academy doesn't he know that he can only go into these two categories, and doesn't he know the limitation of the Academy. Isn't it all explained to him? He comes there willingly doesn't he? So if he wants to transfer to get a PhD - that's his business. He has that choice, hasn't he. To quit. He can transfer if he wants to? He can do anything he wants.

CAPTAIN BOWMAN: Yes, sir, if you are asking me.

ASSEMBLYMAN THOMAS: I would like to state that as far as I'm concerned I would like to see the Academy remain for the purpose for which it was created. Now other legislators have different opinions, but I think we're overempathizing the point that you have to be from an accredited school to get a job as an officer on a ship.

CAPTAIN SEYMOUR: Mr. Chairman, I'd like to say that this school has a reputation of sending merchant marine officers to sea that is unbeatable. If you are going to continue to produce deck officers and engineer officers then that's it. Certainly, you do not need academic pedigrees for the kind of training, the professional training, for the seagoing operational environment. I have felt ever since I've been here and before I came, the Maritime Academy is magnificent. And the record speaks for itself. The problem now at least as I see it, and perhaps I'm wrong, pressures of young men who do not stay, the pressures of the alumni generally, pressure for whatever reason to go to this accreditation to the four-year program. We are now the only maritime academy, as of last July when Massachusetts went to a four-year program, we are the only one that has a three-year program. If we can survive on that basis, and produce, continue to produce, be allowed to produce merchant marine officers then by golly any way it ought to stay. But I don't -- what bothers me is - can this be done today?

CHAIRMAN CULLEN: Well Captain, we still don't know whether accreditation is desirable or not, but the point before the Committee is that it's been represented by the Academy here that courses are readily transferable to college level institutions and so forth. Now we corresponded with the state colleges, and for example, Bakersfield says that there's no graduate program but that the admission policy would preclude the academy graduate from being directly accepted as a graduate student. At Chico, while the academy degree is accepted, it cannot be applied toward a specific objective until the deficiency is determined. At the root of this situation is the fact that the academy is not accredited and would prevent applicants from being accepted directly into graduate standing. Further comparison of the engineering program at Fullerton with the

academy - this is engineering now - indicates that deficiencies amounting to approximately three years of work would have to be made up before admission into the graduate program. So apparently all the academy courses which are equivalent to courses offered by the colleges would be accepted. Humboldt has no graduate program. Long Beach says the non-accredited status of the academy would normally preclude students from being admitted at the graduate level. Los Angeles, an academy graduate would not be accepted into the graduate program, especially in engineering, until a large number of deficiencies have been made up. Cal-Poly, the academy status would prevent the direct admission of its graduates in the graduate program and it would mean at least one year of undergraduate work.

ASSEMBLYMAN THOMAS: May I express my ignorance, Mr. Chairman? Are the state colleges offering a marine engineering degree today?

CAPTAIN SAVAGE: I don't believe there's any engineering course that reflects the rigid standards.

ASSEMBLYMAN THOMAS: That's the point I'm trying to get at.

CAPTAIN SAVAGE: No other school on this coast provides marine engineers.

ASSEMBLYMAN THOMAS: They talk about ocean courses, there's only one college in the United States that gives a degree in ocean engineering and that's in Florida. You can't even get one at USC or Cal. I don't think they teach marine engineering in the universities do they?

CAPTAIN SAVAGE: What do you mean by marine engineering?

ASSEMBLYMAN THOMAS: I don't know. They're talking about engineering courses and engineering degrees. We're talking about marine engineers running a ship.

CAPTAIN SAVAGE: Perhaps I could shed some light there. That the

engineering course, as I say, has to follow some strict requirements as required by the federal law that no marine engineer can stand watch on a merchant ship without having his license as a qualified marine engineer, but it's outside of the general qualification as we think of mechanical engineers, electrical engineers, it's a different category altogether.

CHAIRMAN CULLEN: Captain Savage, apparently the Alumni Association's conclusions differ somewhat from those of Mr. Thomas. Apparently you're encouraging accreditation.

CAPTAIN SAVAGE: Mr. Chairman, I'd like to make a comment about the letter.² This letter is a compilation of the attitude of graduates from 1965 to 1970. It doesn't -- as you read the letter from the context imply that this is the feeling of the entire alumni association. This particular statement, if you read from the letter, is the -- what we tried to do was present the feeling of these last five years of graduates. This was in a report that was submitted to the Board of Governors and to the administration, in that light. It was not necessarily a -- it was not intended to be a critical letter.

CHAIRMAN CULLEN: I did pick out a few critical parts.

Mr. Dunlap.

ASSEMBLYMAN DUNLAP: Well, I'd like to ask Captain Savage a question. It is my understanding that your survey indicates that, I think Mr. McPherson referred to the fact that, 75% of the graduates make a career in services in relation to their academy training. Now, of that 75%, or considering the whole total, we have approximately 30% that are staying employed and

²Letter from the California Maritime Academy Alumni Association to the Board of Governors regarding survey of graduates, December 8, 1970.
(See Appendix E)

and this was as of 1970 in the direct field for which they're trained. In other words, as merchant marine officers right, that's 30% and then 21% shoreside related maritime fields, 19% military service in Navy or Coast Guard, 25% totally unrelated fields. Is that correct?

CAPTAIN SAVAGE: The 25% unrelated we do not classify, as I said before, in maritime law as being directly involved unless we can establish this was the only source or category the individual worked in, otherwise that is correct.

ASSEMBLYMAN DUNLAP: In other words, those figures which are really significant, to your benefit and consideration, probably the 30% that work as deck officers or engineering officers aren't particularly benefited in any way by a totally accredited education for all purposes, but of the other 70% there would be at least some benefits in a better degree, a better accredited education because it's more acceptable for the various -- the many purposes they're involved in. So that is just something that I think you ought to think about.

ASSEMBLYMAN THOMAS: Mr. Chairman, if I may. Mr. Dunlap, the institution, the academy, was not established to have the executive in the steamship company or to train a student there for three years to become an assistant agent. The purpose always has been to develop officers on the deck and in engineering. And I feel that that is the purpose. It seems to be an attempt by somebody to change the academy into a college. To do something else. Now in the stevedor's area, as I understand, he knows that he wants to be an officer, engineer, or whatever and that's his purpose of going to the academy. Of course in a year he finds out he doesn't like it so he transfers, but you can't change the whole academy to satisfy some student that made a mistake in going to the wrong institution.

ASSEMBLYMAN DUNLAP: I don't think anybody necessarily made a mistake. I think, you know, we all change as time goes by, everything's changing all the time. And no specific training is perfect for one place. What we have here are these statistics which indicate that -- I think, probably, everybody on a 100% basis would benefit by, you know, a more highly accredited degree. However, I think we can say without a doubt that somewhere around totally be benefited directly as well as, you know, their means of earning a living. I think that's something else to think about, that's all.

CHAIRMAN CULLEN: Thank you, I think that's all we'll go into that now. Senator Behr.

SENATOR BEHR: Mr. Chairman, I'd just like to ask if any of the representatives of the academy are opposed to accreditation. That would be the first question.

MR. MCPHERSON: I think Senator Behr, I can answer that. There is no question that the Board of Governors has instituted a year ago a program of study. We directed Captain Seymour, our Dean, to make a study and I have the study here, as to what steps were necessary to obtain accreditation. I have another detailed report submitted by Mr. Neilson, it's a very lengthy one.

We've contacted the Western Schools Association for the purpose of this to determine what was necessary to obtain this accreditation, and I think it should be made clear that the reason why the school is not accredited is primarily because of a lack of liberal arts courses which we do not provide. We have a three year school, we have the trimester system whereby the students go 11 months out of the year. Now if we want to be accredited, it's going to be necessary to go into probably a four-year

course to allow time for liberal arts courses. It isn't because of deficiencies in the courses presented. It's because we do not have the time to present the liberal arts and we do not have the money to hire the teachers in this field. So our Board of Governors is very willing to study and go into this program; we do need the money; we can't stand it if we are cut financially to do so. We are going to need more money to do it.

SENATOR BEHR: Mr. Chairman, I have a short statement that I can either submit or read.

CHAIRMAN CULLEN: Senator, go right ahead, would you read it, please.

SENATOR BEHR: Thank you.

Mr. Chairman and Gentlemen of the Committee.

I am pleased that your Committee on Efficiency and Cost Control is conducting an in-depth review of the California Maritime Academy.

All educational institutions supported by our tax dollar should welcome a periodic review of how they are spending the taxpayers' money as a means of making sure they are in step with the changing times and performing a useful educational service in a sensible and efficient manner. The California Maritime Academy, I am sure, reflects this attitude, so far as the work of your Committee is concerned.

I appear before you today, as the State Senator representing Solano County - home of the California Maritime Academy, to speak on behalf of this outstanding institution and to urge, not only its continued existence, but its expansion and improvement into a fully-accredited educational institution.

I believe there are four compelling reasons why the California

Maritime Academy is of continuing use and benefit to the state:

1. It serves as the unique training school for California's merchant marine industry;
2. It is a valuable part of California's limited vocational education program;
3. It is an important source of employment for the Vallejo area;
4. Its closure would be of no significant economic benefit to the state.

Let me briefly comment on each of these points.

I. The California Maritime Academy serves a valuable function in our state: that of providing highly qualified officers and engineers to man the ships of our merchant marine industry. It is one of only five such institutions in the entire nation, and the only one of its kind on the West Coast. At present, at least half of all the officers serving in California's Merchant Marine are graduates of the California Maritime Academy.

The Merchant Marine Industry currently provides over a billion dollars annually in revenue and wages to this state - a contribution that will continue to grow as the industry expands. Logic would seem to dictate whatever changes or improvements may be needed to increase the important role of the chief training ground for this vital industry.

II. For over 40 years, the California Maritime Academy has been one of the very few examples of an institution in this state devoted to technical and vocational education. Until recently, its graduates were fully employable at high starting salaries, and 75% of them are still employed in the maritime industry.

Governor Reagan remarked in his "State of the State" message that there were many young people who would prefer to move directly from high

school into some of the technical jobs. "We must make sure," he said, "that a technical education is an open road, not a dead-end street. We should move to lift technical education to its proper status and help it fulfill its tremendously important role." I would suggest that there is no better example of an institution specializing in technical education than the CMA and that there is no better way of making technical education a "dead-end street" than to begin or phasing out existing technical education facilities.

III. The CMA employs a total staff of 82 persons, including 18 instructors, to train and provide for the average enrollment of 300 students. This institution is an important part of the economy of Vallejo and Solano County. Although it is a relatively small facility, in comparison to our mammoth state campuses, its loss would mean a real hardship to Vallejo, partly because it is already a severely economically-depressed area.

IV. Finally, I am not convinced that the California Maritime Academy is such a financial drain on the state budget - nor that its closure would be of substantial economic benefit.

On the one hand we have the current CMA operating budget of roughly \$1.2 million dollars, 63% of which - or \$762,000 - is state money.

On the other hand we have \$5 million complex of buildings and equipment, a fully equipped training ship - provided free and being reburbished with federal funds at no state expense - and an annual federal contribution of \$216,000, to the academy.

When these factors are weighed, I don't think a sound economic argument can be developed for closing the institution. Its closure might more justly be characterized as "false economy" and would represent a very real loss to the state.

In conclusion, then, it is my belief that the single most inefficient conclusion that this Committee on Efficiency could arrive at would be to phase out the California Maritime Academy.

I urge you, instead, to consider ways to upgrade this fine educational institution into a fully-accredited four-year college. By doing so, its educational contribution will be broadened, and its graduates more easily assimilated into the job market. California could then take full advantage of the enormous present value and future potential represented by the California Maritime Academy.

Thank you very much, Mr. Chairman.

ASSEMBLYMAN THOMAS: Mr. Chairman, may I pay my respects to the Senator. I have been a member of the Legislature for some 31 years and this is the first time that a Senator has participated with an Assembly committee. You set a precedent.

SENATOR BEHR: Thank you very much. I hope it won't be the last.

ASSEMBLYMAN THOMAS: I hope that when I come in the Senate side, you will remember that.

SENATOR BEHR: Mr. Thomas, you have a standing invitation.

ASSEMBLYMAN THOMAS: Thank you.

CHAIRMAN CULLEN: Senator Behr at one time was a deck officer, and we appreciate your remarks.

SENATOR BEHR: Thank you, sir, very much.

CHAIRMAN CULLEN: Mr. Steinberg will be our next witness for the American Institute of Merchant Shipping.

Mr. Schabarum stated his concept of some of the issues before the Committee based upon Mr. Thomas's remark that the initial objective of the academy in 1929 was to train licensed deck officers and engineering

officers. Based on that, Mr. Schabarum says then perhaps the determination should be if whether or not the school is capable of doing this with the financing that it is getting now, on the other hand needs more financing or conversely whether the product of the school is so marginal so that objectives might be realized elsewhere. I might point out to the Committee that in 1929, the Legislature said, "A state maritime school should be maintained at the Port of San Francisco for the purpose of giving instruction on the science and practice of navigation, seamanship, steam, diesel, electrical engineering to male pupils from the several counties of the state that have the qualifications of good moral character, education and physical fitness required by the Board of Governors of the school." That is the only legislation we have pertaining to the objectives of the school.

ASSEMBLYMAN SCHABARUM: Okay. As to whether or not it will be completely just to spend \$791,000 of general fund money for a vocational school: 1) is there a need for the vocations, which I might add is a good question; 2) whether the graduates have as good or less than a chance of employment relationships that was alluded to, and 3) whether we, the State General Fund, face a greater potential commitment by virtue of the way of their position which has also been alluded to.

CHAIRMAN CULLEN: All right, let's keep those questions open.

Mr. Steinberg.

APPEARANCE OF PHILIP STEINBERG, REGIONAL VICE PRESIDENT, AMERICAN INSTITUTE OF MERCHANT SHIPPING; ACCOMPANIED BY HOWARD L. MOLLENKOPF, SUPERINTENDING ENGINEER, STATES STEAMSHIP COMPANY AND GORDON S. WHITE, CARGO SUPERVISOR, CARGO OPERATIONS DEPARTMENT, PACIFIC FAR EAST LINES.

MR. PHILIP STEINBERG: Mr. Chairman, I have with me Mr. Howard Mollenkopf, Superintending Engineer of the State Steamship Company. He is the head engineer. And Mr. Gordon White, Cargo Operations for Pacific Far East Lines.

I am Philip Steinberg, the Regional Vice President of the American Institute of Merchant Shipping which is an association of some 32 American flag steamship companies operating close to 500 merchant ships of all types. We do have an abiding interest in the state maritime academies, especially today we will address ourselves to the California Maritime Academy, and appreciate the opportunity to come before you gentlemen.

I did submit a rather detailed statement. (See Appendix F) I have to apologize for the length of it, but there are so many questions that need to be answered as a result of certain reports that were promulgated by the Maritime Administration and Mr. Alan Post and another interim committee -- Assembly committee -- that I felt needed to be answered. I will not take your time to go into that at this time. I will, just for your information, highlight some of these points.

To begin with, Mr. Chairman and friends of the Committee, we strongly support the continuation and improvement of the California Maritime Academy.

Our American flag steamship companies utilize California maritime graduates as marine engineers, both afloat and ashore. Over 110 graduates are presently serving as merchant marine officers on 120 of our American vessels on the Pacific Coast. Let me add that just refers to those members shipping on the Pacific Coast -- that doesn't include seamen or sea training which are not necessarily members at this time.

CHAIRMAN CULLEN: The Admiral said that 55 percent of academy graduates serving on AMIS ships on the West Coast are graduates of the California Maritime Academy.

MR. STEINBERG: Yes, sir, that's true.

CHAIRMAN CULLEN: Now you say that's credited to 110 officers that are actual members?

MR. STEINBERG: That's 55 percent of the academy trained officers. That includes all the state's schools and King's Point, the Federal Maritime Academy. Fifty-five percent of all the academy trained officers in these companies are graduates of CMA.

CHAIRMAN CULLEN: Right, 55 percent of all academy graduates on your ships are CMA graduates?

MR. STEINBERG: Yes, sir.

CHAIRMAN CULLEN: And you said that that is equivalent to 110 men?

MR. STEINBERG: Slightly over 110.

CHAIRMAN CULLEN: Where are the other 1522 who are presently residents of the State of California?

MR. STEINBERG: They are in the maritime industry ashore or related industries. They are sailing on different coasts or they are sailing for other companies, or they are in the military, etc. You see, in order to have any type of -- accurate type statistics, I made inquiries to our companies, specifically to our companies, who are most of the major companies on the Pacific Coast who have fleets. They are either domiciled here or, like Prudential-Grace Lines, they have a fleet of ships that use California as a home port. These include such companies as State Steamship, Pacific Far East Lines, American President Lines, Matson, Chevron Shipping, some of the tanking companies.

CHAIRMAN CULLEN: We have forth thousand Californians employed in the shipping industry and as far as the American Institution of Merchant Shipping Association ships one hundred and ten men, one hundred and ten of those forty thousand are graduates of this academy. Now the Admiral tells me the benefits of these forty thousand Californians' payrolls was \$400,000,000 which was interesting in that the economic benefit was a

billion dollars and you mention 45 million tons of goods, but if we break that down on these ships alone from 40,000 Californians to 110 Californians then the numbers diminish a little bit.

MR. STEINBERG: The 40,000, Mr. Chairman, does not refer to all those that are sailing on West Coast ships.

CHAIRMAN CULLEN: I understand that, but we are trying to relate this academy, the product of this academy, to the figures presented to us ostensibly to support the product of this academy by the Admiral and by yourself. I think I am making very clear that the figures that you are presenting bear no relation to the product of this academy. So, continue, I just wanted to make that point.

MR. STEINBERG: If I may counter that, Mr. Chairman, actually the 40,000 indicates people who are ashore, and longshore and the steamship and includes the entire sort of steamship industry and the longshore industry and the products that are referred to, the amount of cargo, and the money generated refers to the entire industry and what it does. I would like to put it in the proper context and say that these graduates, as managers, as part of the industry these 110, plus the others that are in the maritime industry, what they do is they generate more jobs as managers. I don't know what the multiplying effect is, but as part of the industry, as managers, they plow back into the economy of California a great deal more than they would, say, if they were not managers. I just can't say "well okay, 110 happen to be sailing on our ships right now and that is a true reflection of the benefits which the academy graduates give" because there are many more academy graduates than you mentioned. Seventy-five percent of the other 1900 or 2000 who are in California, are in the maritime industry.

I don't know if I've answered your question to your satisfaction, Mr. Chairman, but I will on on.'

You're seeing that graduates occupy positions of responsibility as marine managers, engineering superintendents, vice presidents of steamship lines. In turn, I'm seeing that graduates of this industry do provide types of benefits to California in the form of jobs, payrolls, and revenues. As you mentioned, of slightly less than 2,000 graduates, 1632 are still residents of California providing a good return of an investment.

Now aside from the benefits to the state, the California Maritime Academy serves our national interest as well by providing a reservoir of trained and capable officer manpower to meet this nation's emergency needs. CMA is the only academically organized officers school on the West Coast providing a source of professional managerial manpower for our industry. As to the present and the future of the Merchant Marine Officer Corps, the Maritime Administration Report of February 1970 which attempted to project the industry officer manpower, the needs and the supply for the years to come, I don't believe is any longer valid. Neither are the findings which were based on these projections, since many of the union schools, referred to therein I believe about five, are no longer in existence and the present high age profile, which was mentioned before, especially in the junior management levels, I believe there are some 60 to 66 percent, a third are officers and your second officers are over 35 years of age. At that present high age profile, it will soon require a scheme for replacements. It will be desirable to have a well balanced managerial corps, one which accommodates many sources, and each source I may add, has an important role to play. One particular source that we are addressing ourselves, the California Maritime Academy, provides an excellent source for young

transportation managers in the industry. Because of the fact that the industry is in a transition period right now from the old break belt method of carrying cargo to the new intermodal systems, this places new demands on management, both afloat and ashore. In the course of this we recognize the need for improving the California Maritime Academy to better prepare graduates for positions of responsibility and there is general support within the industry for, 1) broadening the academic curriculum to a full college level, four years with an accredited degree and 2) including the academy in the California State College or university system under its accreditation and tuition requirements. The industry recognized the need for providing private assistance to the academy which is a public institution. I am aware that Admiral Williamson covered this fairly well and I will only add that we would like to help even more in the future in this respect. California Maritime Academy can make greater use of industry assistance by developing plans for utilization of industry training facilities. We respectfully request that the budget item for California Maritime Academy for 1971-72 be approved.

I believe that Mr. Mollenkopf or Mr. Gordon White have some short statements to make in reference to their companies.

CHAIRMAN CULLEN: I believe that 90% of your officers are academy graduates, California Maritime Academy graduates. Can you tell me what percentage are non-academy or came up through the hawsepipe?

MR. STEINBERG: Well, 17% are academy graduates and 83% are from other sources.

CHAIRMAN CULLEN: All right. Now Admiral Williamson said last year the Baltimore academy was almost wholly subsidized by the shipping industry. Are you representing that the industry is prepared to view the

California Maritime Academy in a similar vein?

MR. STEINBERG: Which one did you say?

CHAIRMAN CULLEN: The Baltimore Maritime School.

MR. STEINBERG: Do you mean the MEBA School? The Calhoon School?

CHAIRMAN CULLEN: The Calhoon School, according to Admiral Williamson, is almost wholly subsidized by the shipping industry. Now, we have the West Coast industry saying that they fully support the California Maritime Academy. My question was, are you prepared to support it to the same extent as the American Shipping Industry, presumably some of your ships or companies, are supporting the Calhoon School?

MR. STEINBERG: Yes, Mr. Chairman, some of our companies are supporting Calhoon School and the Calhoon School has a role to play. As I said, there must be accommodation from all sources. We need the experienced people, we need the people that are going through Merchant Marine and are serving the Merchant Marine and desire to be upgraded as well as the other young people that come in from schools, from educational institutions, just as any other industry makes use of these different sources, people from within and without.

CHAIRMAN CULLEN: Do you know what the Calhoon School concentrates on in engineering training?

MR. STEINBERG: I believe the Calhoon School concentrates on engineering training alone and it does provide a source for initial licenses too, for engineers.

CHAIRMAN CULLEN: Would it be beneficial to the shipping industry if the California Maritime Academy concentrated on deck officer training alone?

MR. STEINBERG: No, sir. No, I believe that the California Maritime

Academy should provide another source of officer input into the Merchant Marine and into the maritime industry which is also needed besides the industry and labor schools that were established as a form of certain contracts. I believe we need people who have had a varied educational background and a technical background in these schools and we need those and we need the ones who come from the union schools. We need a well-balanced managerial profile. We can't have one to the exclusion of the others.

ASSEMBLYMAN THOMAS: I get from the impression of your testimony that the shipping industry would be willing to construct a large, beautiful dormitory at the academy which is well needed now. And that would save the academy I think. Don't you get that impression?

MR. STEINBERG: If you do, sir, you don't get it from me. I would say this. That I'm not too sure that the State of California would want an industry to underwrite financially a public institution. Now we provide assistance in many different ways.

ASSEMBLYMAN THOMAS: Half of our UC budget, I will say 80% of the UC budget is by foundations and things of that kind.

MR. STEINBERG: Well, if there are these things then I have with me today -- I was going to say, a partial list of industry activities in support of CMA. Maybe I should take time to go over these items.

ASSEMBLYMAN THOMAS: Our problem is financial today.

MR. STEINBERG: Financial assistance comes in many different forms, as you know Mr. Thomas. And when we provide lecturers, these lecturers are capable and needed people in the industry. Their time is valuable. They go down there and they provide their services. This is a form of assistance which otherwise would have to be gotten from some other means. When we offer some type of equipment, when the top man in communications

on the West Coast and the maritime industry, Mr. Bill Nations of Pacific Far East Lines, goes down and prepares a plan for the communications setup on a new ship, this is something that takes time, this is something involved. When the industry decides we're going to have maybe three, we've had maybe three or four meetings and we have a study group going right now utilizing the valuable time of people from the industry to work on the subject and see, not only how we can get greater benefits from the academy to the state, to the industry, but also how the industry can even further provide assistance and the use of facilities in the school, then I feel that this is also a form of financial assistance. When you put these cadets, and we can put more of them, let us know, we have to hear this from the academy itself, on training voyages from the industry. CMA cadets, as observers on company vessels, San Francisco to Los Angeles, Estero Bay or San Diego and return. There have been training voyages to the Hawaiian Islands when requested by CMA. There have been foreign training voyages offered by certain companies when it looked like the training ship would not be ready and there is still a standing offer from this company that they'll take cadets on board even on foreign voyages to give them the opportunity to get some of this training. I could go on and on and on. These are things that I feel that industry, the type of role that industry should play in this.

CHAIRMAN CULLEN: We have Mr. Schabarum and then Mr. Mobley -- I do want to point out to Mr. Dunlap, before I forget, that a two cents a ton tax on goods shipped out of the State of California would provide more money than the academy is receiving from the state right now.

Mr. Schabarum.

ASSEMBLYMAN SCHABARUM: Mr. Steinberg, there was some comment made in reference to the total volume of shipping and the total number of

people working in the shipping industry. I think our real inquiry goes to American ships, if you will, and therefore, people demand those American ships. Is it true or not true that in the past several years and over the projected future there is going to be a decline in American flag tonnage, there has been and is going to continue to be a decline in American flag tonnage, notwithstanding the federal government's current funding of X number of ships?

MR. STEINBERG: Yes, Mr. Schabarum, there has been a decline and there probably will be a decline as far as the manpower levels ashore are concerned. And I say, I would hope this will be a temporary decline and the reason for this as you probably know is because the industry is in a transition period. We're retooling for a different type of system...for a through system...for a door-to-door system and because of this some of the ships which have come off the drawing boards and are operating today are such that they are very highly perfected ships and they take the place of maybe three or four other type, older type ships and for this reason there is a temporary decline with an increase and I hope that this is not even the end of the Merchant Marine Act of 1970. I hope we continue to be aware of the necessity of having a strong U.S. Merchant Fleet. This is just a start. In fact, it was just enabling legislation to start off with. That we continue to build up the Merchant Marine and I would say that because of the same reason that caused a decrease for offshore jobs, that same reason, the productivity of the new technology is also a very good reason for keeping the California Maritime Academy and improving the California Maritime Academy and expanding its curriculum so that these cadets will be better able to perform their jobs.

ASSEMBLYMAN SCHABARUM: Okay. Now the next question is - Is it correct or incorrect that at the present time an aspiring licensed deck

officer is selected based on his union affiliations or his having gone to a union school as far as employment opportunity today?

MR. STEINBERG: Mr. Schabarum, I believe that it would be best - I probably could answer the question but it would be best if the union officials themselves who I believe are on the agenda, could answer that for you because there was no agreement between the companies and the union for this type of thing.

ASSEMBLYMAN SCHABARUM: Looking at the Maritime Academy from your point of view, which I think is to have a source of qualified personnel to fill berths on ships, American ships and in the companies in your association, I'm wondering whether or not you thought through completely the idea of encouraging the accreditation or an expanded offering at the academy on the theory that if that is done is there a question that you have brought about an over-educated deck officer or engineering officer and in so doing reduced or increased the price of that particular type of employee.

MR. STEINBERG: No, sir. I don't believe that that's the truth. I don't think that the education has increased the price of the employee. I do feel that these employees, that it is for a marine manager to be a lowly technician, but he must be a manager and he must be able, whether ashore or afloat, to be able to handle a \$20 million piece of equipment, like a ship, and look out for that heavy capital investment. It cannot be taken lightly and in this respect, since we do operate pretty close in the maritime industry as far as the profit margin is concerned, and the competition is tremendous. These marine managers have to be well schooled in new management techniques, managing both material and personnel. And this takes a new type of person. I will go along with what Assemblyman Thomas said before that this California Maritime Academy in the past has

served us well. What I'm trying to say now is we are getting into a different type of transportation industry and I think Mr. Gordon White's appearance can expand on that.

CHAIRMAN CULLEN: Mr. Mobley.

ASSEMBLYMAN MOBLEY: Well, I had a question. I notice your Institute has an address in Washington. Was there any effort on the part of the Institute, at all, in resisting the rumor, or whatever it was, that came out that the federal government was going to drop the subsidy to CMA, was there any effort on the part of the Institute in Washington in regard to this.

MR. STEINBERG: Yes, sir.

ASSEMBLYMAN MOBLEY: What reaction did you get?

MR. STEINBERG: Positive. A very positive one.

ASSEMBLYMAN MOBLEY: And they changed course?

MR. STEINBERG: I can't say if it was due to anything that we did, but we are the Pacific region and, as you know, on a national issue like this, this sort of transcends just CMA. You're dealing -- the question is a lot of other states' maritime academies and the Federal Maritime Academy so we did get a very favorable response and I'm not sure if ours is the one that did the trick and other people took another look at this thing, but what I'd like to do is wait until Captain Galstan, who is up here today representing the Maritime Administration, he's Assistant Director for Operations on the West Coast, gets the opportunity to answer.

CHAIRMAN CULLEN: All right. Proceed with the other two witnesses. Mr. Howard Mollenhopf is the Superintending Engineer for the State Steamship Company.

MR. HOWARD MOLLENKOPF: Mr. Howard Mollenkopf, Superintending

Engineer at State Steamship, San Francisco. We're one of the 40,000 that you were looking for, that you were speaking of awhile ago, that got lost in the industry.

As I listen to your questions, you are centering yourselves around the engineer of yesterday and the deck department men of yesterday and two or three questions have come out on the floor here that I think should be cleared up. The engineer of today is considerably different and has rapidly changed in the last three to four years. The cargo liners that we now supply the Pacific with today, of which we have 13 of them, are two men engine rooms. We are now approaching a no man engine room. Therefore, the so-called engineer that was being educated in the past does not fill the bill. Therefore, in the shipping companies, we are looking for a little extra. The engineer that we are looking for today is a man educated to operate a single man engine room of which there is no watch standing. In many cases the ship is operating on its own. In the second case, we demand now that the engineers, as long as the ship is approaching the unmanned and the two men and the single man, that we have an engineer on the shore staff capable of having full knowledge of the vessel's operations and this is how the transition is taking place and this is where we stand today. The industry has completely changed. We've gone away from the three watch stand, like I say, in the engine room. This may answer one of your questions.

ASSEMBLYMAN THOMAS: May I ask a question?

In other words, from your testimony, I come to this conclusion that the California Maritime Academy cannot produce the engineer that you're looking for.

MR. MOLLENKOPF: Correct.

ASSEMBLYMAN THOMAS: In other words, they're not qualified.

MR. MOLLENKOPF: As we approach tomorrow and the next day, yes, sir, this is why we are --

ASSEMBLYMAN THOMAS: How about today?

MR. MOLLENKOPF: Today 50% of the vessels are still three men engine rooms, the rest are two men and approaching no man.

ASSEMBLYMAN THOMAS: No, I'm just talking about the academy. Shall we scuttle the academy? This committee has to make a decision. Shall we continue the academy?

MR. MOLLENKOPF: Very definitely continue the academy. The academy is turning out very fine engineers. And these very fine engineers are taking care of the vessels that we have today.

ASSEMBLYMAN THOMAS: Let's assume, the graduate, one of the engineers in the California Maritime Academy in the next couple of years, will it be wasted time that we go ahead with this program, because of the new type of ship that they're building? The automated type with buttons. Are we wasting our money now?

MR. MOLLENKOPF: No, sir. The -- go ahead.

ASSEMBLYMAN THOMAS: How will they be able to operate that ship that's going to be built - the ones they're building in Japan now. Over a 1,000 feet of buttons.

MR. GORDON WHITE: It really doesn't matter how long the ship is. It can be 10 miles long and still have the same engineering operation on the stern end. In your answer to Japan, there are some of those ships that have CMA graduates on them. It's unbelievable, but they are on there and they are as chief engineers. When you speak of training the engineer and will we use him, yes. The jobs will be available. There

is a requirement for the engineer and it will always be there. Someone has to operate those vessels.

ASSEMBLYMAN THOMAS: I'm talking about engineering officers, sir.

MR. STEINBERG: At this time, as in regards to the number of personnel maybe?

ASSEMBLYMAN THOMAS: The question I want to ask. Is the California Maritime Academy equipped today to graduate an engineer that may take over one of these new ships they're building now? Can he do it? Can he do a good job? Are we wasting our time - our money?

MR. MOLLENHOPF: He can do a good job with additional training. After possibly two years of going to sea and then approaching the transition of becoming a chief engineer, a manager, which he is today, and he's almost a business manager on the vessel. At that point the man enters a transition point for further education.

CHAIRMAN CULLEN: Mr. Schabarum.

ASSEMBLYMAN SCHABARUM: Can he today get a job?

MR. MOLLENKOPF: Yes, he can get a job today.

ASSEMBLYMAN MOBLEY: What about the requirements that I've understood. They have to have three years at sea before they hire them at any kind of a level, is that what they term acceptable. Is this true?

MR. MOLLENKOPF: No, that's not true. We have many graduates that have come straight out of the academy and taken licensed places on the ships and served as third assistant engineers. A great many of them.

CHAIRMAN CULLEN: We visited a dormitory room and one of the cadets had all the rejection letters stapled on the wall. I believe there were 60 to 75 rejections there.

MR. MOLLENKOPF: As you know, an engineer on the West Coast, must

first become a union member, and then the union places the man aboard. The man does not come under my supervision or any other superintendent's supervision until he becomes chief engineer. At that time he becomes our choice on the vessel.

CHAIRMAN CULLEN: How many hours at sea are required of a man before he can become a union member? How many days at sea?

MR. MOLLENKOPF: I can't answer that one.

SENATOR BEHR: Mr. Chairman, it is my understanding that in 1971 the union hiring practices were changed and a new set of restrictions required 200 days of sea time to qualify for officer assignment. Is that accurate?

MR. MOLLENKOPF: That's right.

SENATOR BEHR: Thank you.

ASSEMBLYMAN THOMAS: In other words the California Maritime Academy graduate. Can he get in the union? He hasn't got the qualifications, has he?

MR. MOLLENKOPF: Which union are we talking about? The MEBA Union? I would rather the MEBA answer that themselves. That's their hiring practices. On deck officers, yes, you will see the caliber increase. You will see the further education required. This section of the vessel is being reduced due to automation, due to automatic navigation and this type of instrumentation is new, like I say from the last two to three years, and this is something that must be caught up with. Now I'm talking about the Maritime Academy, who will certainly back it, in their efforts to stay with the industry, they will be required now to step ahead and start to teach these changes that are now due on vessels.

CHAIRMAN CULLEN: Thank you, sir. Will you introduce yourself.

MR. GORDON WHITE: My name is Gordon White and I'm with Pacific Far

East Line in the operations department as cargo supervisor. Mr. Chairman, Committee members, Senator, Legislators, I'd like to read a statement from Pacific Far East Line regarding the subject of the California Maritime Academy.

The American Merchant Marine of the future has the potential to become the world's leader in developing a fast, door-to-door, international transportation system. Shipping lines are being transformed into transportation companies and are playing a vital role in determining the shape of this transportation system. This transition is taking place due to new container and barge carrying ships.

These are conclusions reached in a two year study - first of such depth ever attempted on United States flag merchant shipping - conducted by Harbridge House Inc. of Boston, a nationally known management consulting and research firm. The 1970 study is published as a book titled "The United States Merchant Marine in National Perspective."

The transportation industry requires a source for future leaders not only afloat but ashore as well.

To produce this well rounded graduate the California Maritime Academy must be upgraded to a fully accredited school. Assemblyman Dunlap's Bill 705 transferring jurisdiction of the academy to the Trustees of the State Colleges will do this. Pacific Far East Line supports this bill.

For years Pacific Far East Line has been assisting the California Maritime Academy by making ships available to midshipmen for on the spot training. Pacific Far East Line has always done its utmost to comply with any request for assistance from the Academy and will continue to do so in the future.

The California Maritime Academy must remain open and be upgraded if California and industry are to fully profit from the new technology available to the American Merchant Marine.

CHAIRMAN CULLEN: Thank you, Mr. White. Mr. Kenyon, Mr. Coleman, Captain Tuttle and Mr. Henning would you come to the witness table please.

APPEARANCE OF MR. HERBERT COLEMAN, BUSINESS AGENT, DISTRICT NO. 1, PACIFIC COAST DISTRICT, MARINE ENGINEERS' BENEFICIAL ASSOCIATION (AFL-CIO); ACCOMPANIED BY HERBERT KENYON, RETIRED CHIEF ENGINEER

MR. HERBERT KENYON: My name is Herbert Kenyon, Chief Engineer, and I am with MEBA.

MR. HERBERT COLEMAN: My name is Herb Coleman and I am here representing the MEBA.

We've submitted a letter and I assume that the Committee has copies of the Maritime Administration's Report for the 1970's. (See Appendix G)

The plight that we're in right now is the one that is disturbing our industry the most and the position that we have is the deterioration of the maritime industry, the President, you have just heard his statement, that leads us to inaugurate a 300 ship ten-year program has never materialized and as yet there have been no funds appropriated for this and there hasn't been any keels laid under the new 1970 act. This is somewhat disturbing. There is a study being made now, of the possibility of building ships in the foreign market and as I understand it sir, that is a three-year study. So we can't expect any real relief immediately. The United States is the world's largest, at the end of WW II with 3,696 ships and as of 1970 we have deteriorated to 970 and now we have a total decline in our industry. The United States hauled 57.6% of its own foreign cargo in 1947, but today that number has dropped to 5%. That's showing the area that we are running into. The twenty year program -

referring to an exhibit taken from the Maritime study from 1961 to 1989, that by 1982 shipping will be back up to where it is at the present time, which is a very deplorable situation. Ships are being laid up and men are out of work, both the licensed and the unlicensed.

MR. KENYON: I sent in a letter, it's a brief I guess you'd call it, this letter, I don't know, to Mr. Reagan. Concern strikes at the lives of thousands of maritime personnel throughout the country. Not only the concept, but now the reality of unemployment is hitting hard.

CHAIRMAN CULLEN: Excuse me, Mr. Kenyon, we've all read your letter. You said you consider that the California Maritime Academy isn't going to do anyone any good - least of all itself. Would you like to elaborate on that, sir? What do you base that conclusion on?

MR. KENYON: The surplus of men.

CHAIRMAN CULLEN: In other words your projections of those available jobs would demonstrate that there are ample officers now and no others are needed?

MR. KENYON: That's right.

CHAIRMAN CULLEN: And have you included the table showing that in ten years over half the officers will phase into retirement?

MR. KENYON: Oh, yes I think we have that.

CHAIRMAN CULLEN: Are there any questions for these members from the Marine Engineers Beneficial Association? Mr. Schabarum.

ASSEMBLYMAN SCHABARUM: For all practical purposes, all of the licensed engineers or aspiring engineers are members of your union? Is that correct?

MR. KENYON: That's correct.

ASSEMBLYMAN SCHABARUM: Is it your group that also has this school?

MR. KENYON: Yes.

ASSEMBLYMAN SCHABARUM: Why is it then, on the one hand, you have a significant employed group in terms of this projection of American flag shipping, that at least we are going to remain status quo over the next decade whereas the employers indicate that a volume of our officers and number of ships is on the ascendancy? Why would that be?

MR. COLEMAN: I don't agree with your statement. It's not on the ascendancy. In fact, the statement was that due to the larger and more sophisticated vessels they are hanging up some of the old vessels and endangering ---

ASSEMBLYMAN SCHABARUM: Nevertheless, a fellow who wants to get on board in an engineering berth, must be a member of your union before shipping out of the West Coast. Is that correct?

MR. COLEMAN: With the ships that we have under contract, yes, sir.

ASSEMBLYMAN SCHABARUM: Which is what percentage of the American flag shipping on the West Coast?

MR. COLEMAN: It's all of it.

ASSEMBLYMAN SCHABARUM: All of it. Okay. So today then in response to the point Senator Behr made, the posture is the union provision insofar as somebody getting referred from the union hall for employment is that that individual must have 200 days of actual on-the-sea activity.

MR. COLEMAN: No, sir. To start -- are you speaking from the standpoint of someone that has just, say, graduated CMA?

ASSEMBLYMAN SCHABARUM: Yes, please.

MR. COLEMAN: Not maintaining a status of going to sea?

ASSEMBLYMAN SCHABARUM: Someone mentioned 200 days at sea.

MR. COLEMAN: Two hundred days at sea is a status that the engineers

would remain in in order to stay in what we call group shipping and that's referred to in our letter.

SENATOR BEHR: Sir, I'm not doubting you, I just want to be sure I understand. It is my understanding that these restrictions are union hiring practices in 1971 requiring 200 days of sea time to qualify for an officers assignment under your rules as of that time which is this year. That's not accurate?

MR. COLEMAN: In order to be in the groups, there are one, two, and three in the grouping, now someone who has just graduated or is just going through the ranks and has newly received a license then he will go into group three. He would have to work his way up through the grouping. I would just like to relate to you how many job applicants that we have at present. Any call for engineers - there are 325 engineers that are registered - waiting for employment and this would reflect these three groups. Now the group --

CHAIRMAN CULLEN: How many are in group two?

MR. COLEMAN: I don't have that information, sir.

CHAIRMAN CULLEN: All right. Is it correct that you have to exhaust the people in group two before these graduates in group three were put on?

MR. COLEMAN: Group one would go out first. And to remain in group one you have to have the 200 days in service. That's where the situation with the ships being tied up at the rate they are and the job opportunities.

CHAIRMAN CULLEN: Could you supply me with the numbers in those groups, sir? (See Appendix H)

ASSEMBLYMAN SCHABARUM: I think it is important to make a projection, at least from their point of view, notwithstanding some potential emergency that those projections all face, as to what kinds of people are willing or

able to be hired on over a time frame of let's say the next 10 years. And particularly that expected need recognizing returns at all can be met through your own union employer funded schools.

CHAIRMAN CULLEN: Do you understand that Mr. Coleman?

In regard to the letter which I read very closely, I am going to ask a couple of questions. Could you explain what is meant by Paragraph 5 on the first page?

MR. COLEMAN: With authority to the flooded job market, there may be as regulated acceptance of new members by method term group shipping which is controlled by admittance of members and shipping activities. This move is self-protective to prevent the situation from becoming worse and eventually lowering wages.

CHAIRMAN CULLEN: Could you expound a little on this?

MR. COLEMAN: This is similar to the seniority. The older members never should go to sea. The members that go to sea on a regular basis are the members that we mean in group one. It is a particular phase of our industry where people may go to sea on a regular basis or may go to sea on an intermittent basis. There are people that go to sea as a regular job, and there are others that have other jobs, who might go to sea for one or two trips out of the year or they may, for that matter, remain in other positions and take what we call relief jobs. They can still remain active in other positions and take what we call relief jobs. They can still remain active and get their time in as a relief engineer.

CHAIRMAN CULLEN: In the last page, second paragraph, you said that the academy is not doing anyone any good, least of all to itself. Hasn't the academy at all contributed anything to the Merchant Marine?

MR. KENYON: In its present status I fail to see where we are

getting anywhere simply by turning men out. That's all. We are overloaded with licenses.

CHAIRMAN CULLEN: I don't understand. Could you elaborate a little more?

MR. COLEMAN: All during the Vietnam trade, I think that's confusing itself in statistics into what we are faced with here today, the MEBA school in Baltimore was put into existence because of the shortage of engineers in this critical period of the Vietnam seafight. In normal situations you can ride along on standardized employment and then when you have a tremendous demand on people, and the Coast Guard requires that engineers have licenses and the mates have credited licenses going through an accredited school or examination conducted by themselves. Now this gets to the actual point of why there is a Calhoun School. We weren't receiving the amount of people during the emergency that was required to man the ships. Somewhere between 30 and 40 a month were coming out of there and were appreciated by the management and labor and by everybody in this country, the cadets that were coming of this school. But it was not filling the actual need that we needed to man the vessels. The MEBA school in 1968 graduated 38 engineers, in 1969, 212 engineers, in 1970 when the decline was coming on - and this is the true operation of the school to have a feel on the employment needs - it dropped to 176 and in 1971 at the present time is 23 that graduated from that school. The school is not only a cadet type training school but also serves a dual function to update the licenses of the people who are already CMA graduates if they tend to go to sea as some do. We have had all kinds of persons here today who have that information, but there is a percentage that don't go to sea and those that do go on and elect to try a life of an engineer or a marine or

whatever direction he is going, he would have his license updated if he is management or if he wants to maintain a third status that's his own prerogative, but there's opportunities through this school for his need of going on and improving skills to advance a second, to a first and to a chief engineer's course.

CHAIRMAN CULLEN: There is one more question. In the last paragraph, there is a great shortage of doctors and dentists we would suggest that they go into that field. Where would a person go if he really wanted to become a marine engineer? Where would he go if you closed the academy and he doesn't want to become a doctor. My boy wants to be a plumber.

MR. COLEMAN: He is not obligated to go to any academy. He can go to sea unlicensed, serve three years and do this on his own. He can elect to go to the Federal school in New York or he can go to CMA or whatever state school still remains open. But the point is where is he going to get the job? That door is closed to him now, employment is very poor on that route. The academy graduate goes through and finishes his curriculum and has his license and there aren't any jobs. I can't tell you how many we have sitting there now looking for what few jobs are left, and it's still deteriorating.

CHAIRMAN CULLEN: So that's your reason for your advocating the closing of the academy?

MR. KENYON: Yes, I think so.

CHAIRMAN CULLEN: My last question is you advocate that they go into oceanography, research and engineering. What schools can you get a degree from?

MR. COLEMAN: There aren't any to my knowledge.

CHAIRMAN CULLEN: Are you advocating it?

MR. COLEMAN: If you are going to have a school, add this to the curriculum and open up a new field for these people is the question here.

ASSEMBLYMAN CONRAD: I'd like to ask a few questions of the union. Do you have a contract with Chevron?

MR. COLEMAN: We have a contract, it is not a regular contract.

ASSEMBLYMAN CONRAD: In other words a person can get a job with Chevron from CMA and he still ships from the West Coast. You said that every ship that went out of the West Coast had to be under your union. That is not true, is it?

MR. KENYON: No, practically all ships. There are a few tankers.

ASSEMBLYMAN CONRAD: How about the tuna fleet of Mr. Thomas?

MR. KENYON: Now you're going pretty low, aren't you?

ASSEMBLYMAN CONRAD: How about the Navy MSTs?

MR. KENYON: Absolutely. We have an exclusive contract.

ASSEMBLYMAN CONRAD: You have an exclusive contract with Navy MSTs? In another words, a CMA man can get a job on a Navy MSTs ship?

MR. KENYON: Yes, he can.

ASSEMBLYMAN CONRAD: I am just pointing out the ships that the CMA can get as they apparently give the impression that they can't get a job.

MR. COLEMAN: With MSTs their vessels are the hardest hit. There are more MSTs vessels tied up. We are talking about job opportunities, not necessarily whether they are restricted, whether the job opportunity is there, this is the main thrust of the person going through any kind of a school or program, can I get a job when I get out?

ASSEMBLYMAN CONRAD: Can I suggest this to the Committee, and I'm not being factitious. I think this Committee might very well go through a catalogue of state colleges and universities and document every course

in stagecraft, every course in television, and then go get the television people from my district, get the motion picture people from my district, and get up and tell how many jobs are available then. If we adopt this attitude then I submit the university, the state colleges ought to close every course in drama, stagecraft, cinematography, television and movies. Because I can assure you the situation in my district is far worse in the television and motion picture industry than in the maritime field.

CHAIRMAN CULLEN: I think the significance of Mr. Coleman's charge, Mr. Conrad, is that he has not recommended closing down the union school and I suppose Senator Behr will probably want to ask if whether the graduates of the union school have the identical opportunities for employment that the graduates of the CMA.

SENATOR BEHR: It was actually almost like that, but my first question would be along those lines. Obviously you keep the Calhoon School open for the upgrading of present union members, to second, first and so forth. In view of the reduction from 176 in 1970 to 23 in 1971, which I presume are new graduates from the union school, are you closing that school to any new students based on the testimony which has caused you to believe that the California Maritime Academy should be closed down because of the large surplus of engineers ashore.

MR. COLEMAN: The yardstick, sir, that we are using in that school in closing down, and I guess you might put significance to it, to the extent of the people who are retiring, the natural attrition out of the industry, we feel that there will be some need in this area. Mr. Kenyon, who has been chief engineer for 44 years in the industry, will retire this January. We do need some, but we do not need the amounts and figures that we had during the Vietnam Sealift.

SENATOR BEHR: Then to the extent that the academy is in competition with the union school for the number of replacements needed for attrition so to speak, it would quite obviously be to the benefit and interest of the union from a personal standpoint to make sure that this competition was removed, presumably. I am not saying this in a derogatory manner, but it is simply so, isn't it? And to that extent, your testimony would have to be at least considered to some extent in that light. I am not questioning your motives, but I would be shocked if it weren't that way in terms of your information.

MR. COLEMAN: Actually we don't know how many graduates from the maritime academy are actually going into the industry. The boys are young and they go through the school and by the time of graduation, it is their determination whether they still want to go to sea or not. And there is a problematical situation with the Calhoon School. They are briefed on their rights but we want them to go to sea three years after they graduate. If not, then there are some monetary penalties if you will, but that is something they have to come up with. So far we have never had any, it has never been tested. That is just only in the rules.

SENATOR BEHR: Just one further question if I may, Mr. Chairman. When you have a graduate of the union school, the Calhoon School, come to the hiring hall or office, and arriving simultaneously or concurrently with a brand new graduate from Vallejo, is there any difference in the nature of their rights to get aboard?

MR. COLEMAN: Speaking from an administrative standpoint, no, sir. When they move into the office, they could be the same as anyone else. They have the group shipping ladder to go through.

CHAIRMAN CULLEN: Why is it then, Mr. Coleman, that the union

graduates go into group two and the CMA graduates go into group three?

MR. COLEMAN: That is not to my knowledge.

SENATOR BEHR: Could I follow this up? Isn't it true that this reduction from 173 to 23 which seems quite traumatic in 1971 be due to the conversion of the school in part from a two year school to a three year school? And in addition it was early in the academic year.

MR. COLEMAN: It was very very early in 1971, very early in the academic year. The total amount that are in the school the first, second, and third phase are 128 are in the first phase, 229 in the second phase at the present time and 131 are in phase three.

ASSEMBLYMAN MOBLEY: Do you plan any phasing out of your school?

MR. COLEMAN: No.

ASSEMBLYMAN MOBLEY: But you do suggest that they phase this one out.

MR. COLEMAN: Well I am not so sure we are trying to attack the school.

CHAIRMAN MOBLEY: I don't know what you're attacking but it's something about the CMA. In your school, how are you geared on these ups and downs. How do you plan your arrangements. You say you needed the school during the Vietnam crisis and so this is the reason you developed it. Where did you get the clientele of people to run this school? Did you just go out and pick them up and say we are going to start a school and here we go. How can you phase this to meet the ups and downs?

MR. COLEMAN: Well I am not the administrator of the school and I am not going to conjecture on that.

CHAIRMAN CULLEN: Let's hear from Captain Tuttle.

APPEARANCE OF CAPTAIN GEORGE M. TUTTLE, JR., ASSISTANT PORT AGENT,
OFFSHORE DIVISION, INTERNATIONAL ORGANIZATION OF MASTERS, MATES
AND PILOTS; ACCOMPANIED BY JOHN F. HENNING, JR., COUNSEL

CAPTAIN GEORGE M. TUTTLE: I wish to apologize to the Chairman of the Committee for the lack of Captain William F. Caldwell, our International Executive Vice President who at this time is in the air on his way to Washington to testify at another matter. (See Appendix I)

I am Captain George Tuttle. I'm the Assistant Port Agent, San Francisco International Organization of Masters, Mates and Pilots, Offshore Division. We handle the ships, officers, and masters sailing offshore. True, the union has a substantial impact on the industry on the West Coast. We do not have exclusive contracts but we do have PMA and the AIMS ships. We offer our services as logistic support to the United States Government as whatever government agency may direct. I have been a union member in this union for 31 years. I've gone through two Asiatic logistic support efforts; the Korean War 20 years ago, and the Vietnam effort which is on now. That creates a tremendous hub in our shipping, hiring, and dispatching. I will say the graduates from CMA in this effort to Vietnam have been the best. We will take all graduates that we can have. In other words we have no school to start from the bottom up. We can't offer them any more employment than the engineers have, but we do not have a school to start. We will take not only from CMA but since the West Coast does lead to the Orient, we have got graduates last year from Fort Schuyler which is New York, from Maine, from Massachusetts, Texas and King's Point. To show why we need people, I can enter this to you, but at the close of 1969 we had 2,210 members in Local 90 which was before restructuring the West Coast. We had our union halls in Seattle, Portland, San Francisco and Wilmington. We took in 134 members in 1969. We reinstated 8 and we admitted men that

had left, 10. We took in 152 members. We lost 11 that went to other locals, 37 died, 102 resigned, primarily for pension reasons, 23 were suspended for non payment of dues. We lost 173 members against 152 gains. That was a net loss of 21. We took in a graduating class, I think we took 28 out of the CMA last year, so we were up, if you want to use that, seven members over what started the year. Our fourth quarter of 1970 we increased by one, a man that transferred in from the Panama Canal, 19 members were suspended, 35 took withdrawals, all of them pensioners, 9 died and one transferred to the Panama Canal. We lost in the last quarter of 1970, 64 members. We have restructured to a new international organization. We are no longer Local 90 of which I was then the First Vice President. Our new bylaws of the International Organization of Masters, Mates, and Pilots, Offshore Division, October 1, 1970 which I can leave here says: "Eligibility for Membership: Persons eligible for membership of this organization, shall possess a valid license, United States Coast Guard Merchant Marine Officer."

CHAIRMAN CULLEN: We were advised that your membership has been temporarily closed until you reach a ratio of $1\frac{1}{2}$ men to every ship available. Is that correct?

CAPTAIN TUTTLE: Quoting from the book, "no applicant may be admitted to membership and no member may be permitted to transfer from another subordinate body unless the ratio of members in the offshore division to the number of jobs under offshore division contracts is less than $1\frac{1}{2}$ to 1. When such conditions exist, first all members wishing to transfer to another subordinate body into the international may be admitted. Then applicants may be considered for membership.

CHAIRMAN CULLEN: Are you closed now?

CAPTAIN TUTTLE: We are taking applicants in, sir.

CHAIRMAN CULLEN: Then you are not closed? You have less than a $1\frac{1}{2}$ to 1 ratio.

CAPTAIN TUTTLE: An applicant will pay a \$75 a quarter service fee. He will not become a member until we are down to $1\frac{1}{2}$ to 1. At that time he will pay a \$1000 initiation fee.

CHAIRMAN CULLEN: What does Captain Caldwell mean when he says all applicants have the same rights in respect to available assignments. He wouldn't send a non-member out on an available assignment merely because he was an applicant, would he? That is what he said in his letter. Perhaps he is misquoted.

CAPTAIN TUTTLE: To this date, we have not had any applicants. We anticipate and we hope that the graduating class deck officers from CMA will come down as applicants.

CHAIRMAN CULLEN: If they come down as applicants, Captain Caldwell says they will have the same rights with respect to available assignments. Now does that mean the same rights as members or the same rights as other applicants who cannot ship out until they become members because you have more than 1.5 members to every ship?

CAPTAIN TUTTLE: The applicant can only ship when no member is available and remain on board for one voyage only but in no event longer than 90 days. We do offer them job opportunities in the same light as the Engineers. We have the same groups, one, two, and three. They would be less than group three.

CHAIRMAN CULLEN: They would be like group four really?

CAPTAIN TUTTLE: Right, sir.

CHAIRMAN CULLEN: I interrupted you, Captain Tuttle, I didn't mean

to but you were on a point I was interested in.

CAPTAIN TUTTLE: I would like to go further, that shows the attrition of our membership through withdrawals, suspensions, and transfers. I have a document here which is an actuarial study and as you know, they are not accurate, so I will round it out. We have 800 members eligible for the 20 year pension at any age. That's those, and 150 of those are over 60 years. We've got 200 eligible for 25 year pensions, and the 25 year pension is 50% of their base pay. We have 70 members still going to sea, these are active members that are over 60 years old. We can certainly see that we are going to need the graduates of all school ships and since we are California-oriented, and people that go to sea now days tend to live at home and have families, that's the name of the game, we want the men from California Maritime Academy to try to come into our organization.

CHAIRMAN TUTTLE: As I understand it, Captain Tuttle, and Mr. Coleman, you are talking about engineering officers, we are talking about deck officers.

CAPTAIN TUTTLE: Right.

CHAIRMAN CULLEN: Would you agree with me that there appears to be a difference in attrition between the two? You have ample engineers and the Masters, Mates and Pilots look forward to the immediate and continuing need for deck officers.

CAPTAIN TUTTLE: Right. With this difference that we have an industry type school to supply this natural attrition and everything is down moving into this thing --

CHAIRMAN CULLEN: You wouldn't get into training deck officers, will you now?

CAPTAIN TUTTLE: No, sir.

ASSEMBLYMAN MOBLEY: Could I ask a question? Do you have an actuarial table as to your age breakdown? You have to give them some kind of idea as to what the future holds.

CAPTAIN TUTTLE: If the Chairman wishes, and the members, I would like to also supply you with an updated - as I say, this is an old document and we can send you an agreement of the constitution.

CHAIRMAN CULLEN: Could you do it within two weeks?

CAPTAIN TUTTLE: Tomorrow. Send it to your office?

CHAIRMAN CULLEN: Yes, sir.

CAPTAIN TUTTLE: Okay, fine. (See Appendix J)

CHAIRMAN CULLEN: Captain, let me ask you a question. Why do you think in view of the number of rejection letters I saw in the young man's room, that there are no applicants for membership in your union? Do they actually have to be graduated before they can apply to your union?

CAPTAIN TUTTLE: Correct. They must have a license. It just so happens I have back in my briefcase a newspaper from Vallejo. In 1967 we had a third mate on a ship that couldn't graduate; the captain had his license in a safe. In order for that ship to sail with ammunitions, he went aboard and the day his class graduated the captain opened the safe and handed him his license. We are in favor of it. We can't offer them employment today. We are in favor of the school. And where the engineer said it may phase out after, and I'm not putting any, after the mutiny or whatever it was, hijacking of the Columbia Eagle, we think there should be more officers on the bridge, and tighter security, and after collisions, we think that possibly to prevent them there should be more deck officers on the bridge.

CHAIRMAN CULLEN: Thank you. You young men from the academy, this

is Captain George Tuttle, Masters, Mates and Pilots. Send your applications to him.

CAPTAIN TUTTLE: And \$75.

CHAIRMAN CULLEN: Captain Galstan, Mr. Henry Tyler and Mr. James Jensen would you please come to the witness table. Captain Galstan, you are from the Maritime Administration. Would you lead off, perhaps touch upon the posture of the federal government with respect to inflation and why assistance to these maritime academies has remained static for several years.

APPEARANCE OF CAPTAIN SAMUAL W. GALSTAN, ASSISTANT DIRECTOR FOR OPERATIONS, WESTERN REGION, MARITIME ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE.

CAPTAIN WILLIAM GALSTAN: I'm Bill Galstan, Assistant Director for Operations of the Maritime Administration, Western Region.

I submitted a copy of the Deputy Administrator's letter to the Superintendent saying that the funding would continue, federal funding would continue, at the same level for the fiscal '72 as it has last year and the federal government's interest in supporting state academies is that it provides a nucleus of manpower with the required training: 1) to man our new ships that they are building or that are going to be built under our Merchant Marine Act of 1970 and 2) is to provide a source of material or manpower to man our ships during emergency periods. We have at this time 123 ships in our National Defense Reserve Fleets, 54 are at Suisun Bay Reserve Fleet and we found in the past, like Captain Tuttle just mentioned, that having a reserve fleet of ships is itself not sufficient. You must have some trained licensed men to go with them. So our interest is two-fold, one is commercial and the other is for national defense. (See Appendix K)

CHAIRMAN CULLEN: Captain, at this point I'll place in the record a letter from Mr. Gibson, Assistant Secretary for Maritime Affairs, to Congressman Legett. What he says in part is equal problems from the federal government's point of view and probably from out of the state as well is that the school's product, third mates and third assistant engineers for the Merchant Marines, will be in surplus for the foreseeable future even with the new ships resulting from the Administration's building program. (See Appendix L)

For the federal government the only direction is to tailor its support to the needs of industry for officers and for the purpose of the state the academy has to take its place in a very wide spectrum of educational priorities. The base of a test that we've had here, that shape of this tailoring be reflected in, do you not subsidize engineering training? Will you continue to subsidize that cost in training or will you just make a general reduction across the board?

CAPTAIN GALSTAN: As I understand it, our Washington office is reducing the allocation to certain states who have increased their involvement beyond what they had in 1965. The federal government doesn't specify whether the men should be trained as engineers or deck officers and I suppose it's up to the state superintendent...

CHAIRMAN CULLEN: Captain, if I may repeat Mr. Gibson's statement, he says the direction presumably in the future is to tailor its support to the needs of industry; now the needs of industry affected here today are for deck officers and not for engineering officers. So the federal government is going to tailor its support, presumably Mr. Gibson has something definite in mind.

CAPTAIN GALSTAN: Well I think what he referred to is the 1965

level of support in the total budget for state school ship training rather than taking any particular direction.

ASSEMBLYMAN DUNLAP: Mr. Chairman, may I ask a question?

CHAIRMAN CULLEN: Yes. Mr. Dunlap first and then Mr. Thomas.

ASSEMBLYMAN DUNLAP: Since you bring Mr. Gibson up and a letter from him, I'd like to quote another letter which he wrote to Congressman Leggett which I don't have the full letter with me but I'll submit it to the committee in full. This was in response to a question I'd asked relative to the effect of the transfer of the California Maritime Academy to the state college system and is that affect federal funding in effect the question asked. And the answer would be my preliminary feeling that this transfer should have no effect on federal funding and would certainly help regularize and perhaps upgrade the quality of education at the California Maritime Academy. I would say that the academy should be most energetically exploring curriculum and other changes which would broaden the range of occupational opportunities open to its graduates and which might tap new sources of financial support. Among other things he had in mind the National Sea Grant College and Program Act of 1966.

ASSEMBLYMAN THOMAS: May I ask a question just for information. What position is our country in in the Merchant Marine along with other countries, Russia, Japan. Are we at the bottom of the totem pole? Just for information, for myself and the Committee.

CAPTAIN GALSTAN: Well, our foreign trade has grown. From 1960 to 1969 our foreign trade has grown 50%. At the same time the tonnage carried by our ships has decreased from 11% to 4.8%. Of course, we see here, on the Pacific Coast other ships, other countries' ships, developing the container system that we first instituted here in this country. And now,

given this tough competition, California is the largest state in the nation for exports and I think marine transportation is a very important State of California's business.

ASSEMBLYMAN THOMAS: Well, I mean what position is the United States in, in comparison to other countries? How many other countries are ahead of us? Japan, Russia, Norway?

CAPTAIN GALSTAN: Well, it's hard to tell nowadays, because, for instance, the Japanese are now building large ships and under the name of Panamanian and Liberian, and manning those ships with Hong Kong Chinese crews so the actual interest sometimes is not easy to tell but regardless, we're way down the list. I don't know the exact category by ratings. It would be dependent on whether you're talking about tonnage or number of ships or what have you.

ASSEMBLYMAN THOMAS: I was told that we're - I keep hearing this in my district from various maritime unions and industry - that we're so far below than any other country. I don't know what they mean. Whether it's carrying cargo or number of ships. So I was curious to see what will the 1970 Act do to improve that. Are we expecting more ships? How many more ships are we going to expect?

CAPTAIN GALSTAN: The original program was for the building of 30 ships per year over the next 10 years or 300 new ships. These ships of course would be larger and more productive than the ships that they are replacing so that the number of ships in itself doesn't give a true indication of their capability. One thing we are shooting for in the 10 year program is to increase our carriage by tonnage to 14%. Part of this program is the building of bulk ships and Mr. Gibson just testified before the Merchant Marine Committee in Washington on the \$503 million MARAD

budget for next year about the new program and its apparent people that want to build ships want to build them larger than the ships we had planned for in our CMX study.

ASSEMBLYMAN THOMAS: So it's important to keep the California Maritime going would you say?

CAPTAIN GALSTAN: Well, that is the federal government's position to continue to fund the state maritime academies under the 1965 level. Some academies for instance, Massachusetts, next year was going to double their enrollment. So in that case, they plan to take in 225 freshmen and we had intended to only fund 75 of the \$600 allowance. Whereas California has not increased their enrollment and on that basis we're going to fund them for 110 students in the freshman class, and I think this is partly due to Mr. Gibson's visit and his inspection of the academy last fall. I'd like to point out the total federal support - perhaps it isn't known. We give each state academy \$75,000. That's a set figure. Then, in the case of the California Maritime Academy we provided \$287,000 for maintenance and repair cost that we used in converting the "Crescent City." We expect this to continue next year in about a \$280,000 level. In addition to this there is \$600 per student grant from the federal government and you can multiply that out by 209 students who I think are at the school today. In addition to this, we have transferred a great many materials from ships in their reserve fleet that is surplus to the "Crescent City" such as paint, rope, wire rope and spare parts, that originally were valued at a considerable sum.

CHAIRMAN CULLEN: Captain Galstan, it has been suggested that the use of the "Crescent City" may be required by your agency for the Texas Maritime Academy. Can you make a report on that inasmuch as it's being

used to house students at the CMA?

CAPTAIN GALSTAN: Mr. Blackwell sent the superintendent at Texas a wire that for this summer cruise for Texas they're going to use their own school ship but I think the Maritime Administration is still seriously intending for Texas and California to share the "Golden Bear II".

CHAIRMAN CULLEN: The Board at the California Maritime Academy has approved the enrollment of 150 freshman students in the next entering class. I take it that the federal government will only provide \$600 for 110 of those students. Is that right?

CAPTAIN GALSTAN: Yes, sir.

CHAIRMAN CULLEN: We'd be interested, how we're going to finance the other 40. Any questions of Captain Galstan from members of the Committee? Thank you very much, sir, for coming. We appreciate it.

APPEARANCE OF MR. HENRY T. TYLER, FORMER EXECUTIVE SECRETARY,
JUNIOR COMMISSION, WESTERN ASSOCIATION OF SCHOOLS AND COLLEGES

MR. HENRY TYLER: Mr. Chairman, members of the Committee, I'm here today to substitute for Dr. Kay Anderson who was called out of the state and wasn't able to attend. I have spent a good many years in the accreditation work as Executive Secretary of the Junior College Commission of Western Association just retiring last July. I'd like to make two or three comments about the earlier discussion to which I listened with interest concerning the matter of accreditation, possible accreditation of CMA. In the first place accreditation generally has assumed a great deal more importance in fairly recent years than it previously had due in considerable part to the influx of federal funds for education, higher education particularly. Many of these bills cause funds to flow only to accredited institutions. This applies to certain kinds of funds which

possibly might come to CMA especially for some of its students if it were to be accredited. However, in the second place relative to the matter of transfer of credits, the mere fact that an institution is accredited does not guarantee that another institution to which a student might wish to transfer will necessarily accept all of his credits at face value. Each institution at transfer keeps to itself the right to decide what it will accept and what it will not. Generally speaking, however, if an institution is accredited and the student transfers from that institution to another accredited institution those credits are much more likely to be accepted than otherwise. Many accredited institutions will accept the credits from a non-accredited institution on a trial basis. That is, the student is accepted provisionally, so to speak, and if he demonstrates he can do the work of the new institution satisfactorily he may be given some credit for the work he has done previously.

In some institutions a certain number of units of credit might be accepted from another institution that had been accredited and yet some of those credits might not be of much use to the student because they wouldn't jive with the major that he was going to engage in. I suspect that this relates to some of the discussion earlier about the engineering because very probably some of the courses in marine engineering at CMA would not fit very well with the courses at one of the state colleges, Cal Poly or Los Angeles or wherever for let's say civil engineering. I think we can all understand how that might be. If the credit could be accepted the student might still have to do in a sense, make up work and that's not to irrigate in any way equality in the work that might have been tackled at CMA even if it had been accredited.

CHAIRMAN CULLEN: Mr. Tyler, it's my understanding that there are

many power plants throughout the state which have boilers, turbines and electrical switchboards. If a person wants to go to school and learn electrical engineering or hydraulic engineering or steam engineering are you suggesting that there's no institution of higher learning in California that would offer his courses in this field?

MR. TYLER: No, not at all. I was only trying to illustrate that there are some courses which would be needed for hydraulic engineering let's say that wouldn't be needed for civil engineering. Another point about accreditation, and you all know, I think, that CMA has requested that the Western Association's Senior Commission consider them a correspondent institution, and this has been done. That means they have taken the first step toward accreditation. Each institution when finally visited for accreditation purposes is evaluated in terms of its own stated purpose. Therefore, I see no reason to think that the purposes of CMA which have been under discussion earlier would necessarily be supported by its seeking accreditation. It might be recommended that certain additional courses of a more general nature be added, but this would not detract in any way from the quality of the work already being done nor the product being turned out.

CHAIRMAN CULLEN: We were advised that the correspondence status will terminate on June 30, 1971.

MR. TYLER: Well, this renewal has already been sent in by Admiral Williamson.

CHAIRMAN CULLEN: With respect to accreditation is it necessary or desirable that an institution offer a degree even though it may only be an AA degree?

MR. TYLER: The Western Association has three commissions - one

for secondary schools, one for junior colleges and one for senior colleges and universities. It's to the last of these three that the application has been made now by CMA and it makes it hold correspondence status.

CHAIRMAN CULLEN: It is possible that if CMA were unable to meet the requirement of the Senior College Commission they would be advised that nonetheless they did meet the requirements for the Junior College Commission and should resubmit the application. I'm thinking accreditation for purposes of transfer. If a man could transfer two years of courses and earn his AA degree, he would be better off than he apparently is now.

MR. TYLER: Well, we get hung up here on what is sort of a technicality I'm afraid. The Junior College Commission is authorized only to deal with institutions offering associate degree at the junior level. And of course CMA is a three year course at present. However, it does offer a baccalaureate degree I understand, a baccalaureate of science, and in that sense it would be eligible I should think for the Senior Commission's approval and in fact, if this were not the case, they would hardly have accepted it as a correspondent institution. Now the correspondent does not guarantee eventual accreditation, however, and I think the reason why an extension has been asked by Admiral Williamson before the present status of correspondent expires, is due in part to some uncertainty as to what the future of the institution is going to be.

CHAIRMAN CULLEN: Well, do you respond to these requests by at least conducting a preliminary review, sending back a check off list saying that here are the deficiencies; you don't have a full time professor in English, you lack 700 books in your library, 3 members of your faculty haven't published recently in educational periodicals.

MR. TYLER: It's not that numerical by far. It's more an estimate

of the quality of the institution which is made by a number of people who visit the institution and make a judgment.

CHAIRMAN CULLEN: But will you make definite recommendations?

MR. TYLER: There would be some definite recommendations.

CHAIRMAN CULLEN: There would be some definite recommendations for them to strive toward?

MR. TYLER: Right.

CHAIRMAN CULLEN: When would those be forthcoming?

MR. TYLER: Well, there won't be any I presume until - I'm sorry Dr. Anderson isn't here because I do not know his intentions. I only found out yesterday that I was to be here and he was leaving for another state so I couldn't talk to him at any length but it is my understanding on the basis of the letter from Admiral Williamson requesting an extension beyond June 30 on the correspondent status there will be a revisit scheduled sometime before June 30 by probably two or three people from the Western Association to spend the day on the campus with him and discuss with him the situation and some of the needs that may be apparent.

CHAIRMAN CULLEN: Any updating of the facility there presumably would require an obligation of funds which is squarely in the province of the Legislature, so I would think that the sooner the Legislature knows the extent of the updating the better position it would be in to make a decision.

Mr. Mobley.

ASSEMBLYMAN MOBLEY: How long does it take to get through this process? When did they first file?

MR. TYLER: Admiral Williamson could answer that better than I can but I think about a year ago.

ASSEMBLYMAN MOBLEY: What takes so long?

MR. TYLER: Well, there are three stages now in bridging into accreditation, which most institutions go through. First is the correspondent status and that need not take, need not require more than a year. The next is called the candidacy for accreditation. That is determined by a more extensive visit than the first one and some careful study by the institution of its own aims and objectives and how its trying to reach them. Then finally a quite extensive visit by a team of eight or ten people for about a three day period is made to the institution in terms of a self study made by the institution itself and the report of this visiting team. The judgment is made as to whether the institution should be accredited.

ASSEMBLYMAN MOBLEY: How do you get that information?

MR. TYLER: Well, you get it from the institution if it's available. We get it from whatever sources we can. It's not just in terms of the product it's also in terms of the quality of the instruction, the qualifications of those who are doing the instruction.

ASSEMBLYMAN MOBLEY: Will the end result show just where they instruct, the process they go through?

MR. TYLER: No, I didn't say that.

CHAIRMAN CULLEN: Do you make an evaluation relative to the one course versus another? In other words, you say they have to have so many hours of humanities, or whatever.

MR. TYLER: The general requirement is the general expectation anyhow for a four year collegiate institution is that roughly a quarter of its work shall be in what we would call general or liberal arts education. There can be some shaving of that I think in the case of a more narrowly conceived institution such as this one but I wouldn't be able to tell you

just how much.

ASSEMBLYMAN MOBLEY: Is the attitude - you don't have to answer this if you don't want to. Is the attitude of the people who run this accreditation board toward "vocational" type institutions bad?

MR. TYLER: No. Well, I think I could guarantee you that it's the opposite. I said that we hope that the vocational institution were not only vocational, in other words, if we were thinking of a, in the things I'm more familiar with, that the one of two year college level we would not look with great favor on the trade school that merely wanted to teach skill and nothing else because the belief is that these days people learn a trade and I think this is the impression by a number of the people earlier this afternoon. It isn't just more skill with these deck officers for example. They're going to need more knowledge of how to deal with people and the major problems that arise.

CHAIRMAN CULLEN: Mr. Thomas.

ASSEMBLYMAN THOMAS: I want to follow Mr. Mobley just a little more. Have you taken into consideration just how many graduates of the academy are actually officers on these ships? Do you take under consideration the successful Navy men. Many of them have gone into the Navy. Do you take all of that into consideration? The value of this school?

MR. TYLER: An important aspect...

ASSEMBLYMAN THOMAS: I went to law school and it became accredited because they had 5,000 books and it depended on the number of library books. And it also depended on the number of graduates to pass the bar exam. I would think that the most important thing is the end product of what this school is doing.

MR. TYLER: ...is self-study which the institution is asked to

make before it's visited; there are a great many aspects that the institution covers. The size and the quality of its library is certainly one of the things but so also is the record made by its graduates. Where are they? What are they doing? Statistics of that sort are always expected to be furnished by the institution.

ASSEMBLYMAN THOMAS: Do they do it?

MR. TYLER: Yes.

CHAIRMAN CULLEN: Mr. Dunlap?

ASSEMBLYMAN DUNLAP: If the California Maritime Academy were part of the state college system, State of California, in other words under the jurisdiction of the Trustees, would this be a factor which you would consider in determining accreditation?

MR. TYLER: Well, this would not in itself make a difference. In this sense, I guess that has to be qualified just a little because I believe the Senior Commission has said that they will accept new state colleges as they are formed, on a temporary basis, as accredited subject to a further evaluation. This, so in that sense it might...

ASSEMBLYMAN DUNLAP: It would depend on the circumstances, so...

MR. TYLER: We've never made too much of that because from what I have knows of the academy over the years I would think that it ought, just as it stands, just on its own, to have fairly little trouble in getting accredited. In fact, I've often wondered why it had not sought it long ago.

ASSEMBLYMAN DUNLAP: What has it done? What has actually been done? What information has been furnished you since it got its whatever, correspondent status a year ago. What's happened since then?

MR. TYLER: I can't answer that, sir, because Dr. Anderson isn't

here and he didn't have time to brief me on that. I do know that he has visited it, has talked with Admiral Williamson and has been shown the institution and told him about it and then on the basis of that visit which you made it was granted a correspondent status.

ASSEMBLYMAN DUNLAP: Well, what I want to know is what's happened since then?

MR. TYLER: I do not know.

ASSEMBLYMAN DUNLAP: That was about a year ago.

MR. TYLER: Yes, sometime within the last year. All I know about that is that their request for extension has come through.

ASSEMBLYMAN DUNLAP: Well, I can just suggest, Mr. Chairman, that that would be pertinent information for the committee to have; obviously we can't get it out of this witness.

CHAIRMAN CULLEN: Well, we'd be interested in that. All right, Mr. Tyler, thank you very much. I'll ask Mr. Al Loeb and Mr. Harold Geiogoue to come to the witness table. Mr. Thomas.

ASSEMBLYMAN THOMAS: Mr. Chairman, I appreciate all of the witnesses testifying but I'd certainly like to hear from the cadets. I would like to hear from at least one student before we adjourn.

CHAIRMAN CULLEN: All right, if you midshipmen would pick out a spokesman and ask him to come to the table we'll finish out then. All right, Mr. Jensen you're the next witness. How do the state colleges look upon some type of coordination between the California Maritime Academy and the state colleges?

APPEARANCE OF MR. JAMES S. JENSEN, DIRECTOR, GOVERNMENTAL AFFAIRS,
CALIFORNIA STATE COLLEGES

MR. JAMES JENSEN: Thank you Mr. Cullen, members of the Committee,

Senator Behr. I'm Jim Jensen, Director of Governmental Affairs of the California State Colleges.

To answer to your question at the present it would have to be, we would look at the administration of the California Maritime Academy with something less than enthusiasm. I say that for a number of reasons. First of all, Mr. Thomas and Mr. Dunlap and I think Mr. Behr, talked about the purpose of the academy. In our mind at the present time it's not clear what the future or purpose of the academy will be. The previous witnesses talked about accreditation, the problems of accreditation. I won't be redundant, I think he did an excellent job in pointing out some of the problems there. Third, we have a four year program as you have heard today, the Maritime Academy does have a tri-semester program; there might be some problems in this regard. Also, this is an era of the shortage of resources. On our list of priorities at the present time our top priority is reinstatement of the trustee budget and then making a very concerted effort to get our augmentations back.

CHAIRMAN CULLEN: Sonoma State College - could they absorb 250 mid-shipment on Monday, Wednesday and Fridays?

MR. JENSEN: If we could select the courses, yes.

CHAIRMAN CULLEN: Mr. Dunlap.

ASSEMBLYMAN DUNLAP: Yes, well, I was assuming he had plenty of time to plan in advance. Have you read AB 705?

MR. JENSEN: I have it right here, sir.

ASSEMBLYMAN DUNLAP: Do you recognize that within that there is some flexibility as to how you might operate this institution...

MR. JENSEN: Right.

ASSEMBLYMAN DUNLAP: ...so that you're not as limited to proceed

only in the manner that might be carried on at the present time, is that correct?

MR. JENSEN: That's correct.

ASSEMBLYMAN DUNLAP: Sonoma State College is a relatively small but growing institution is it not?

MR. JENSEN: That is correct.

ASSEMBLYMAN DUNLAP: About 3,500 students?

MR. JENSEN: 3,500 to 4,000.

ASSEMBLYMAN DUNLAP: And the whole structure of that college, it's curriculum and related matter, hasn't been rigidly planned for the future. Is that right?

MR. JENSEN: That is also correct.

ASSEMBLYMAN DUNLAP: So that without trying to take up too much time in this Committee at this time because of another hearing in the Education Committee at a later time, there's no reason to believe that Sonoma State College could not be developed in a way to either operate the California Maritime Academy directly or on an affiliates basis.

MR. JENSEN: This is a possibility, yes.

CHAIRMAN CULLEN: Mr. Thomas.

ASSEMBLYMAN THOMAS: Mr. Jensen, are you trying to tell me that the academy is a waste of money? We've been putting all of this money in this academy and you say they haven't done any good.

MR. JENSEN: No, sir, I did not say that and I did not mean to imply it.

ASSEMBLYMAN THOMAS: You want us to transfer this money over to the state colleges?

MR. JENSEN: No, I'm sorry I didn't make myself clear. I said that

we at the present time have a goal, a system of priorities for the 19 campuses on our state college campuses. If we were to assume the administration of the California Maritime Academy we would then have to go back and readjust and look at all of our priorities once again. And that's what I implied here.

ASSEMBLYMAN THOMAS: Well, would you say that the academy has done some good?

MR. JENSEN: I would say that the academy has done some good. From what I know about the academy and what I've heard, they do have an excellent program, yes.

ASSEMBLYMAN THOMAS: Well, are you for the continuation of it?

MR. JENSEN: Of the academy?

ASSEMBLYMAN THOMAS: Yes, that's the purpose of this --

MR. JENSEN: That's a tough question to ask.

ASSEMBLYMAN THOMAS: Well, I didn't hear the answer.

CHAIRMAN CULLEN: Well, you asked him whether he favored the continuation of the academy. He represents the state colleges.

ASSEMBLYMAN THOMAS: Well, why would the state college question come up when we're talking about the continuation of the academy?

CHAIRMAN CULLEN: I initiated the question by asking whether the state colleges could absorb 250 additional students. Mr. Dunlap elaborated and I think Mr. Jensen said that if the Legislature were to tell the state college system to accommodate one way or another the Maritime Academy they would then have to review their priorities within the funds presently appropriated to the state colleges.

ASSEMBLYMAN THOMAS: Yes, but that's the obligation of the Education Committee, not this Committee. This Committee has nothing to do with

that question.

CHAIRMAN CULLEN: You will be prepared for that question before --

ASSEMBLYMAN THOMAS: The only question we have here Mr. Jensen is shall we continue the academy or shall we phase it out as has been recommended by the Legislative Analyst?

CHAIRMAN CULLEN: The witness, I don't believe is competent to answer that question. You may if you want, I'm not trying to --

MR. JENSEN: No, I'm not prepared to answer that question. I'm directing my testimony as it relates to the administration of it.

ASSEMBLYMAN THOMAS: Well, that comes before the Education Committee.

MR. JENSEN: That is correct.

CHAIRMAN CULLEN: Senator Behr is next and then Mr. Mobley.

SENATOR BEHR: Just a short one, Mr. Jensen. You testified that you'd have to relook at your present priorities in terms of the 19 campus system.

MR. JENSEN: That's right.

SENATOR BEHR: And so, in a sense any additional funds would be competing with funds you don't have and want.

MR. JENSEN: That is also true.

SENATOR BEHR: So, the final question is that if you didn't relook or restudy your present priorities you wouldn't be able to tell in terms of where the Maritime Academy stood until you restudied them and if you then did restudy them and were surprised to find they stood quite high I presume, at a relook, you'd testify differently.

MR. JENSEN: That is also correct. We have no way of knowing for example what the condition of the buildings are at the present time, the faculty or other factors.

SENATOR BEHR: So you're moving cautiously and gingerly but not necessarily negatively.

MR. JENSEN: That's right.

CHAIRMAN CULLEN: Mr. Mobley first and then Mr. Dunlap.

ASSEMBLYMAN MOBLEY: Could I ask a straight question, Jim? Have your trustees given you any direction to testify here?

MR. JENSEN: Yes they have.

ASSEMBLYMAN MOBLEY: What'd they say?

MR. JENSEN: They said, number one, to point out the four factors that I have just gone over.

ASSEMBLYMAN MOBLEY: Yes, but that was all. I didn't follow it, you know. It was beyond me.

MR. JENSEN: Secondly, my primary mission right now is to sort of listen and report back. I think Mr. Thomas pointed out, I am really not germane to this Committee as much as I will be later on to Mr. Dunlap's Education Committee. And my primary purpose right here is to listen.

ASSEMBLYMAN MOBLEY: Well, you came up with a statement in your previous statement that the priority in your mind was an augmentation of your present budget and to hell with the CMA at this point in time. Would that paraphrase what you said?

MR. JENSEN: That's a little strong. In essence, yes.

CHAIRMAN CULLEN: Mr. Dunlap.

ASSEMBLYMAN DUNLAP: Certainly a factor that would weigh in the minds of the trustees and anybody involved here in taking over the academy would be seeing how much money went along with it. Somebody expects us to take it over when your present budget, as you say is not adequate to do much what you have in mind. Well, obviously you wouldn't want to do that

because somebody would be asking you to do a little more than you're already doing with what you think is not enough. On the other hand, you're aware of the fact that the academy although it doesn't have enough money either, doesn't exist on nothing so that one of the factors you'd obviously have to consider is how much money went along with it.

CHAIRMAN CULLEN: All right. Thank you, Mr. Jensen. Mr. Loeb, Department of Finance.

APPEARANCE OF MR. AL M. LOEB, PROGRAM BUDGET MANAGER, EDUCATION,
DEPARTMENT OF FINANCE: ACCOMPANIED BY KENNETH W. McCLELLAN,
BUDGET ANALYST, DEPARTMENT OF FINANCE

MR. AL M. LOEB: Yes sir, Mr. Chairman and members, I'm Al Loeb of the Department of Finance. With me is my associate, Mr. Ken McClellan who completed the report which we transmitted to you per your instruction last Friday. (See Appendix M) I trust that the members have had a chance to look at it.

In view of the careful examination you have gone through already this afternoon; we'll not really prolong that in any real degree. We'd like to respond to questions. I have two pieces of additional information I should give to you, one of which I was only permitted to present to you by a telephone call from Washington, D.C. as of yesterday afternoon. I was not privileged to give this to you Friday as I would have liked to do. This is a letter from the Executive Office of the President and I don't want to engage the federal government in terms of its own bureaucracy and disagreements between the Bureau of the Budget and its Department of Commerce, but there is a factor in this letter to call to your attention. This is dated March 12 and it's signed by Casper Weinberger, Deputy Director of the Office of Management and Budget. The first paragraph has dealt with the question you have dealt with and that's the oversupply of

officers and problems facing the industry. The second question deals with the incoming freshmen allowance, and that I understood was testified to that it was going to be renewed by the federal government. The third question or the third paragraph, let's see the last part of the paragraph, leaves somewhat in doubt the resolution of that question. I'd like to for the record read into this hearing that paragraph. "The Department of Commerce Maritime Administration, informed the state schools of these intentions on November 23, 1970." And that refers to the termination of their support for incoming freshmen. "Since that time and despite the overwhelming evidence to the contrary substantial pressure has been brought to bear from Members of Congress and the general public to continue the payment of allowances as in the past. As a result, the Department has reopened the question and it has not been resolved as yet." Signed Casper Weinberger. I'm not saying that it will not be continued but it leaves in doubt some questions as to whether the Bureau of the Budget has actually planned to fund this continuing program in the Fall. (Appendix N)

ASSEMBLYMAN THOMAS: We've heard the testimony to the contrary.

MR. LOEB: I know, sir, and I only read this into the record as a signed statement and I have the authority --

ASSEMBLYMAN THOMAS: What is the position of the Director of Finance, just tell us. I mean, I read all of your correspondence. You don't want the Academy to continue?

MR. LOEB: Sir, the condition as of right now, the Budget has in it funds for the academy.

ASSEMBLYMAN THOMAS: That's right. Seven hundred and ninety one thousand dollars.

MR. LOEB: The study which you read was a staff study completed by

the Department of Finance. It cast very serious questions and raised factual data about the employment opportunities of the academy graduates. At this point, the Director of Finance has asked me to represent to you the fact, two facts: One, the funds are in the Budget at present level and second, that we have very great concern about the employment opportunities. And I believe at this point, we are hoping that from your deliberation we will get clear policy direction in terms of the future of the academy. I'm not at liberty to express intended support or non-support from the Administration.

ASSEMBLYMAN THOMAS: Why is it? I've never seen this done before. Why is it this is the only program that to my knowledge there seems to be a feeling of phasing it out. What other programs has the Director of Finance advocated to phase out?

MR. LOEB: Sir, the Director of Finance has not recommended the phasing out of this program. This was a staff report we made to you. The Legislative Analyst has recommended the phasing out.

ASSEMBLYMAN THOMAS: And the Director of Finance hasn't?

MR. LOEB: He has not made that recommendation.

ASSEMBLYMAN THOMAS: So the Director of Finance is supporting the item in the Budget?

MR. LOEB: The Director of Finance is in support of the Budget in the item but he wanted me to bring to your attention the facts as we now have presented them.

CHAIRMAN CULLEN: Just a minute, please.

MR. LOEB: Yes, sir.

CHAIRMAN CULLEN: On page 3 of your report, conclusion 3 is that the California Maritime Academy officer training program could be phased out

and the funds used to meet the higher priority demands of other public programs. Now, Mr. Thomas just asked you whether you agreed with this recommendation and you said no. Well, you have.

MR. LOEB: Sir, I tried to distinguish between this as a staff report of facts.

CHAIRMAN CULLEN: Oh, I see. All right.

ASSEMBLYMAN THOMAS: I know. But we don't go by staff. We go by the Director of Finance's position. It's like my secretary or my consultant appearing and saying something. Doesn't mean a thing.

MR. LOEB: Then, sir --

CHAIRMAN CULLEN: What is the Director of Finance's position?

MR. LOEB: The Director of Finance's position, as of this moment, is that the Budget reflects the Director of Finance.

ASSEMBLYMAN THOMAS: So we'll continue the academy? Silence will be regarded as assent.

MR. LOEB: Mr. Thomas, in the Governor's Budget there is a statement that bears on this, though, and I would like, if you would permit me, to read that for you.

ASSEMBLYMAN THOMAS: Well, I read it.

MR. LOEB: Oh, you did, sir. All right.

ASSEMBLYMAN THOMAS: I read the Budget Analysis, and I read everything I have here. I sometimes wonder what's between those lines.

CHAIRMAN CULLEN: What's your suggestion, sir, if the White House does not change its mind and confirm the intention of the Department of Commerce, the Maritime Administration on November 23, 1970. Are we going to have an academy which is already operating on its shoestrings reduced in financing by 50%?

MR. LOEB: We would have a serious deficit in the Budget and then there will be two choices, three choices available.

CHAIRMAN CULLEN: Provided we have a serious deficit in the Budget. You're not losing any money, the academy is losing money.

MR. LOEB: Well, I mean in the Budget for the academy.

CHAIRMAN CULLEN: I see.

MR. LOEB: Yes, sir. The three choices would be one, to raise student tuition, which the Board of Governors have the opportunity to do; the second would be to augment the budget through the legislative process, and the third would be to phase out the academy I presume.

CHAIRMAN CULLEN: Would the midshipman please make the next presentation.

APPEARANCE OF MIDSHIPMAN STEVE MESSINA, CORPS COMMANDER, CALIFORNIA MARITIME ACADEMY; ACCOMPANIED BY MIDSHIPMAN RALPH DAY.

MIDSHIPMAN STEPHEN MESSINA: My name is Stephen Messina. I'm Corps Commander, California Maritime Academy, and I'm an engineering student.

Now, up to this point I have had employment offers by three companies, no, four companies really. One of them is GHS Associates and it's a Bay Area firm; it has to do with selling marine equipment and this type of thing. I've been interviewed by Texaco for a job as an oil salesman to, you know, their merchant marine unit. I got an interview lined up with Combustion Engineering which is the company which makes boilers for Merchant Marine ships and then this Thursday, Litton Industries is flying me down to L.A. so they can interview me. And this is a ship-building concern.

ASSEMBLYMAN THOMAS: What are you getting out of the institution? The question before this Committee, shall we phase out the academy? Is

it doing any good? Are we wasting our money?

MIDSHIPMAN MESSINA: I think the academy is doing a wonderful job. I'm getting -- when I graduate I'll have a Third Engineer's license and if the union ever allows us to go -- join the unions I'll be able to ship and I think I'm getting a formidable education at the school. I investigated other state colleges before I went there and the academy seemed to offer the ultimate.

ASSEMBLYMAN THOMAS: Do you like the Merchant Marine?

MIDSHIPMAN MESSINA: Yes, I do.

MIDSHIPMAN RALPH DAY: My name is Ralph Day. I'm also an engineering student.

At the present time, I'm the T-Boat Cubs engineer. These are one of the two Army Cubs that the Army has been kind enough to turn over to the Maritime Administration program, and I am the engineer aboard one of these two. Now, I have a job when I get out. I am very fortunate. I am going in the United States Navy which was my sole purpose in coming to this academy. However, I spent two years in a college in Atlanta, Georgia prior to this. I, myself, am from Virginia. So, I feel that just by being up here I represent -- I support the academy, particularly in this aspect. The engineering courses that we are taking today are an excellent foundation in both theory and practice for someone who wants to actually ship in the Merchant Marines, someone who wants to be a nuclear engineer in the United States Navy, which I have also applied for nuclear power training, or it can be used as an excellent basis as a naval architecture; however, in all three of these aspects a further education is needed. There is no doubt about it that the engineering plants on the ships are going to get more complicated, the labor problems are getting greater and

we feel that if the academy remains as it is, it stagnates and that anything that stagnates dies. So we feel that it's got to progress and that's not only just getting accredited as it is, it's got to increase the courses, increase the education and that's why I'm here today.

ASSEMBLYMAN THOMAS: Will you qualify for a Naval commission at the Maritime Academy?

MIDSHIPMAN DAY: Yes, sir. I have my Naval commission. Just as soon as I get my thirds and I pass my final and I graduate, I will be an engineer, second mate.

CHAIRMAN CULLEN: Any questions from the Committee.

ASSEMBLYMAN THOMAS: I always said in my life if you could have one boy, you're doing good.

APPEARANCE OF HAROLD E. GEIOGUE, ADMINISTRATIVE ANALYST, LEGISLATIVE BUDGET COMMITTEE.

MR. HAROLD E. GEIOGUE: I'm Hal Geiogue and I'm representing the Office of Legislative Analyst and our analysis is before you in the Analysis of the Budget Bill Document. I would like to point out our main rationale in arriving at our recommendation.

The code maintains that the program is established to produce licensed officers in the Merchant Marines. As we discussed today, this is both engineers and pilots, primarily. Now we have what is considered a technical training program directed at these purposes implemented by law. In looking at the output in the future as to what the demand is going to be for a licensed officer in the Merchant Marine, both engineers and deck officers, we have done two things. We looked first at the federal report which is also before you, and second of all, we had a hearing with the Ways and Means Committee at the academy in November of 1970. The data showing the decrease in the United State flagship, the data

showing the output from union schools, from the King's Point school, from the union school, showed that there's going to be an over supply of licensed officers in the Merchant Marines up to the point of 44% by 1975, and up to 1982 that the oversupply would be about 20%. So we're looking at a program which appears to be producing students into a market that doesn't have a demand for them. Our second thing was the practices of the union in closing out the recent graduates who needed membership, which we have further details here today by the representatives. It would seem to us that the recommendation follows from this type of analysis, and, briefly, that's our rationale, and I'm prepared to answer questions on it.

ASSEMBLYMAN MOBLEY: Could I ask a question, Mr. Chairman?

CHAIRMAN CULLEN: Yes, Mr. Mobley.

ASSEMBLYMAN MOBLEY: Did you get the actuarial studies on the age levels that was suggested to you that we couldn't get? Did you get this information?

MR. GEIOGUE: Not the actuarial. No, the data we have is a national data that assume retirements and it is due soon, but I'm not sure how the two mesh.

ASSEMBLYMAN MOBLEY: I think maybe it would be a good idea before we come to some definite statement as to what is going to be needed in 1982. I'm concerned about this part of it. As they say if the bell rings again, they need another Merchant Marine in a hurry, I'm worried about the peaks and valley of this thing. It just goes up and it goes down.

SENATOR BEHR: Mr. Chairman, could I ask a question?

CHAIRMAN CULLEN: Yes, Senator.

SENATOR BEHR: Was any study made in regard to the kind of training for shipboard and its particular value, if any, for shoreside duty in

the maritime industry? In other words, if someone is trained as a deck officer, will he thereby become better able to handle the spectrum of duties shoreside relating directly to vessels?

MR. GEIOGUE: Testimony we had in November suggests the industries would like people with experience on vessels prior to bringing them shoreside in the industry.

SENATOR BEHR: When did Mr. Post make a study of the additional crescent of jobs shoreside which would be available in presumable priority basis to persons who had been trained at sea -- trained for sea.

MR. GEIOGUE: Yes, what we are talking about is looking at the expanding mission for the academy to train shore-type personnel, people like Steve the cadet - the four jobs he had offered were relatively shoreside jobs, salesmen jobs, this sort of thing. We took a very narrow approach toward the law. The law says pretty much licensed officers with the idea of making deck hands. Now this is one thing, if the law were amended, it would help broaden the purpose of the school, this is what we are talking about. I think that perhaps that should be a consideration before the Committee.

SENATOR BEHR: I will try to be a little more pragmatic than that, to this extent. That where you have training which is now at least in a sense directed toward the goal of training a deck officer for an NEO. Even so, because of the very nature of that training, these officers would be more in demand on graduation, even, in terms of shoreside jobs in the maritime industry which would seem to be indicated in a very modest sampling of the universe by this young gentlemen who is up here. I do think that has something to do with the price of cheese in terms of analysis. Would you agree?

MR. GEIOGUE: Certainly.

SENATOR BEHR: Thanks.

ASSEMBLYMAN DUNLAP: Mr. Chairman.

CHAIRMAN CULLEN: Mr. Dunlap.

ASSEMBLYMAN DUNLAP: I think what you are saying, the way I read the testimony, is that the position of the Legislative Analyst is based upon previously determined legislative policy which Mr. Cullen read in 1929, the law says what the function of the academy is, and should we determine that there's a broader function or something then you would have to do a retake on your own operations.

MR. GEIOGUE: I think this goes without saying.

ASSEMBLYMAN MOBLEY: Mr. Chairman, I think that the Analyst approached it in the only way he could with the tools that he had at hand, a very narrow band, that they were evaluating, is evidenced by what the Senator said.

ASSEMBLYMAN THOMAS: Has the Legislative Analyst ever given consideration, assuming we give the academy another \$2 million, what the results would be?

MR. GEIOGUE: Yes. The fact that the academy could use some upgrading in the type of equipment and the type of lab equipment --

ASSEMBLYMAN MOBLEY: So the question is we need more money for them rather than phasing them out. Actually they need more financing, don't they?

MR. GEIOGUE: Well, if we also broaden the purpose -- I mean, if we're just going to let it continue, then our recommendation stands as it is.

ASSEMBLYMAN THOMAS: Has he made any comment on that in the hearing

you had in December -- assuming you were expanding the purpose of the academy.

MR. GEIOGUE: The only thing at this point would be to recognize that in so doing we are incurring greater costs and to make sure we understand what we are doing in this --

ASSEMBLYMAN THOMAS: It's up to the Legislature to vote, it's not, you know, your recommendations. I appreciate Mr. Post's position, but it's up to the legislator to cast the vote to either refinance or what.

MR. GEIOGUE: Sure.

CHAIRMAN CULLEN: I have a question for Alan Post. Maybe he has the answer or can point it out. Texas A & M, at their academy, only admits junior college graduates, or students who have finished their sophomore year at a state college. My question is that if this policy were adopted in California, would the academy reduce their program to two years and award a bachelor of science degree?

MR. GEIOGUE: I think that I can answer that at this point. There is quite a bit of flexibility in the way these programs can be operated. For instance, this year the academy is releasing its first year class early, without taking the training course. The federal report before you talks about the fact that there is quite a bit of flexibility during emergencies as to how they produce licensed officers.

CHAIRMAN CULLEN: Are there any further questions from members of the Committee?

Ordinarily I ask representatives from the audience if they want to add anything. I'm reluctant to do that, but I hate to break the precedent. Is there anyone who has traveled here who has to get something off their chest or could it be done in writing. Yes, sir. Identify yourself, sir.

APPEARANCE OF LT. HOWARD A. THOR, INSTRUCTOR, MARINE ENGINEERING
DEPARTMENT, CALIFORNIA MARITIME ACADEMY

MR. HOWARD A. THOR: My name is Howard Thor and I am an instructor at the Maritime Academy and I would like to testify as to the new shipping rules that the union has instituted. I happen to be a member of the particular union and have been for the past 26 years.

CHAIRMAN CULLEN: May I ask you to give us a summary and then present us a paper.

MR. THOR: I have copies of my report. (See Appendix C)

CHAIRMAN CULLEN: Good. Do they summarize what you have to say here and we'll all get a copy.

MR. THOR: This is not to disparage anything the Marine Engineer's Union representatives have said. They are unacquainted with these facts unfortunately. This is partly new but, also unfortunately, these new shipping rules have meant that our graduates last year and again this year will not be able to get jobs. That is, in the 85% of the industry that comes under the Engineer's Union contract.

Briefly, the way the way this works is this - the union, as you know, has its own school in Baltimore. It turns out a graduating class almost every month. Approximately 25 engineering graduates. As it has been pointed out here it would - there is some self-interest there on the part of the union to see that their graduates of course have priority in the jobs. The new group shipping rules have been used to do just that. The way this works - I have outlined it here. It's rather complicated but again to summarize. They have established three different groups for priority in getting jobs. Now, this was done through a resolution passed by a mail ballot, etc. Since that time, a fourth group has been set up. The fourth group includes our graduates. In other words, when our

graduates went down to the union hall last year and, of course, this is where most of the sea-going jobs are, they were told that for the first time, the first time in history, really, they could no longer apply for membership. Now this of course was part of the decline, the transition period that we're going through, the laying up of ships, the decrease in the number of jobs. However, just recently - I shouldn't say recently - as of last November 9, 1970, a new system was instituted where graduates of the Calhoon School, that is, the MEBA school in Baltimore, were allowed to get into Group 2, that is the number 2 priority group for getting jobs. Since that time many of them have been able to go to sea as licensed engineers. On the other hand, our graduates, since they are now 2 priority groups below them, have not been able to get work. But, had they been able to get the same treatment, in other words to get into group 2, along side the graduates of the union school, they would have been able to get jobs and they will be able to get jobs this May 8 when they graduate. Now, they won't be able to have the selection of jobs that they had during the peak of the Vietnam War, naturally. They will also have to wait longer between jobs; however, they will be able to get jobs if this discrimination did not exist.

CHAIRMAN CULLEN: Couple of questions, quickly. Many of the people that go to the Calhoon School are already firemen or perhaps able-bodied seamen. They have put in a little time at sea. Is what you've said equally true to their students who have never been to sea and they come out of Calhoon?

MR. THOR: Yes, there's a great deal -- this is very complex and I realize that, but the people that go to the Calhoon School are made really of two groups. The group that we're really talking about are the cadets.

They have no prior sea experience for the most part. They are like our cadets who come into our school - high school graduates for the most part. Now, the second part of the Calhoon School is an upgrading school for the engineers that are already in the industry. I went there myself for a month a year and a half ago for an electricity course.

CHAIRMAN CULLEN: So, when the federal government subsidizes ships that are carrying these Calhoon cadets in a group 2 status - they really kind of share in this discrimination toward the CMA graduates that are placed in a Group 4 status.

MR. THOR: Yes, they do and there are two law suits that are in progress now and one of them is with the National Labor Relations Board which I spelled out in this report and the companies have been cited for just the point that you made.

CHAIRMAN CULLEN: So the federal government renewed their subsidy in the Calhoon School with the --

MR. THOR: Not exactly. That subsidy appropriation that goes to the steamship, the subsidized sector of Merchant Marine which is about one quarter, between one quarter and one third of the total Merchant Marine, that subsidy, federal subsidy, goes to the training fund which eventually shelters into the Calhoon School, has been in and out. In other words, when the new Nixon bill of 1970 was passed, for a while it was out and now it's back in again. So, as far as the subsidy concerned, the subsidized sector is concerned, that subsidy is going to the school. However, at least two thirds of the Merchant Marine fleet is un-subsidized and they also contribute to the school, through the collective bargaining contracts.

CHAIRMAN CULLEN: Any questions from the members of the Committee?

We've recorded all the testimony and we will have it printed and it will be available. If anyone wants a copy of the testimony please address a letter to the Assembly Rules Committee.

Senator Behr, thanks so much for sitting in with us. Assemblyman Dunlap, we appreciate it.

The Committee was adjourned.

Statements, letters, etc., submitted

Memorandum

To : Verne Orr, Director of Finance
Department of Finance
Sacramento

Date: April 6, 1971

From : Glenn S. Dumke, Chancellor

Subject :

Suggested Transfer of the California Maritime Academy to
the State College System

Trustees California State Colleges
RECEIVED
APR 8 1971
GOVERNMENTAL AFFAIRS
OFFICE

In your memorandum of March 25, 1971, you asked several questions regarding the possible effect of Assembly Bill 705 (Dunlap). We have visited the Academy and respond to your questions as follows:

Question #1 - Assuming the Academy were to become an independent state college campus, is this a feasible development? If not, why not? If so, what expenditures would be required over the next five years to bring it to a standard comparable to other campuses (such as upgrading faculty, library, facilities, etc.)?

Response - While the California Maritime Academy could conceivably become a State College, given its restricted space (67 acres, much of it unuseable), only limited expansion of enrollment would be possible. The customary State College economies of size would never prevail and a continuing much higher cost per student should be expected. In view of minimum demand for graduates in nautical science and marine engineering, any increase in enrollment in the currently offered specialized curricula would be inadvisable in the immediate foreseeable future. Therefore, any expansion in size would require additional facilities both to accommodate more students and to provide for new programs. Continuance of even the present curriculum at an accreditable level would require as a minimum a considerable addition of library books (a library building has been completed recently but no books added), and the addition of some basic science laboratories.

Question #2 - Assuming that the Academy facilities were used as a branch of another existing campus, such as Sonoma State College, and would provide specialized training in marine engineering and

nautical sciences as part of a full four-year degree program, would this be a feasible development? If not, why not? If so, what would be the five-year expenditure requirements for Academy operation, and what additional increase in costs to the State College system would be involved? What would be the purpose of these expenditures?

Response - The continuance of the present specialized training as part of an existing State College program would be feasible, but again at a considerably higher than current State College average cost per FTE. A study might develop a plan to have the students take all but their specialized marine and engineering courses at the larger campus, thus maximizing use of some of the higher cost specialized facilities.

Other students and programs in a nearby State College might find very useful for marine, riparian, and ecological studies the large ship, two smaller craft and the bay waterfront. An integrated plan and program could be developed to demonstrate this utility. As an example, while the entire student body of the Academy is on the trimester world cruise, other uses might be made of the entire facility including residence halls. To develop a reliable five year estimate of these possibilities, their benefits and costs, would require a study of at least several months.

Question #3 - What do you feel would be the viability of the Maritime Academy as part of the State College System? In your response to this question, I would appreciate receiving advice as to the level of interest or disinterest which the Board of Trustees may have regarding this proposal.

Response - The Trustees have not been presented this question and will not meet again as a Board until May 25-26. We assume that while there may be interest on the part of the Board, support of the present system needs and of the Trustees' approved budget would have priority over any new and unanticipated proposals.

We are interested in the proposal, and would like to pursue it as a possibility if in addition to adequate financial support for the continued Maritime Academy program there could be assurance of additional funding for other significant programs using this facility. We strongly recommend that a careful study be undertaken with transfer a year hence should the study provide adequate justification.

GSD:ml

cc - Dr. James Jensen ←



The California State Colleges

5670 WILSHIRE BOULEVARD • LOS ANGELES, CALIFORNIA 90036

Office of The Chancellor

March 11, 1971

Mr. Harold E. Geioque
Administrative Analyst
Legislative Budget Committee
State Capitol, Room 306
Sacramento, California 95814

Dear Mr. Geioque:

We have completed a survey of the California State Colleges with respect to your inquiry of December 1, 1970, concerning the recognition of baccalaureate degrees from the California Maritime Academy. A copy of Academic Planning Memorandum AP70-101, by which we requested pertinent information, is attached for reference. A summary of the replies from the 19 campuses is submitted herewith.

In general, the graduates from the California Maritime Academy are accepted by the State Colleges on the same basis as graduates from other non-accredited colleges or universities. In responding, several of the State Colleges have pointed out that the "Report of Credit Given by Educational Institutions," published by the American Association of Collegiate Registrars and Admissions Officers, ranks the Academy as---IV³B, which means that credit is given for courses, but in most instances credit is limited, due to the specialized nature of the program.

I believe that the information provided will answer most of your questions. Should you need more information, please contact Dr. John Baird of the Division of Academic Planning.

Sincerely,

A handwritten signature in cursive script that reads "Gerhard Friedrich".

Gerhard Friedrich
State College Dean
Academic Planning

GF:eh

Attachments

THE CALIFORNIA STATE COLLEGES
Office of the Chancellor
5670 Wilshire Boulevard
Los Angeles, California 90036

December 22, 1970

AP 70-101

| |
|---|
| Reply Requested By: January 20, 1971 |
|---|

TO: Deans of Graduate Studies

FROM: Gerhard Friedrich *GF*
State College Dean, Academic Planning

SUBJECT: Articulation with Degrees from the California Maritime Academy

The Division of Academic Planning has received an inquiry from the Office of the Legislative Analyst concerning the transfer acceptability of baccalaureate degrees conferred by the California Maritime Academy. Specifically, it appears that some State Colleges presently accept the Academy's AB in Nautical Science or the AB in Marine Engineering as meeting admission requirements to the graduate program, but other State Colleges apparently do not. Inasmuch as the degree programs cited are essentially related to engineering, it is likely that only those State Colleges which have a graduate engineering curriculum would be in a position to admit Academy graduates to their graduate programs.

For purposes of a definitive response we need from each State College the following information:

Does your college accept either or both of the Academy degrees for entrance into the graduate program?

- a. If yes, are there specific graduate degrees toward which the Academy in AB can be accepted, and if so, what are they?
- b. If no, why not? What deficiencies need to be made up in order for a Maritime Academy degree holder to be admitted into your graduate program?

Replies should be sent to Dr. John Baird, Associate Dean of Academic Planning, not later than January 20, 1971.

GF:eh

Copies to: State College Presidents
Vice Presidents for Academic Affairs
Mr. Hal Geioque
Chancellor's Staff

SUMMARY OF REPLIES TO AP 70-101:

ARTICULATION WITH DEGREES FROM THE CALIFORNIA MARITIME ACADEMY

BAKERSFIELD

There is no graduate program at the college, but the admissions policy would preclude the Academy graduate from being directly accepted as a graduate student, since his baccalaureate degree is not from an accredited institution.

CHICO

While the Academy degree is accepted, it cannot be applied toward a specific objective until course deficiencies, determined by the department or school in which the student wishes to work, are satisfactorily completed. The student may then apply for classified graduate status in a particular program.

DOMINGUEZ HILLS

The fact that the Academy is not accredited would prevent applicants from being accepted directly into unclassified graduate standing. The applicant's record would be reviewed to determine deficiencies for the program into which he had applied.

FRESNO

If a transcript evaluation indicates that the applicant's bachelor's degree has not prepared him for admission as a graduate student into a particular program, he is required to take prerequisite courses established by the department. The college accepts bachelor's degrees from the Maritime Academy on this basis.

FULLERTON

A comparison of the Engineering program at Fullerton with the Academy programs indicates that deficiencies amounting to approximately three years of work would have to be made up before admission into the graduate program. Moreover, students from non-accredited institutions are not directly admitted to graduate programs.

HAYWARD

All Academy courses which are equivalent to courses offered by the college would be accepted. The record of each applicant is evaluated by the department to which he has applied in order to determine deficiencies. Applications would probably be confined to Business

Administration or Education, since no graduate Engineering program is offered.

HUMBOLDT

There is no graduate program in Engineering at Humboldt. If an Academy graduate wishes to enter a graduate program, a substantial amount of additional undergraduate work (particularly in the Natural Sciences) would be required.

LONG BEACH

The non-accredited status of the Academy will normally preclude students from being admitted at the graduate level. Graduates from non-accredited institutions can be admitted as unclassified upper division students and are required to validate their undergraduate work, primarily by completing a minimum number of units at the college and maintaining an acceptable GPA. Regardless of what department the Academy graduate wishes to enter, the college assumes that he will have to spend considerable time meeting the undergraduate background requirements before admission to graduate standing.

LOS ANGELES

An Academy graduate would not be accepted into the graduate program, especially in Engineering, until a large number of deficiencies had been made up. Academy applicants would be evaluated individually on the basis of transcripts of all college work, scores on the Graduate Record Examination and other nationwide examinations, and a personal interview. The college would probably advise the Academy graduate to enter the Undergraduate Engineering program at about the junior year.

CAL POLY-KELLOGG VOORHIS

The Academy's non-accredited status would prevent the direct admission of its graduates into the college's graduate program. Requirements for admission to graduate study at Kellogg-Voorhis include a baccalaureate degree "substantially equivalent to that of the college." Since the college has judged the Maritime programs to be not substantially equivalent, applicants from the Academy would need at least one year of undergraduate work to remove deficiencies before admission to graduate standing.

SACRAMENTO

The Maritime Academy's non-accredited status would preclude the college from accepting Academy graduates into the graduate program.

Academy graduates can be accepted as undergraduate transfer students with advanced credit allowed for those courses which correspond to courses offered by the college.

SAN BERNARDINO

There is no graduate program presently being offered. The Academy graduate could be admitted on a provisional basis to take post-baccalaureate work. If a credential candidate, formal admission to the college and to the program would be contingent upon successful completion of the Graduate Record Examination and 15 units of satisfactory work at the college.

SAN DIEGO

Students with a BS in Nautical Science are admitted to the college with junior standing, and students with a BS in Marine Engineering are admitted with senior standing. The students must then attain unclassified graduate status before being admitted into a graduate program.

SAN FERNANDO VALLEY

No applications from Maritime Academy graduates have been received todate. An applicant's record would be reviewed by the Dean of Graduate Studies, the Dean of Admissions, and the chairman of the appropriate department. Since the Academy is not accredited, the review would prescribe the conditions for admission as well as the deficiencies to be made up in order for acceptance with graduate standing into a particular department.

SAN FRANCISCO

The college evaluates the Academy degree program as the equivalent of three years of work. The Academy transcript is reviewed to determine the number of transferable courses, based on course equivalencies between the two institutions. It is possible that loss of credit based on the latter evaluation may place the applicant at the junior or sophomore level; the highest possible placement is initial senior standing.

SAN JOSE

In general, Academy graduates would not be admitted to the graduate Engineering program. However, special cases would be considered and exceptions made upon evaluation and recommendation by the Dean of Graduate Studies and the College Graduate Committee. Most of the Academy graduates elect to work toward a second baccalaureate degree.

CAL POLY-SAN LUIS OBISPO

An Academy graduate would be admitted as an unclassified graduate student but deficiencies would have to be eliminated before admission into the graduate Engineering program. The student would have approximately two years of work to make up in order to meet the minimum requirements for acceptance as a classified graduate student in Engineering.

SONOMA

Academy graduates are admitted as unclassified graduate students. They remain in this status, taking prescribed graduate and undergraduate work, until the major department is satisfied that the student is qualified to pursue a formal graduate program leading to an MA degree. The student is then admitted to classified status as a degree candidate. The college reports that three Academy graduates will enter Sonoma as unclassified graduate students in the spring semester, 1971.

STANISLAUS

As a graduate from an unaccredited institution, the Academy applicant's record must be evaluated by the college and the department in which he desires to enroll. Upon acceptance, he could then initiate his graduate program as well as the make-up of any deficiencies which have been identified.

CALIFORNIA MARITIME ACADEMY
Memorandum

FROM: Academic Dean
California Maritime Academy

DATE: 5 March 1971

TO: Chairman, Board of Governors
California Maritime Academy

VIA: Superintendent
California Maritime Academy

SUBJECT: (1) Accreditation of Academy's Curriculum, Four Year
Curriculum, Dual Licensing
(2) Possibility of Academy being part of State College
or University System

1. In response to the Superintendent's memoranda of 19 January 1971, and in view of recent developments initiated by the State Department of Finance, comments on items (1) and (2) of the subject of this letter are submitted herewith. The items appear to be mutually dependent, hence the joint treatment.
2. By way of background information, the Western Association of Schools and Colleges was approached in July 1969 with a view to achieving accredited status for the California Maritime Academy. This led to recognition of the Academy, in January of 1970, as a Correspondent of the Accrediting Commission for Senior Colleges and Universities, Western Association of Schools and Colleges. This meant that the pre-accreditation step was taken and that the Academy intended to move toward becoming a Recognized Candidate for Accreditation. The third and final step in the process is actual accreditation.
3. At the time the Academy applied for and was granted status as a Correspondent by the Commission planning was begun on development of requirements for physical plant, curricula, faculty, staff, phase-in to four year program, and other facilities necessary to meet Western Association of Schools and Colleges' standards. It should be stated here that, in light of the developing situation, it seemed rather clear that accreditation was not only desirable but also essential, and that accreditation made a four year program mandatory.
4. Over the past year much discussion has been had pro and con the need for and merits of accreditation, the question of shifting to a four year program, and the examination of the Academy's existing program by representatives of the State Department of Education. At this point in time, however, a completely different set of considerations faces the Academy, stemming from the State Department of Finance's and the Legislative Analyst's recommendations to terminate the Academy's program, by either close-out at the end of the current fiscal year or, by phase-out over the next one or two fiscal years.

5 March 1971

5. As matters now stand the first and foremost problem to be faced is that of the Academy's survival. That hurdle has been successfully overcome in the executive branch of State government; it must now be faced as the budget moves through the legislature. In the final analysis, and again in light of recent developments, survival must depend on:
 - a. Accreditation
 - b. Shift to a four year program
 - c. Subspecialization in the Nautical Science and Marine Engineering categories to provide majors in various areas of the marine sciences
 - d. Organizational placement of the Academy under the umbrella of the State College System
6. However desirable the development of the Academy as a fully accredited, four year institution of higher education specializing in Merchant Marine officer education with subspecialization in the marine sciences might be, fiscal considerations make it impractical for the near term future. As a substitute--an imperative one--a program utilizing the facilities of the Academy and those of the State College System may well provide a solid integrated four year program along with the promise of accreditation under State College System credentials.
7. The final point concerns dual licensing. This subject can be considered as a possible part of the joint Academy - State College System program but it must be noted that the practical facts of the maritime industry's methods of operation today militate against early establishment of a dual licensing curriculum.


H. A. SEYMOUR

Memorandum

To : MR. H. C. VINCENT, JR.
Chief Land Agent

Date : March 17, 1971

File No.:

From : Department of General Services
Property Acquisition Division

Subject: Estimate of Value in Use as of March 16, 1971
California Maritime Academy
Vallejo, California

The purpose of this memorandum is to set forth an estimate of the value in use of the property known as the California Maritime Academy.

The first step in this process is to estimate the market value of the land (including utilities) as if vacant and available for private development to its highest and best use.

The land is within the city limits of Vallejo and is presently zoned for single-family residential. The Vallejo Zoning Administrator has stated that a reasonable probability of rezoning the property exists. Such rezoning would likely be multiple residential for the hill portions and commercial for the level lower land. I believe uses consistent with these zoning classifications to be the highest and best use of the subject land.

The site is served by all City utilities. The total site consists of 67 acres. Hill land comprises an estimated 45 acres. Level land is estimated at 20 acres, with about two acres in access road.

In my opinion, the hill portion of the subject has a market value of \$10,000 per acre. This opinion is based on interviews with Vallejo developers, appraisers, and brokers. Also helpful in valuing the land was the sale of adjacent land at \$6,700+ per acre which is considerably inferior to the subject land because it lacks the view enjoyed by subject.

The lower level land is considerably more valuable than the hill portion for the following reasons: (1) Construction is much less expensive on level land. (2) The proximity to the water of Carquinez Strait enhances its desirability and use potential. With this in mind and based on discussions with informed persons, it is my opinion that the 20 acres of level land has a market value of \$15,000 per acre.

The two acres used for access is considered to have only nominal value.

Land Value Summary

| | | | |
|------------------|---|--------------------------------|-----------|
| Hill Land | - | 45 acres @ \$10,000 per acre = | \$450,000 |
| Lower Land | - | 20 acres @ \$15,000 per acre = | 300,000 |
| Access Road | - | 2 acres -0- | -0- |
| TOTAL LAND VALUE | | | \$750,000 |

RE: Estimate of Value
 California Maritime Academy - Vallejo, California
 Page 2

The next step in estimating value in use is to itemize all buildings and improvements at historical cost. A factor is then applied to this figure to reflect present day costs as compared to costs at the time of construction. From this figure is deducted accrued depreciation. This is largely a judgment factor aided by Marshall Stevens and Board of Equalization depreciation tables. I will show it here as a percent good of the factored historical cost. The result will be the estimated value in use of the improvement.

It is not worthwhile to apply the above procedure to minimum type improvements such as butler buildings, tennis courts, landscaping, etc. Consequently, these will all be valued as a lump sum according to their estimated value contribution to the site as it is presently used.

| <u>No.</u> | <u>Built</u> | <u>Description</u> | <u>Square Footage</u> | <u>Original Cost</u> | <u>Current Cost</u> x <u>% Good</u> = <u>Value in Use</u> |
|------------|--------------|---|---------------------------|--------------------------|---|
| 1 | 1958 | Admin. Bldg. | 5,900 | \$ 150,213 | \$ 285,000 80 \$ 228,000 |
| 2 | 1947 | Gymnasium and Natatorium | 16,200 | 200,000 | 690,000 50 345,000 |
| 3 | 1956 | Mess Hall | 9,600 | 260,640 | 620,000 80 496,000 |
| 4 | 1958 | Residence Hall | 37,852 | 667,791 | 1,270,000 85 1,079,500 |
| 5 | 1943 | Maintenance and Stores Bldg. | 4,900 | 20,000 | 106,000 45 47,700 |
| 6 | 1956 | Classroom No. 1 | 11,831 | 220,899 | 525,000 80 420,000 |
| 7 | 1943 | Classroom No. 2 | 5,100 | 22,000 | 117,000 45 52,650 |
| 8 | 1944 | Seamanship Bldg. (Boathouse) | 9,100 | 23,000 | 120,000 50 60,000 |
| 9 | 1962 | Engineering Bldg. | 18,344 | 472,015 | 825,000 90 742,500 |
| 10 | 1970 | Library | 6,300 | 247,200 | 285,000 99 282,150 |
| 11 | 1968 | Sentry House | --- | 5,100 | 6,000 95 5,700 |
| 12 | 1945 | Five Residences | 4 @ 2,000 1 @ 2,100 | 61,000 | 175,000 68 119,000 |
| 13 | 1943 | Wharf | --- | 85,552 | 350,000 60 210,000 |
| 14 | 1968 | Wharf Electrical Service Alterations | --- | 20,710 | 24,200 95 22,990 |

RE: Estimate of Value
California Maritime Academy - Vallejo, California
Page 3

| No. | Built | Description | Square Footage | Original Cost | Current Cost | x % Good | = Value in Use |
|--------|-------|---------------------------------|----------------|---------------|--------------|----------|----------------|
| 15 | 1968 | Breakwater Replacement (Wharf) | --- | \$ 68,210 | \$ 80,500 | 95 | \$ 76,475 |
| 16 | 1965 | Shoreside Boiler | --- | 20,700 | 29,800 | 70 | 20,860 |
| 17 | 1965 | Curbs and Gutters-Entrance Road | --- | 12,600 | 18,000 | 85 | 15,300 |
| 18 | 1958 | Street Lighting | --- | <u>3,200</u> | <u>4,100</u> | 70 | <u>2,870</u> |
| Totals | | | | \$2,559,830 | \$5,530,600 | | \$4,226,695 |

Miscellaneous Minimum Improvements:

Five butler buildings - interior roads; two wood frame residential garages; one athletic field house (630 square feet); outdoor handball court; two asphalt tennis courts; asphalt paved parking areas; entrance gate; and miscellaneous landscaping.

| | |
|---|----------------|
| Value of above items | \$ 100,000 |
| Plus Land Value | 750,000 |
| Value in Use of Real Estate | \$5,076,695 |
| SAY | \$5,075,000 |
| Plus Book Value of Equipment (Does not include value of ships as they are federally owned) | <u>424,512</u> |
| TOTAL VALUE IN USE OF MARITIME ACADEMY | \$5,499,512 |
| SAY | \$5,500,000 |

The above figures are limited to the present use of the property. Other types of educational institutions may have no need for such items as a wharf and shoreside boiler. Such items would obviously contribute little or no value to non-water oriented schools.

The question may arise as to what a private developer would pay for the subject property as improved. The answer in large part depends to what extent existing buildings could be incorporated into his overall development of the property.

RE: Estimate of Value
California Maritime Academy - Vallejo, California
Page 4

In my opinion, few, if any, of the existing buildings could be utilized. In this event, the developer would be buying essentially vacant land. The cost of demolition of the unusable buildings would probably be offset by their salvage value. If offered for sale on the open market, the value would, therefore, be in the area of \$750,000.

Summary

| | |
|--|-------------|
| Value in Use to a Water Oriented School | \$5,500,000 |
| Value in Exchange to a Real Estate Developer | \$ 750,000 |

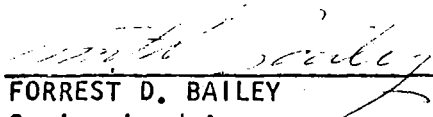
Assumptions and Limiting Conditions

1. The stated size of the entire property and allocation between hill and level land are correct.
2. Information obtained from others is considered to be reliable; but no guarantee is made as to the absolute correctness of this information.
3. The property is free and clear of liens and encumbrances which would adversely affect values.
4. This memorandum is not an appraisal report and the values herein estimated are not necessarily the same as would be reported in a complete appraisal. The values reported here are based on a cursory inspection of the property and a very brief investigation of matters having a bearing on its value.


ERIC F. EISENLAUER
Land Agent

EFE:lb

APPROVED BY:


FORREST D. BAILEY
Senior Land Agent



U.S. DEPARTMENT OF COMMERCE
Maritime Administration
WESTERN REGION
450 GOLDEN GATE AVENUE, BOX 36073
SAN FRANCISCO, CALIFORNIA 94102

March 31, 1971

Mr. Mike Cullen
Chairman, Assembly Committee on
Efficiency and Cost Control
California Legislature
State Capitol
Room 315
Sacramento, California 95614

Dear Mr. Cullen:

We were happy to receive your letter of March 29, 1971, with four additional questions which are of interest to your committee.

1. Is the training ship at the California Maritime Academy going to be shared with the State of Texas at a future date? If so, please explain how that will be done.

The Maritime Administration plans on maintaining the SS GOLDEN BEAR II (ex-SS CRESCENT CITY) on the Pacific Coast for the midshipmen sailing requirements of the California and Texas academies.

2. Does the Maritime Administration still stand behind their report to the U. S. House of Representatives of February 1970? If not, what specific items in that report have been changed?

Our Office of Maritime Manpower has recently reviewed our report to the U. S. House of Representatives dated February 1970. The review confirms that although some conditions have changed the main thrust of the report remains valid.

There has been a reduction in the output of original licenses from some of the union schools. At the same time the U.S. Flag privately owned fleet has declined at a faster pace than anticipated in that report.

The net effect is that these forces counteract each other, resulting in a similar supply and demand ratio to that presented in our report of February 1970.

3. The attached is a copy of the letter which was referred to in the hearing to Congressman Robert L. Leggett from Assistant Secretary Gibson. Are the contents of that letter correct?

Yes.

2.

4. Assuming your response to Item 3 is in the affirmative, what do you envision with regard to Federal support of the state academies over the next several years?

At the present time there is no intent during the next several years to change the Federal level of support for CMA which has been established to begin with FY-1972. It is our intention to provide midshipmen allowance support (\$600) for the entering freshman class at CMA at the pre-Vietnam (FY-1965) level of 110 entering students for FY-1972. We expect that the direct grant and the maintenance and repair funds for the SS GOLDEN BEAR II will be provided.

We appreciate the opportunity of appearing before your committee and would be pleased to provide you with any additional information you may find necessary.

Sincerely,



S. W. GALSTAN

Assistant Director for Operations



The California State Colleges

11TH & L BUILDING, ROOM 401 - SACRAMENTO 95814

Governmental Affairs

April 8, 1971

The Honorable Mike Cullen, Chairman
Assembly Committee on Efficiency
and Cost Control
State Capitol
Sacramento, California 95814

Dear Mike:

I appreciated the opportunity you extended to me when I presented testimony on March 23, 1971, before your Efficiency and Cost Control Committee.

Assemblyman Thomas' question regarding our position on the existing California Maritime Academy program was a most difficult one and I am grateful for your ruling that I was not in a position to answer this question.

First of all, in response to your letter of March 29 let me reiterate what I said regarding the position of the California State Colleges Board of Trustees. There is no "official" position since this matter will not be on the Trustee agenda until the May meeting.

The three points which I raised at the Committee on behalf of the Chancellor were:

1. The California State Colleges would be concerned if the California Maritime Academy were transferred to us without careful analyses of existing problems and potential uses.
2. Our primary concern today is the Trustees' budget for the fiscal year 1971-72. Of higher priority than funding for the California Maritime Academy would be budget augmentations for those California State College programs which have been deleted or have had their funds severely cut.

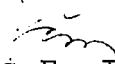
April 8, 1971

3. In order that the State Colleges might be assured of future budget support for the Academy were it transferred, an interim study by the Legislature might serve a useful purpose.

In response to your second question, the letter by Dean Friedrich and the material he furnished to Mr. Harold Geioque is our best available data on the handling by the State Colleges of transfers from the Maritime Academy. Since the Academy is unaccredited, its students are accepted only on a provisional basis, i.e., requiring that students be successful in courses at the respective State College in order to validate prior work taken at the Academy. Furthermore, since no State College has a program like the specialized one at the Academy, completion of any major at a State College would require different courses, many of these requiring prerequisites not previously completed.

It might well be that a few graduates of the Maritime Academy have been accepted as unclassified graduate students at certain State Colleges. However, it is highly unlikely that any such student could have completed work for a master's degree in less than two years (at least one of these needed to complete prerequisites) instead of the customary one year.

Sincerely,


James E. Jensen
Director, Governmental Affairs

JEJ:bjja

cc: Dr. Glenn S. Dumke

a
i
m
s

AMERICAN INSTITUTE OF MERCHANT SHIPPING

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April 7, 1971

Assemblyman Mike Cullen, Chairman
Assembly Committee on Efficiency and Cost Control
California Legislature
State Capitol Room 315
Sacramento, California 95814

Dear Mr. Chairman:

In reply to your letter of March 29, 1971, we are pleased to offer the following information:

Question 1 Restated: Would you please provide the names of the four California steamship companies that you refer to in Paragraph 1 of your prepared statement? Also include the names of the graduates to whom you refer.

Answer to Question 1.

American President Lines

J. E. Espey (attended 2 years) - Vice President
L. A. Harlander - Vice President - Operations
Adolph B. Zetterberg, Jr. - Terminal Manager
Robert Riddervold - Port Engineer

Chevron Shipping Company

W. F. Schill, Manager, U. S. Fleet Division
P. D. Kollasch - Marine Superintendent, U. S. Fleet Division
C. Dreyer - Manager, Planning & Analytical Division
J. F. Sauers - Operations Coordinator, San Pedro
D. C. Lindquist - Operations Planner, U. S. Fleet Division
H. R. McCullough - Repair Superintendent
D. G. Newstrom - Operations Analyst, International Fleet Division
L. Rossi - Night Shore Captain, Richmond

Matson Navigation Company

A. V. Milani - Manager Fleet Maintenance & Superintending Engineer
Captain Gordon J. Pollard - Senior Vessel Manager
C. R. Anderson - Port Engineer
W. R. Zahl - Port Engineer
R. O. Griffiths - Port Engineer
J. G. O'Donnell - Regional Port Engineer - Honolulu
Ted O. Tero - Assistant Regional Port Engineer - Honolulu

April 7, 1971

Matson Navigation Company (continued)

H. S. Littlefair - Regional Manager - Matson Terminals
I. S. Kotelnikoff - General Stevedoring Superintendent
R. G. Meleski - Assistant to Vice President - Industrial Relations

States Steamship Company

Captain Paul S. Mead - Assistant Vice President
H. L. Mollenkopf - Superintending Engineer
Captain Arthur J. Thomas - Port Captain
J. R. Shafer - Port Engineer

The following companies and organizations either domiciled in California or with extensive California operations also employ CMA graduates as managers:

Shipowners and Merchants Towboat Company

Maynard Wilms - Port Engineer - San Francisco
Charles Walters - Port Engineer - Seattle
Irvin Dietrich - San Francisco - Pilot Local 40
Donald Kofoid - San Francisco - Pilot Local 40

Pacific Far East Line

Robert Hahn - Port Operations - Guam
Gordon White - Cargo Supervisor

Sea-Land Service - California Division

James Welch - Marine Manager - California Operating Division
John Maddox - Terminal Manager - Oakland
Ed Hoffman - Assistant Terminal Manager - Long Beach
Captain E. C. Savage - Deck Region Manager - Pacific Area
Harold Simmons - Dry Docking Superintendent

Phillips Petroleum

W. C. Geandrot - Manager, Marine Operations
C. V. Morley - Marine Superintendent
E. N. Carlsen - Port Captain

Additionally, many other CMA graduates are employed ashore in the maritime industry and related industries. A list of these graduates prepared by the California Maritime Academy Alumni Association is attached for your review.

Question 2 Restated: Because of the need for identification could you provide documentation for the Committee as to how many of the 1632 graduates to which you referred at the bottom of Page 1 are in the maritime industry? How many are at sea?

Answer to Question 2.

Captain E. C. Savage, President of the California Maritime Academy Alumni Association, informs me that there are a total of 1,864

graduates of the California Maritime Academy. As a result of a recent survey, he has obtained the following data regarding the status of these graduates:

9 students
 6 retired
 55 deceased
 353 merchant marine (at sea)
 81 military (mostly Navy and Coast Guard)
 182 steamship industry ashore
 470 other industries including maritime related industries.
 (There is no further breakdown as yet, but the Alumni Association is presently working on this.)

From a total of 1,864 graduates, we have deducted those CMA graduates of which we presently have no data (708), the deceased (55) and those in military service (81), leaving a total of 1,020 from which to determine the following impact:

| <u>No. of Graduates</u> | <u>Employment</u> | <u>Percentage</u> |
|-------------------------|--|-------------------|
| 535 | Steamship industry including merchant marine at sea (includes ship operators, stevedoring and terminal, pilots and ports) | 52% |
| 353 | Merchant marine (at sea) | 35% |
| 470 | Other industries including maritime related industries such as marine construction, marine engineering, vessel supply, marine manufacturing, admiralty law, marine insurance, etc. | 46% |
| 1,005 | Total industry including all of the above | 98% |

Captain Savage further advises that there is no reason to believe that these same percentages would not also hold true for the 708 graduates of which there is presently no data.

Question 3 Restated: You indicate on Page 3 that it is your "understanding that the Maritime Administration will not make any provision which is unsatisfactory to the academies concerned." We would be interested in knowing who gave you that assurance.

Answer to Question 3.

Information received from Mr. Thomas J. Patterson, Jr., Director Western Region, Maritime Administration, by telephone on April 5 indicates that at present the Golden Bear is scheduled by the Maritime Administration for use of the California Maritime Academy and will be maintained on the Pacific Coast in the Bay Area. While future plans include sharing of the vessel with Texas, this possible sharing arrangement would be worked out by a mutually satisfactory arrangement.

Question 4 Restated: What West Coast steamship company reports 20 percent of its officers are CMA graduates? How many ships does that company operate? What is its total number of officers?

April 7, 1971

Answer to Question 4.

Chevron Shipping Company.

Operates 14 ships requiring 112 deck and engineering officer positions.

There are 30 CMA graduates.

Since there are 202 officers on the company roster, the percentage of CMA graduates employed varies, but an average of 20% is considered a reasonable figure.

Question 5 Restated: With regard to the last sentence on Page 3 what are the names of the ships, their captains and what are the ages of the ships?

Answer to Question 5.

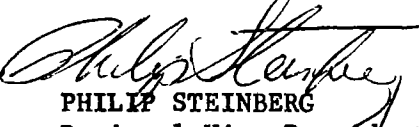
States Steamship Company operates the following 5 modern cargoliners. These are semi-automated vessels with bridge control of the engines and automated enginerooms with master control console (automatic combustion control and automatic throttle control).

| <u>Vessel</u> | <u>Date First in Service</u> |
|---------------|------------------------------|
| S.S. Colorado | 1968 |
| S.S. Montana | 1968 |
| S.S. Idaho | 1969 |
| S.S. Wyoming | 1969 |
| S.S. Michigan | 1969 |

It takes six masters to run these ships and because of vacations, schools, etc., nine masters are available for this service. Six of these nine captains are academy graduates, three graduates of CMA.

| <u>Master</u> | <u>School</u> |
|---------------------|---------------|
| Captains: Al Sinnes | CMA |
| Walter Arndt | CMA |
| L. R. Peterson | CMA |
| Al Brown | Kings Point |
| Bill Weiss | Kings Point |
| Don Winkler | Kings Point |

Very truly yours,


PHILIP STEINBERG
Regional Vice President

PS:d

Attachment: List of CMA Graduates dated March 22, 1971 prepared by California Maritime Academy Alumni Association

CALIFORNIA MARITIME ACADEMY
Vallejo, California

1. On Page 2 of your position paper submitted to the Committee you state, "the picture is probably less bleak for the CMA graduate than for his neighbor who has gone on to the State College or University."

Would you please explain and document that statement?

CMA frequently receives queries for information about the school, and requests for applications from graduates of State Colleges and other institutions, who find themselves unable to find employment to their liking and who wish to explore the possibility of a career in the merchant marine. Typically, the individual requesting the information will be in possession of a BA degree in one of the liberal arts and has found that his talents are in no great demand. A recent classic example was a graduate from San Luis Obispo. He had a position as assistant sales representative for a large oil company and wished to better himself. He felt that opportunities for promotion in his field were limited and that CMA might provide the answer for him.

Graduates of State Colleges or Universities with teaching degrees find themselves in a very unenviable position. In Vallejo alone, for example, forty-seven public school teachers can expect to lose their jobs in June at the close of the school year; last year the number was fifty. There are openings, but no budget to pay for positions.

On the other hand, the aerospace industry is one sector of the economy which is less able to absorb new graduates with appropriate credentials than is the merchant marine. Among others, Autonetics in Anaheim, California, is continuing to lay off both blue collar workers and engineers, and Boeing in Seattle recently made headlines when 8,000 workers were terminated as a result of the U.S. action on the SST.

2. With regard to the final paragraph on Page 2 do you feel that graduation from the California Maritime Academy is the equivalent of graduating from an institution within the State College system?

Upon reading the last paragraph of Page 2, this observer feels that there was in no way meant or implied that California Maritime Academy is the equivalent of a state college or university. The California Maritime Academy does, however, provide training to supply merchant marine officers to the United States Merchant Marine and especially to the West Coast shipping industry. On this basis alone, it does an excellent job. It is unique in that it is the only school on this coast that does provide such training. The last part of the paragraph indicates that the program at CMA would be academically strengthened if CMA were to become a member of the state college system and accreditation would place a higher value on the degree issued to the graduate of CMA.

3. On Page 3 of your statement you indicate, "the California Maritime Academy had not been subject to the disorders which have become the rule rather than the exception in other public and private colleges and universities."

Would you provide for the Committee's consideration a full accounting and documentation concerning Items 6 and 8 on Page 3 of the minutes of the Board of Governors meeting on July 25, 1970?

In the Position Paper, the author was generalizing because evidence indicates that this generalization has validity. There have been no incidents of burning down campus buildings, wanton destruction of public property, or student riots. The police have not been called on campus, and the National Guard has not been called either.

The incident to which you refer (Board of Governors Meeting, July 25, 1970, Item 6) must be taken in light of the explosive happenings all over the country during that

week. This author is referring to the infamous Kent State episode. Full documentation of the incident which happened at the Academy campus is on file and available to the committee. To put it briefly, the events of 7-8 May were a reaction to the Kent State affair. On late Wednesday afternoon, May 6, a directive calling for the dismissal of all classes on May 7-8 for all schools of higher education in the State of California was issued from the Governor's office. CMA was not included as one of the schools. In a sense, the midshipmen probably felt that they were being punished (i.e., not being given two days off) for good behavior.

At the 0800 formation, the flag was raised by the midshipmen and then lowered to half-mast in honor of the Kent State students who were killed. The Superintendent ordered the flag to be raised, and the midshipmen expressed great disappointment in his decision. This act culminated in holding a convocation of the midshipmen, the faculty, and the administration at 0900 on 8 May. At this meeting, many of the problems facing each of these groups were aired and discussed. At the termination of the meeting, the midshipmen met in smaller groups with members of the faculty and administration to formulate specific remedies to cope with the problems which were introduced at the convocation. In short, the above is a digested version of what took place.

In response to Item 8 (Board of Governors Meeting, July 25, 1970), this incident occurred on July 12, 1970. A petition signed by twenty-seven deck midshipmen, Class of 1971, was presented to the administration. This petition was a grievance against an instructor who has been with the Academy since 1961.

4. Would you state in as concise a form as possible the purpose of the California Maritime Academy?

The purpose of the school is to give instruction in science and practice of navigation, seamanship, steam, diesel and electrical engineering, to male students from the several counties of the State, who have the qualifications of good moral character, education, and physical fitness required by the Board of Governors of the school. See Education Code, State California, Chapter 3, paragraph 25951. Upon graduation they are immediately qualified to serve as ship's officers, third mates or third engineers, qualified technically to become Captains or Chief Engineers. As experience and time permit, they are also qualified to move ashore in Executive positions in the shipping industry.

5. On Page 4 of your statement you indicate that returning Vietnam conflict maritime officers are not going to remain around union halls waiting for jobs. You say, "They have little invested in union retirement and probably will return to other employment."

Would you explain for the Committee how that statement can be reconciled with other statements which you have made regarding the interest of graduates of the Academy in entering the maritime service?

The statement in question should have been revised so as to refer only to those licensed officers who came up through the hawsepipe during the Vietnam conflict and who recently became licensed officers. Many of these men are returning to the unions of unlicensed seamen, especially if they have built up job seniority and pension credits in these unions. These men did not sail long enough to accumulate much pension time as licensed officers and only a few have had the opportunity to obtain a full-book membership in the MEBA or the MMP since 1965 when this influx began.

In this regard, it should be noted that the next decade will present an unprecedented situation with respect to the non-transferability of pension credits when an

unlicensed seaman obtains a license and attempts to transfer his membership from one union to another. An additional factor limiting the degree of upward mobility from an unlicensed to a licensed position in the next decade is the Group Shipping or Seniority Rules adopted by the various maritime unions in recent years. (The decision on Nov. 9, 1970, by the MEBA to discriminate against all new entrants who were not graduates of the Calhoun School will also serve as a deterrent to upgrading from an unlicensed position to a licensed officer's berth. See the CMA supplementary position paper on "Job Discrimination By the MEBA", March 22, 1971.) Thus, in the decade ahead, almost all licensed officers entering the merchant marine will come from one of the maritime academies or from the MEBA Cadet School. If it was not for the influx of newly-licensed officers who came into the industry during the peak years of 1965 to 1969 of the Vietnam conflict, many of whom are now restoring their seniority, pension credits and membership in the unions of unlicensed seamen, this trend would have been clearly evident. After sufficient time has elapsed for the industry to emerge from the present transitional phase from war to peace and we return to normal times, the resumption of the trend in decreased upward mobility will further enhance the position of the Academy graduate for the industry will no longer be able to obtain its licensed officers through the hawsepipe as it has done in the past.

6. On Page 6 of your statement, in referring to graduates of the MEBA school and the belief that they would remain at sea, you state, "This conclusion has been refuted."

Would you please supply for the Committee the information which supports that statement?

Twenty-eight months have elapsed since the MEBA School began graduating groups of marine engineers at monthly intervals. There is now sufficient evidence to indicate that many of the Calhoun engineers have already quit the sea, despite the favoritism that has been shown them with respect to giving them preference of employment, which is now being contested by several legal actions. This evidence is as follows:

(a) reports from Calhoun graduates as they come into contact with CMA engineers at the MEBA union hall and aboard ships; (b) reports from a few CMA midshipmen who have been dropped for academic deficiencies or for disciplinary reasons and who later found their way to the Calhoun School; (c) reports from marine engineers who have taken upgrading courses at the Baltimore facility (including a member of the CMA faculty); (d) reports from MEBA officials, including the statement made by Steve Franks, a West Coast MEBA union official, to a CMA Labor Relations class on June 9, 1970; and (e) complaints from Calhoun School administrative personnel who visited CMA in 1970 and spoke of plans to change their recruiting methods in order to find a solution to the drop-out problem.

It might be of interest to note that Herb Coleman, in his testimony before your Committee, stated that the MEBA has established penalties for Calhoun graduates who drop out of the industry before sailing for three years on their licenses, but admitted that these penalties had never been applied. In addition to the usual reasons for dropping out of the industry during a transition period of declining employment (i.e., unwillingness to wait a longer time for jobs) there are several other explanations for the relatively high drop-out rate of Calhoun graduates: (a) Calhoun School recruiting was done with the war-time emergency needs foremost in mind and little effort was made to determine if a candidate would make a career of the sea, and (b) all graduates of the Calhoun School to date have received a "Temporary" Third Engineer's license, which is validated only after they have sailed on it for a year. Thus, they are at least a year behind all Academy graduates with respect to the prospects of obtaining a Second Engineer's license and eventually advancing up the ladder to Chief Engineer. Should the legal actions now pending against the MEBA's discriminatory practices be successful, the rate that Calhoun engineers are leaving the industry will be greatly accelerated and the present recruiting problems faced by the Calhoun School will become magnified.

7. On Page 6, paragraph 4 you infer that the MEBA graduate by his training will have much less professional flexibility.

Would you explain for the Committee the differences between that graduate and the graduate of your Academy with regard to that inference?

Those cadets who are under the two-year Calhoun program spend the first six months at the Baltimore School, then twelve months as an apprentice at sea, and return to Baltimore for their last six months. The program was purposely designed to eliminate much of the math, physics, chemistry, engineering theory and Humanities courses taught at the Academies and to substitute for this a narrow "nuts-and-bolts" type of training. Because many Calhoun applicants have deficient backgrounds, a part of the first six months is spent in remedial work. The more advanced students, such as those who enrolled in the Calhoun School after being dropped by one of the Academies for academic deficiencies or for disciplinary reasons, are thus marking time during this first phase. On the other hand, much of their year at sea is spent doing routine maintenance work with little thought given to its educational value. What little supervision is provided for this work is by untrained personnel, many of whom are actually antagonistic to the Calhoun cadet program. Much of the last six months at the Baltimore School is spent in going over the questions that will be asked by the U. S. Coast Guard on their license exams.

Contrast this with the far more extensive and better supervised education and training given by the maritime academies, a part of which the members of this Committee were able to witness at first hand. This broader curriculum is not only superior with respect to training an engineer in the necessary operating skills, but goes beyond that to the new technologies that are now being built into our ships. It also delves into the engineering concepts behind these new technological developments. As a result, CMA graduates will find that they will be well equipped to run the 300 ships of the Nixon rebuilding program that are now on the drawing boards. Because of this great difference in professional flexibility, shipping companies (to the extent that they are free to comment on their preferences without unduly antagonizing the MEBA) prefer our product.

As a consequence of this professional flexibility, CMA graduates have been able to quickly adapt to all types of merchant ships including the Nuclear Ship SAVANNAH, tankers, diesels, and newly-automated vessels, as well as the oldest of the "rust-buckets". In addition, they have the flexibility to step ashore in the service of their shipping companies, should the opportunity present itself. Furthermore, when confronted with a temporary decline in the shipping industry such as we now have during the present transition period, their professional flexibility has enabled many of them to obtain positions ashore in allied fields with companies such as G.E. and Westinghouse. During national emergencies they can activate their naval commissions or become officers in the U. S. Coast Guard. By contrast, the Calhoun graduate possesses none of this flexibility.

8. At the bottom of Page 6 you indicate that if MEBA is successful in closing the Academy it will provide all training for future officers.

Would you explain for the Committee why that would be detrimental?

It is highly significant that of all the representatives from the maritime industry that appeared before your Committee, those from the MEBA were the only ones to speak against a continuation of the California Maritime Academy. Implicit in the industry's support of the Academy was undoubtedly the fear that the MEBA might achieve its goal of obtaining a monopoly over the training and the supply of marine engineers. Such a prospect would be detrimental for the following reasons:

There is the very real danger that the MEBA would abuse its monopoly position. Historically the MEBA and other unions and associations of maritime officers have sought to enhance their bargaining position by limiting and controlling the supply of labor. This effort can be traced from the 1840's to the present time. (For a more complete analyses, see the following two documents by Howard A. Thor: (a) "A History of the MEBA", M.A. thesis, Univ. of Calif., 1954, and (b) "Trade Unions of Licensed Officers in the Maritime Industry," doctoral dissertation, Univ. of Calif., 1965.) The MEBA's new Group Shipping Rules and its school in Baltimore are only two of the most recent moves in this direction. In fact, the MEBA's appearance before your Committee is obviously part of this same thrust. The MEBA's rapid acquisition of power since the union came under the centralized control of the present administration in 1969 and the frequent and irresponsible abuse of that power in the past decade should be sufficient to convince anyone acquainted with these events that putting the MEBA in a monopoly position with respect to both training and the supply of marine engineers would be a serious mistake. (For enlightenment on how the present administration of the MEBA abused the training program established to train engineers for the Nuclear Ship SAVANNAH, see Joseph H. Ball, The Government-Subsidized Union Monopoly, 1966, pp. 77-84.)

The continued existence of the MEBA cadet program demonstrates this willingness to abuse and distort what was once a legitimate training program. The cadet phase of that training program was created to fill a temporary need. In fact, the MEBA membership was promised that the cadet program would be phased out when the post-Vietnam shipping recession occurred. We are now in the midst of that transition, yet the MEBA has decided to continue its cadet program and to use it as a weapon to gain a monopoly over the training and supply of marine engineers. In addition to the threat of this move to each of the Academies, this maneuver has brought with it several other detrimental by-products: (a) an illegal use of the MEBA Group Shipping Rules to establish its monopoly position; (b) the loss to the MEBA membership of several hundred Day-Third Engineer jobs as a quid pro quo for continued industry tolerance of the MEBA's cadet program; (c) the loss to the industry of over \$7,000,000 a year to support the MEBA training program; and (d) the necessity for MEBA members to wait for a year or more in order to get admitted into many of the upgrading courses at the Baltimore School because these same facilities are being used to house cadets instead of being used to benefit the membership.

An MEBA monopoly over training would also be detrimental to the industry because it would lead to discrimination in the choice of applicants. The MEBA's readiness to discriminate and to show favoritism to the graduates of the MEBA school (with respect to employment) has been clearly evident since Nov. 9, 1970. In addition, a number of CMA graduates and other newly-licensed engineers during the past two years have been told when paying their MEBA dues that it would be "to their advantage" to also pay a \$20 a year "voluntary" political contribution to the MEBA if they wanted to attend any of the upgrading courses at the Calhoun School. These political contributions that have been squeezed out of the MEBA membership by threatening to deny use of the training facilities are being used to support State and Federal legislators, who in turn support the MEBA's positions, including the present one on closing the Academies.

An MEBA monopoly over training would also be detrimental in that it would make it impossible for an ambitious and hard-working oiler or fireman to work his way up to a licensed position. The change that occurred in the MEBA's Shipping Rules on Nov. 9, 1970, brought to an end this advancement through the ranks in 85% of the American Merchant Marine. Also detrimental in such a monopoly would be the consequent reduction in reserve officers for the U. S. Navy in time of war, for the Calhoun engineers are not eligible for USNR commissions.

9. On Page 7 you refer to legal action which has been filed against MEBA.

Would you please explain for whom the action has been filed and what is the current status of the action?

On the West Coast there are two legal actions pending against the MEBA's attempt to obtain a virtual monopoly over the training of marine engineers by giving job preference to graduates of the Calhoun School and discriminating against all other newly-licensed marine engineers. We have heard that similar action is being taken against the MEBA, but have no definite information about them at this time. on the East Coast

The CMA Alumni recently retained an attorney to act on behalf of our graduates and to obtain for them the same shipping rights that the union provides for the graduates of its own school in Baltimore. This case is still in its initial stages of fact-finding, legal research and the taking of depositions and affidavits. The second legal action against the MEBA's discriminatory practices is being conducted by the National Labor Relations Board. This case was filed on March 18, 1971, in San Francisco and carried the number 20-CB-2443. It, too, is in its initial stages. (For a more complete description of the MEBA's discriminatory practices, see CMA's supplementary position paper on "Job Discrimination By the MEBA", March 22, 1971.) Should these suits (or similar cases elsewhere against the MEBA) be successful, there is a good possibility that the MEBA will phase out the cadet part of its Training Program, for then it will have lost one of the major reasons for remaining in existence. Jobs for Academy graduates will then be readily available, even before the present transition period has run its course in the maritime industry.

10. On Page 7 with reference to the Interim Report of the Assembly Ways and Means Committee you offer your own method of computing the Federal support percentages.

Are you saying the figures in the referred to chart on Page 4 of the report are incorrect?

The report on Page 7 of the Interim Report of the Assembly Ways and Means Committee disregards the amount that the Federal Government furnishes to prepare the ship for its annual cruise each year. Appendix 4 of the Hearings before the Special Subcommittee on Merchant Marine and Fisheries, House of Representatives, shows total Federal funds for CMA 1965 - \$276,733, and for 1969 - \$342,891; total State funds 1965 - \$532,045, for 1969 - \$697,688. I am saying that chart on page 4 reflects the amount received as outright grant aid, \$75,000, plus student subsidy, \$600 per student and does not include the \$120,000 Federal funds for the training ship.

11. On Page 8 you indicate that 55 percent of graduates aboard AIMS ships are California Maritime Academy graduates.

In actual numbers how many people does that represent?

In the position statement the following was written:

"In a recent February 1, 1971, report by the American Institute of Merchant Shipping (AIMS) leaders in the industry revealed that of all state and federal academy graduates, 55% of such academy graduates aboard AIMS ships on the West Coast were graduates of C.M.A."

From the same document, AIMS February 1, 1971, on graph number two entitled: "Number of Academy Graduates vs. Other Sources Permanently Employed as Shipboard Officers by West Coast Company Members of AIMS", indicates that the total number of Academy graduates employed was 17% of all shipboard officers in the study. This number exceeds 200; so it can be assumed that over 100 of these officers are CMA graduates. However, it should be borne in mind that this report reflects only "...seven American flag West Coast companies operating about 115 vessels, including cargo and

passenger liners, containerships and tankers." (See p. 2, para. 2 of AIMS February 1, 1971, report).

AIMS represents thirty-two compounds with 495 ships on the West Coast. Nothing in this report has anything to do with our graduates who are sailing out of the East Coast and Gulf Coast.

12. On Page 9 of your statement you say, "C.M.A. is the only state academy whose subsidy is not in question."

Would you please provide the Committee with documentation for that statement?

"The enrollment in many State academies was substantially expanded over the last several years and certain academies were indicating continued major expansion plans regardless of whether industry demand can sustain this level of graduates. A determination to adapt Federal policy to the pre-Vietnam needs of the industry is therefore unavailable. However, since it is not part of this policy to authorize in any case, enrollment above presently planned levels, the California Maritime Academy will be authorized to make payments to 110 freshmen on entry in Fiscal Year 1972, which is the schools own planned enrollment for freshmen."

The above is quoted from letter received from Mr. Robert J. Blackwell, Deputy Maritime Administrator, Maritime Administration, U. S. Department of Commerce, on January 19, 1971.

13. On Page 9, last sentence, you refer to badly needed improvements which the California Maritime Academy has not requested.

With regard to that statement would you please provide the following information:

a. What improvements do you need that you have not requested?

b. Wasn't it determined by you, your staff and the Board of Governors that your budget request this year would be developed within the guidelines established by the Governor and that you would, subsequent to the submission of that request, attempt to have the Legislature increase the funding?

a. Because of the requirements to submit budgets within funds allocated, the following needed improvements have not been requested:

| | |
|--|----------|
| Paint swimming pool overhead | \$ 4,500 |
| Resurface two (2) tennis courts | 7,500 |
| Replace sedan, light | 2,100 |
| Replace 1½-ton dump truck | 6,000 |
| Construct two (2) additional handball courts | 10,000 |
| Messhall improvements | 9,000 |
| Additional air compressor | 6,000 |
| Replacement of motion picture projector, 16-mm | 950 |
| Replacement of chain link fence surrounding campus | 40,000 |

b. Yes, the Board of Governors intended to seek increased funding by the Legislature in the 1971-72 budget.

14. On Page 10 you refer to six companies who permit students on their ships.

Would you please provide for the Committee for each of the past five years the names of the companies that have provided the service and the names of the students who have taken advantage of the service along with the amount of time that they have been on board?

See enclosure: "Compilation of the Training of California Maritime Academy Midshipmen Aboard Merchant Ships During the Period 1967-1971."

15. On Page 10 you point out, "The new Maritime Act of 1970 allows shipping companies to charge this added expense to operating costs."

In this statement you are referring to the union schools receiving industry funds. Doesn't this action of the Congress with the support of the Administration indicate an approval by both of the move toward private training?

The Maritime Act of 1970 provided operating differential subsidy for that portion of employer contributions paid by subsidized operators, which was a commitment made by the employers with the Union in this bargaining agreement. I don't think it indicates approval toward private training, it just took the shipping companies off the hook. The Maritime Administration had disallowed the shipping companies to consider it as an operating expense, so Congress and the Administration amended the Act to take care of the previous commitment of the operators to the Union, nothing more or nothing less.

The only Union that was not in favor of continuation of the State and Federal Maritime Academies was MEBA. I refer to the statement on page 161 of the Hearings before Special Subcommittee on Maritime Education and Training, Serial No. 91-36, Washington 1971.

16. Based upon the testimony offered yesterday it appears that the State of California will have to share the training ship with the State of Texas. Two questions.

a. Captain Bowman has indicated that he may have an unwillingness to be as concerned about the condition of the ship with regard to its painting and cleanliness if it is going to be delivered to Texas. He also expressed the view that he assumed Texas would feel that same way.

Do you agree?

We do not believe that we will, or under terms of the agreement with the Maritime Administration can, be forced to share the use of the GOLDEN BEAR (ex-CRESCENT CITY) with Texas. In accepting the CRESCENT CITY we agreed to certain conditions set forth in MARAD's letter dated July 31, 1970, the pertinent paragraph of which reads: "At some future time the Maritime Administration may not be able to find suitable ship replacements for all of the other maritime schools. It is therefore required that the CMA agree to cruise midshipmen from other schools on the CRESCENT CITY, if this should become necessary."

We have discussed this matter with Texas Academy officials in a preliminary way and are agreed to the unfeasability of sharing the ship.

In the worst event, we are obligated under the above condition to "cruise" their cadets, i.e., take them aboard as additional midshipmen on our regular cruise, in which event the State of California would undoubtedly be reimbursed pro rata.

a. Captain Bowman was speaking from long experience when he foresaw the probability of both Texas and California midshipmen being unwilling to strive greatly in

preparing the ship for the other school and a mutual tendency to "let George do it."
I agree.

b. Normally, a number of midshipmen are housed on the training ship. Where will they be housed when the ship is in Texas?

We do not believe this contingency will arise.

Incidentally, is it true that 20 midshipmen are currently living in the dormitory library?

No, it is not correct that we have 20 midshipmen living in the dormitory library? As you know, our books were moved to the new library building. The 1200 square feet of space that was the old library is being used to house seven (7) midshipmen as of this date.

17. With regard to the specific operations of the Academy, would you please provide answers and documentation to the following questions.

a. The names of the members of your faculty and administrative staff, the area of their instruction or administrative responsibilities, and their background with regard to education and military service.

b. How do you recruit your faculty members?

c. How do you recruit students? In connection with this question would you please provide a breakdown of the racial composition of each of the classes at the Academy for the period of time that can be recalled.

d. In August 1968 you submitted a letter to the Board of Governors indicating there were definite problems with the courses in physics and chemistry because of a lack of facilities. What changes have taken place since that time to alleviate the situation?

e. At the Board of Governors meeting November 8, 1968, a motion was adopted permitting certain students to enroll at the Solano Junior College for courses. How many of your students are presently pursuing courses off the campus? Where? What courses?

f. Has the Academy ever approached a community or state college in your vicinity to attempt to arrange for midshipmen to take courses?

(a) Superintendent: Rear Admiral Francis T. Williamson, USN (Ret.)
U. S. Naval Academy, B.S. 1931; U.S. Naval War College, Senior Course, 1948; U.S. Naval Postgraduate School, General Line Course, 1938.

Commanding Officer Training Ship-Commandant of Midshipmen:

Captain Carl G. Bowman, U.S.C.G. (ret.)

U. S. Coast Guard Academy, B.S. 1929; Master, Sail, Steam, or Motor Vessels, any Ocean, any tonnage.

Dean: Captain Harry A. Seymour, USN (Ret.)

U. S. Naval Academy, B.S. 1939; University of Pennsylvania, E.E. 1949; U. S. Naval Postgraduate School, 1947.

Assistant Commandant of Midshipmen: Commander Richard D. Heron, USNR (Ret.)

California Maritime Academy, B.S. 1938; First Mate, Steam or Motor Vessels, any Ocean, any tonnage.

Business Manager: Commander E. E. Keeley
Lieutenant, USN (Ret.)

Nautical Science Department

Head of Department: Commander William H. Aguilar, USNR (Ret.)
California Maritime Academy, B.S. 1934; Master, Steam or Motor Vessels, any Ocean, any tonnage.

Senior Instructor: Lieutenant Commander Fred B. Newton, Jr., USN (Ret.)
Miami University of Ohio, 1948; Master, Steam or Motor Vessels, any Ocean, any tonnage.

Instructor: Lieutenant Philo Wood, USN (Ret.)
B.A. University of California 1962; U. S. Naval Postgraduate School, General Line Course, 1947; Master, Steam or Motor Vessels, any Ocean, any tonnage.

Instructor: Lieutenant Robert G. Craig, California Maritime Academy, B.S. 1949; University of the Americas, Mexico, 1957. Second Mate, Steam or Motor Vessels, any Ocean, any Tonnage.

Instructor: Lieutenant William T. Ruff, California Maritime Academy, B.S. 1963. Master, Steam or Motor Vessels, any Ocean, any tonnage.

Marine Engineering Department

Head of Department: Commander Otto J. Bruhn
B.A., University of California, 1947; B.S. U. S. Merchant Marine Academy, 1959; Chief Engineer, Steam Vessels, Unlimited Horsepower.

Senior Instructor: Lieutenant Commander Arthur S. Behm
California Maritime Academy, B.S. 1942; Chief Engineer, Steam Vessels, Unlimited Horsepower.

Instructor: Lieutenant Thomas J. Beland
University of California, B.A., 1951; First Assistant Engineer, Steam Vessels, Unlimited Horsepower.

Instructor: Lieutenant Samuel W. Branin, Lt. Commander, U.S.C.G. (ret.)
San Jose State College, B.A. 1964; Chief Engineer, Steam Vessels, Unlimited Horsepower.

Instructor: Lieutenant Frank L. LaBombard
First Assistant Engineer, Steam Vessels, Unlimited Horsepower; Chief Warrant Officer (W-4) USNR.

Instructor: Lieutenant Howard A. Thor
B.A., M.A., Ph.D, University of California, 1950, 1954, 1965; B.S., U. S. Merchant Marine Academy, 1944; Chief Engineer, Steam Vessels, Unlimited Horsepower.

Instructor: Lieutenant Norman M. Nilsen
B.S., Massachusetts Maritime Academy, 1960; Third Assistant Engineer, Steam and Motor Vessels, Unlimited Horsepower.

General Education Department

Charles W. Barber, B.S., M.S., University of Southern California, 1938, 1939;
Instructor in Chemistry and Physics; Administrative Assistant; Commander, USNR (Ret.)

Louis E. Kiger, B.A., M.A., Rutgers University, 1948, 1949; Graduate work, University of California, Berkeley, 1949-50, 1951-56; 1959; U.C. Davis, 1963-64; Instructor in English; Administrative Assistant.

Martin S. Hanson, B.A., Occidental College, 1932; M.S., Purdue University, 1961; LCDR, USCG (Ret.); Instructor in Mathematics; Administrative Assistant.

William B. Hayler, B.S., U.S. Naval Academy, 1944; M.A., George Washington University, 1965; Naval War College, Naval Warfare Course, 1960; Naval War College, 1955, Command and Staff Course; Captain USN (Ret.); Assistant Dean for Administration; Instructor in Mathematics; Master, Steam or Motor Vessels, any Ocean, any Tonnage.

Physical Education Department

Harry Diavatis, BFA, University of Utah, 1969.

Library

Paul W. O'Bannon, B.A., University of California, 1953; M.S.L.S., University of Southern California, 1954.

Medical Department

Donovan C. Lenhart, Pharmacist; Master Sergeant, USAF (Ret.)

Naval Science Department

(The Naval Science Department is composed of active duty navy personnel.)

LCDR Richard G. Clark, USN, B.S., U.S.N.A., 1953
LT Brandon G. Macomber, USNR, B.A., Trinity College, 1967
LT David E. Rogers, USN, B.A., University of New Mexico, 1966
Charles L. Holmes, GMGC, USN
Roland C. Coburn, MMC, USN

(b) How do you recruit your faculty members?

California Maritime Academy, like many other institutions of higher learning, is not faced with a lack of applicants for faculty positions. For the past year the Dean's office has received unsolicited applications at the rate of several a week. All queries are acknowledged and placed on file according to the individual's qualifications and the field in which he specializes. Should a vacancy occur in an area in which there are no qualified applicants on file, letters are addressed to universities known to have departments or colleges which graduate men with specialties in the field under consideration. When a vacancy occurs that must be filled by a licensed merchant marine officer, the Alumni Association is requested to furnish names of persons known to be outstanding and well regarded in the profession.

(c) How do you recruit students?

Within budgetary limitations, the widest possible publicity is sought to tell the story of the California Maritime Academy. This includes periodic press releases to newspapers, mailing catalogues to high schools, community colleges, and public libraries; radio and TV "spot" announcements, and the use of the Alumni Association. In normal years, members of the faculty will visit the maximum number of high schools to talk to students and counselors during the winter cruise trimester of January, February, and March. This year, because of the postponement of the cruise until summer, visiting high schools was not possible, and redoubled efforts were made focusing attention on the Academy by the press through releases using the story of the repair and overhaul of the new training ship, the former USS CRESCENT CITY as a vehicle. The newspapers

have been extremely cooperative. Although this program has met with success, there is no substitute for high school visitation by faculty members, and recruiting can be expected to bog down if this program cannot be resumed. At present, 179 candidates have sent completed applications to the Academy.

There is no racial discrimination at the Academy. All qualified students are welcome without regard to race or creed. All minorities who reside in California are, or have been represented among the midshipmen. Although recruiting efforts are not specifically tuned to any racial group, faculty visits are made to high schools in which the various minorities predominate. The following minorities are, or have been, represented among the students in residence: Chinese, Filipino, Mexican, Japanese, Korean, Chamorro, Indian. There are no black students currently enrolled. However, the Corps Sub-commander for the previous academic year, was black.

(d) In August 1968, you submitted a letter to the Board of Governors indicating that there were definite problems with the courses in physics and chemistry because of lack of facilities. What changes have taken place since that time to alleviate the situation?

Originally the chemistry and physics instructor was told to prepare a list of apparatus needed to conduct laboratory courses in chemistry, physics and meteorology. An original estimate of equipment needed to meet the minimum requirements for laboratory courses was submitted as follows:

| | |
|--------------------------|-----------------|
| Physics equipment | \$13,137.84 |
| Chemistry equipment | 2,584.16 |
| Chemicals | 1,091.57 |
| Meteorological equipment | <u>2,816.65</u> |
| TOTAL | \$19,630.22 |

Budget requirements necessitated trimming the original order which already represented an absolute minimum for laboratory courses until the final order was as follows:

| | |
|--------------------|-----------------|
| Assorted equipment | \$12,604.96 |
| Chemicals | <u>1,095.67</u> |
| TOTAL | \$13,700.63 |

Although the final amount ordered was considerably less than needed to run any kind of regular laboratories, the laboratory program might have been started and gradually reinforced by additional orders. However, with the mission of the school requiring so much time in operations on the training ship there was no time scheduled for laboratory work. The time assigned to chemistry and physics also precluded the use of much time for demonstrations. The instructor has, however, devoted about one-third of the allotted time to demonstrations. He has written demonstration experiments for both chemistry and physics and has performed as many as time would permit. In addition, he supervised the building of a laboratory room in the corner of the main lecture room which houses meteorology equipment and the computer station. He also supervised installation of thermoscreens and other outside meteorological equipment. Since he does not teach meteorology the use of these facilities was left open to the instructor who is scheduled to teach meteorology.

The question as to the scheduling of laboratories for physics, chemistry, and meteorology is an administrative one. The instructor is qualified to set up such a program and oversee it if the whole school program can be adjusted to provide time for such operations. At present some laboratory work is offered to first class engineers on a volunteer basis. Electronics and electrical courses have time provided for laboratory work.

The Chemistry-physics instructor has tried within time limitations to offer as much laboratory type experience as possible. He has made a special study of boiler water

analysis, treatment and corrosion control and has taught it for several years in his second semester chemistry courses. As previously stated, the school cannot be all things to all men, it must continue to prepare young men to be merchant marine officers exclusively, a mission at which it has been very successful, or it must expand to at least a four year school and offer more academic choices including scheduled laboratories for chemistry, physics and meteorology and quite possibly oceanography. This sort of thing cannot be done in a climate of budget cuts and criticism which is not justified in terms of the declared mission.

If expansion to include laboratory offerings in chemistry, physics and other maritime sciences is to be made, then consideration must be given to re-evaluating the whole mission of the academy and furnishing funds to provide for additional personnel, equipment, scheduled time and other factors necessary to implementing such a program.

(e) At the present time how many of your students are pursuing courses off the campus? Where? What courses?

Presently there are no students pursuing courses off campus. The schedule during the day is sufficiently heavy that midshipmen would not have the time available to enroll at another college for part-time study. Although there would be no objection to a midshipman enrolling at Solano Community College, or elsewhere, for an evening course, no requests of this nature have been received this year.

(f) Has the Academy ever approached a community or state college in your vicinity to attempt to arrange for midshipmen to take courses?

The response to this question is related to (e) above. The California Maritime Academy is a full-time institution which requires the best efforts of all midshipmen during normal working hours. Travel time considerations would make Solano Community College (transit time 30 minutes) readily accessible for evening study if there were any interest on the part of the midshipmen to add to their academic load by night classes. Sonoma State College (transit time 40 minutes) would also be a possibility.

At this time, the Academy has not approached nearby community or state colleges in an attempt to arrange for midshipmen to take courses at neighboring institutions.

18. Since MARAD will subsidize 110 students and you expect to accept 150 students, who will pay the difference?

If the Academy is successful in recruiting 150 students, only 110 MARAD subsidies will be available. The students in excess of 110 will have to pay the difference themselves if they are not eligible for any other assistance. Veterans, for example, receive complete tuition assistance from the federal government and hence are not eligible for a MARAD subsidy. A son of a totally disabled veteran would receive VA assistance and similarly would be ineligible for a MARAD subsidy. An overage student is not eligible for a subsidy and, if he has no other relief, must pay the entire fee himself.

Should there be more applicants than are provided for by the 110 MARAD subsidies, the Academy will award the subsidies to those deemed to be the most promising.

19. How much additional funding would be required to attain accreditation?

This is not known. The major considerations that bear on this subject are two:

(a) If the Academy were to be developed as a four year institution of higher education specializing in Merchant Marine officer education with subspecialization in the marine sciences, this should result in meeting the accreditation standards of the

Western Association of Schools and Colleges. When, however, the requirements for additional physical plant, faculty, staff, equipment and the like are considered, the funding involved might be of the order of three-quarters of a million dollars, with perhaps two-thirds of this amount being for capital outlay. Under fiscal conditions existing today, such costs at one time are prohibitive. It should be mentioned that the Academy now has the status of Correspondent of the Commission for Senior Colleges and Universities of the Western Association of Schools and Colleges. This status indicates intent of the Academy to work toward accreditation, and it was hoped to eventually attain accreditation based on the use of existing facilities. This did envision year-to-year support and incremental development of facilities through the budgeting process as the concurrent move toward accreditation progressed.

(b) If the Academy were to be placed under the jurisdiction of the State College System so as to permit development of a program utilizing the facilities of the Academy and those of the State College System, it should be possible to offer a baccalaureate degree with accreditation under State College System credentials. In this event, additional funding requirements might be minimal, and it is not beyond the realm of possibility that funding requirements might decrease.

20. What is the tuition charge to resident and non-resident students?

(a) The student fees at the Academy have been:

For In-State students: \$1630 for the first year, \$1030 for the second year, and \$1020 for the third year.

For Out-of-State students: \$1930 for the first year, \$1330 for the second year, and \$1320 for the third year.

This has equated to a fee of \$300 per trimester for In-State students, and \$400 per trimester for Out-of-State students, the first year students having charges in excess of the above amounts upon entering.

(b) At the meeting of the Board of Governors held 16 March 1971, it was resolved to raise the above student fees from \$300 to \$350 per trimester for In-State students, and \$400 to \$450 for Out-of-State students.

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16 March 1971

CALIFORNIA MARITIME ACADEMY

The California Maritime Academy is a small college level school whose mission is to give young men the necessary training to become officers in the Merchant Marine. Although it receives funds from the Federal Government, it relies chiefly upon support from the General Fund for its operation. Its value to the State is both tangible and intangible. The importance of the intangible worth of the School to the State is difficult to assess, but may well be of greater importance than the benefits which can be assigned to dollar value.

California Maritime Academy is one of several state academies. The others are Maine, Massachusetts, New York and Texas. It is the only school of its kind on the West Coast. Its public relations value to the State is important. When the training ship departs upon its annual cruise, both it and the embarked midshipmen represent the State of California to the countries visited. This is entirely appropriate because shipping is a vital factor in the State's economy; more than \$8.6 billion of cargo pass through California ports annually.

The Academy does provide a means whereby nautically minded California students can become a part of the industry. With the education they have gained at the Academy, they can sail aboard U.S. flag ships from California ports and later, if they chose, take their place in the industry ashore. The college-level education which the students receive at the Academy fits them for executive-level positions which might be denied men of less formal training. It has been charged that opportunities in the industry no longer

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exist for the CMA graduate. As will be discussed later in detail, although the opportunities have been curtailed, the picture is probably less bleak for the CMA graduate than for his neighbor who has gone on to the State College or University and then seeks a job elsewhere in private industry or business. The current economic recession is felt everywhere.

Much has been made of the fact that California Maritime Academy does not yet have formal accreditation from the regional academic crediting association. That is true, but this is not as great a handicap in transferring credits as indicated, nor does it indicate that the education and training received here is without value. One of the recent recommendations from the Chancellor of the State Colleges has been that the requirements for a bachelor's degree be reduced from four to three years. California Maritime Academy offers a three-year course, and the school which is capital intensive, is in session eleven months a year. It is true that a number of the courses do not generate transferable credits, but lifeboat training is one example of an important subject which a mariner must have if he is to pass the requisite Coast Guard examination, let alone whether he has any appreciation for his own life. The sea is a very demanding mistress. On the other hand, courses in subjects normally taught elsewhere are transferable at the discretion of the receiving institution which will always reserve the right to be the judge of each individual case. Association with the State College System as recommended in a bill now before the Legislature will undoubtedly further strengthen the academic standing of the school. Additionally, the school will be further strengthened as new faculty are acquired and new courses can be offered.

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It should not escape the attention of the Legislators that the California Maritime Academy has not been subject to the disorders which have become the rule rather than the exception in other public and private colleges and universities. California Maritime Academy midshipmen have comported themselves in an admirable manner. The life of a student who is not part of a military institution, but, on the other hand, is certainly not part of a normal civilian campus, is not easy and does have its unanswered problems. It may be that the sense of responsibility which a midshipman acquires at sea is one of the reasons for the record thus far achieved on the campus at Vallejo.

Although some of the changes made by those who would dispute the value of the Academy can be challenged, some of these obviously cannot. However, this review is indeed welcomed if it will improve the California Maritime Academy.

One has great difficulty disputing the Department of Finance's report because much of it is, in fact, based and in some cases a duplicate of the February 1970 study done by the Maritime Administration (MARAD). In short, MARAD's study states that in the next ten years the number of jobs in ocean going shipping will be considerably less than the number of trained officer personnel. However, MARAD does not take into consideration in its report the trained manpower needed for tugs, oceanography research vessels, offshore petroleum engineering, and fishing vessels, nor does it consider that safety requirements and union pressure may increase watch keeping requirements on the bridges of the larger and faster new ships. Also this report takes no cognizance of the number of jobs that are ancillary to the maritime profession.

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Such positions, to name a few, are those of sales engineers, stationary and power engineers, Panama Canal Pilots, and supervising positions in cargo handling and stevedoring companies. Also not shown in the report were positions needed in MSTS, the transportation corps of the U. S. Army, and the dredging done of the Army Corps of Engineers. It also neglects the needs that may arise in the event of a national emergency.

In a separate report, not directly connected to MARAD, the Department of Finance contends on the estimated attrition of present work force 1969-1982, that there will still be surplus of men to jobs. Unfortunately, on the West Coast the author of this document overlooks a report submitted by the American Institute of Merchant Shipping (AIMS) which states that 71% of the permanently employed deck and engineering officers are 45 years of age and 30% of these are over 55 years. The rate of attrition for this age group will be much higher than for licensed officers as a whole. Another factor not taken into consideration is the fact that since 1965-66, a number of Marine Officers, re-entered the profession to fulfill the demands of the Vietnam buildup. Are these officers going to remain around union halls waiting for jobs in the foreseeable future? They have little invested in union retirement and probably will turn to other employment. A comparable argument is that posed by the Department of Finance that since there are 5,000 surplus teachers in the State in 1970-71, then all the teacher-training institutions should be closed; this is patently ridiculous. We know that the maritime industry has been a feast-or-famine type of business. In the past, witness the years 1960-64, Merchant Marine billets were difficult to find. However, in the years during the Vietnam buildup, there were not enough qualified men to fill the jobs available. As late as 1967, CMA was urged by

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MARAD to graduate its class two months ahead of time to fill this void. By 1970, as the boom declined, a new factor had entered the job picture.

Because in 1965 the Marine Engineers' Benevolent Association (MEBA), the main marine engineers officer union, could not fill all the jobs required at that time, a conscientious effort was begun to found a school capable of both upgrading officers and training students for initial licenses. The Union membership was told that in order to protect the manning level and in order to protect their pension rights, this type of school would be desirable. In the 1965 shipping contract between the companies and the Union, a contribution by the companies for maritime training was begun. Because of the need for engineering officers and the Vietnam emergency, the two-year term school was temporarily accepted by the U. S. Coast Guard, the shipping companies, and MARAD. By 1970 the Union school was almost wholly subsidized by the shipping industry. Since the school has begun to turn out graduates, these men have received preferential treatment by MEBA. For example, the new rules on hiring policies divide the membership into three groups. Group I members are all full members of the Pacific Coast MEBA as of December 31, 1967. Group II are composed of the following:

"All applicants for membership in the Pacific Coast District who have not as of December 31, 1967 become full members but who have as of said date completed subsequent to the date of their application at least 200 days of covered employment, shall be classified as Group II."

The emphasis should be placed on the phrase "subsequent to the date of their application." Students of MEBA school submit application for membership in the Union at the time of enrollment, and their one-year sea training time

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counts as "covered employment"; therefore, they obtain Group II status immediately upon graduation. Even if CMA graduates could join the Union on graduation, they would go in as Group III. Essentially this means that they will receive jobs only if there are no Group II members waiting for assignments.

MEBA hiring policies do not discriminate against Academy graduates alone. Engineer officers who have come up through the hawsepipe (obtain their experience at sea in an unlicensed capacity) are equally unable to obtain MEBA membership.

One of the interesting factors to come out of the MEBA school is that it was believed that the graduates of this school would remain at sea. This conclusion has been refuted, for the retention rate of MEBA school graduates is no better than the retention rate of Academy graduates.

How competent the MEBA graduate will be to operate the more sophisticated engineering plants now in service or in the future is questionable. His narrow training may handicap his advancement in the industry both ashore and afloat.

MARAD reports that the MEBA school is more flexible than the state maritime academies. It is stated in the MARAD report that the state academies will graduate between 1970-1982, 2,019 engineering officers, yet the MEBA alone will graduate during the same time 5,440 engineering officers. There is, however, no evidence of flexibility in the MARAD projection, nor do present enrollment figures show an appreciable cutback in the MEBA school. If MEBA is successful in forcing the closure of the state maritime academies, its school will undoubtedly expand and provide all

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the training for future maritime officers. Very little publicity has been given to the fact that in the November 1970 San Francisco meeting of the MEBA the members present voted to attempt to shut down all state maritime academies. Since the union deck officers school will be used only for upgrading officers, it is difficult to ascertain where MARAD obtained its information respective to union trained deck officers.

Since the MARAD report and the Department of Finance's report, two things have been changed. Legal action is being taken against the discriminatory hiring policies of MEBA. The MEBA school has changed from a two-year course to a three-year course; thus the number of graduate engineers as projected by MARAD will be somewhat less.

The summary of the findings of the Ways and Means Committee's Interim Report of its Subcommittee on Education leaves much to answer since, in general, there are a number of changes since this report was made available (i.e., since December 31, 1970). In a number of instances this report, like the MARAD report, has a number of generalizations which are difficult to refute. These allegations will be responded to in turn. Paragraph lettering corresponds to the Ways and Means Committee's Interim Report.

A. Actually this charge has two parts: (1) that the Federal financial support of the Academy has not kept pace with increased costs over the past ten years and (2) that the Legislative Analyst has insisted that he believes the Academy "programs primarily benefit the federal government."

If one were to see the chart on page 4 of the report, it will be observed that in 1960-61 Federal funds amounted to 27.2% of the Academy's

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budget; the States' 52.2%. However, in 1970-71 proposal the Federal funds had decreased to 17.7% of the budget, and the States' increased to 62.4% of the budget or a change of 9.3% over ten years of inflation. However, looked at in another way the total Federal support to C.M.A. in 1965 was \$276,733. The total State support was \$532,045. That is 52% as much as the State. In 1969, the total Federal support was \$342,891. The total State support was \$697,668. That is approximately 49.2% as much as the State, a difference of only 1.8%.

To say that the "program primarily benefits the federal government" is not correct. In 1969, 45 million tons of goods were shipped from the State of California. It has been estimated that for every ton of cargo moving in or out of California ports, \$22.50 is spent locally. To be more accurate, by these figures it means approximately \$1 billion in economic benefits to the citizens of this state. In addition shipping means jobs for California. For the 40,000 Californians employed in the shipping industry, the payroll alone is over \$400 million.

Knowing fully well that the shipping industry is a high beneficial factor in the California economy, we must once again deduce what part C.M.A. plays in the overall picture. First of all C.M.A. is the only academy located on the West Coast. In a recent February 1, 1971 report by the American Institute of Merchant Shipping (AIMS) leaders in the industry revealed that of all the states and federal academy graduates, 55% of such academy graduates aboard AIMS ships on the West Coast were graduates of C.M.A. This factor alone speaks well for C.M.A. and to

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some extent proves that the Legislative Analyst's assumption was indeed a generalization.

B. Unfortunately, when this report was written, there was an unofficial proposal from MARAD that the student subsidy for freshman midshipmen would be eliminated; however, at the time of this writing, the Federal subsidy for Fiscal Year 1971-72 was not reduced. It remains at \$600 per year for each student, and a quota of 110 subsidized freshmen have been allocated to C.M.A. This is equal to the average input subsidized for the past few years. C.M.A. is the only state academy whose subsidy is not in question.

C. Although MARAD stated that the Texas Maritime Academy would embark upon C.M.A.'s new training ship, this ruling has been postponed for 1971 and at least a year for further study and evaluation. If the logistics of a dual school training cruise could be solved, perhaps the cost of the cruise could be shared and the venture might be a source of revenue for C.M.A.

D. State capital outlay support for the Academy has been inadequate in terms of dormitory space and other buildings. However, the legislators in 1969-70 budgeted and approved funds for the specifications and drafting of plans for a new dormitory. These plans were completed, and building was scheduled to start in 1971. Perhaps one of the faults of C.M.A. over the years has been frugality carried to the point where it has become a vice. In order to save the State money in capital outlay, C.M.A. has not asked for badly needed improvements. Since the engineering

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building was completed in 1961, only one building, the library which was completed in the Fall of 1970, has been added.

E. Although the maritime industry regards the Academy as a prime source for recruiting officers, its monetary support has been minimal. However, if jobs are the issue, it is interesting to note that of the total number of graduates of all the Maritime Academies permanently employed as shipboard officers by the West Coast Company Members of the American Institute of Merchant Shipping 55% are C.M.A. graduates; 31% Kings Point; and only 14% from other state academies.

Although the subsidized portion of the industry provides no direct support to the Academy, six companies allow our students to travel on their ships as student observers during the Academic year and vacation periods. The shipping companies donate the bulk of prizes given to outstanding graduates. One shipping company donated the working model of the COLORADO, a container ship, which is being used in cargo classes.

The subsidized portion of the maritime industry supports the labor union officers training schools with funds that were supposed to be returned to the Federal government as surplus earnings. The new Maritime Act of 1970 allows shipping companies to charge this added expense to operating costs. It must be remembered that the school expenses are part of a labor contract between the union and the companies. Thus the MEBA school is supported by the taxes paid by the general public.

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F. See preceding section of position paper.

G. As seen in the Appendix D, pages 22-28, there definitely has been discrimination shown by the unions in accepting Academy trained graduates for membership. Naturally this action will limit severely the graduates' chances for obtaining employment. However, legal action is pending.

H. If one were to believe wholeheartedly in the MARAD projections of employment possibilities, then 1974 will be the year when the unemployment rate will be at its lowest ebb. From this low point, there will be a gradual rise in employment when ascending to projected figures will rise. With the President's Maritime Act of 1970 in full swing, the type of ship so designated will be provided with highly sophisticated equipment and will demand an ever increasing quality of education for the officer who will man it. The graduates of state academies have made outstanding contributions not only to the commercial fleet, but also to the missile tracking fleet, the expanding fleet of oceanographic vessels and the fleet of coast geodetic survey vessels. Furthermore, academy graduates, if qualified, are given U.S. Navy commission; in addition they are in great demand as commissioned Coast Guard officers in Marine Inspection. If the projection by MARAD does prove to be true, there is no projection of jobs that may be open in the other facets of the maritime industry.

I. Although the Maritime Academy is not fully accredited by the Western Association of Schools and Colleges, it does offer a B.S. degree.

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Since the school is unique in its type, naturally transferring units from this school to another will always pose problems even though formal accreditation is acquired. What other school in the state offers a three-unit course in Ship Construction of Ship Stability? On the other hand, units that have course equivalency on other campuses such as English and Mathematics courses have been readily transferrable toward B.S. and B.A. degrees at other institutions. The M.A. degree has also been conferred on many of our graduates from other schools. Naturally, if the graduate wishes to take an M.A. in business, he must make up all the prerequisite courses that he has missed. Since 1970 the Academy has had a correspondent status with the Western Association of Schools and Colleges and is pursuing accreditation.

J. Steps have been taken to remove the Academy from under the State Department of Education to the State College Board of Trustees. If AB705 (Dunlap) passes in the Legislature, the Academy will become a part of the State College System as of July 1972. It is this author's personal conviction that many of the Academy's academic problems will begin to be solved if granted State College status. It would be a greivous error to close its doors. It is a facility that is needed by the State; a type of education that is unique on the West Coast, and an institution that should be fully supported so that it can expand its horizons in the Marine Sciences field. If, as we are led to believe, the ocean is to be the next field of conquest, then it is obligatory that C.M.A. be vigorously supported.

APPENDIX B

A summary of the various programs of cooperation between shipping companies, related agencies, the business world and the California Maritime Academy.

Introduction

The relationship between the California Maritime Academy and the industry which it serves has always been one of utmost cooperation. The support which the Academy has received from the shipping industry has been in many forms, the following being the most prominent.

- Gifts, loans, aid to students
- Gifts, donations, grants
- Training equipment
- Fuel
- Jobs for Midshipmen
- Midshipmen training aboard merchant ships
- Field trips
- Guest lecturers

Details of the above are included in individual headings below:

Gifts, loans, aid to students

These include gifts and trophies, loans and programs such as American Export Lines grants that were in combination of loans and future job opportunities. Sponsors include: The Propellor Clubs of Los Angeles and San Francisco, the Women's Propellor Club of San Francisco, the California Maritime Academy Alumni Association, the California Maritime Academy Foundation. Some additional information is contained in Enclosures A and B.

Gifts, donations, grants, loans of equipment

Gifts, and loans of equipment: included are the 37' auxiliary sloop DUCHESS (estimated value \$35,000.00, see Enclosure C), a mercury class sloop (estimated value \$1,000.00), a working cargo model of the SS COLORADO (reported to have cost \$60,000.00) and several other models of lesser value. Donations are included in those listed in Enclosure B.

Training Equipment

In addition to the DUCHESS which is used for sail training and boat handling, and the cargo handling model used in cargo classes, two 65' T-boats are on lease for one dollar a year from the Department of the Army.

PMA makes the equipment and instructors of their PMA/ILWU training establishment available to the Academy at no cost.

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Engineering training equipment has been received or offered from the following firms:

Air Equipment Tools, Inc. - Hydraulic equipment and literature
States Lines, Inc. - Working hatch now installed on the GOLDEN BEAR
Westinghouse Electric Corp. - turbine model - steam
Naval Electronics School - Mare Island - Electronics Boards
Babcock Wilcox Corp. - Steam manuals to First Class every year
Hagen Division, Westinghouse Corp. - Manual on Automation equipment
and provides a guest lecturer
Ameriod Co. - Boiler water chemistry manuals yearly
Keiser Associates - a coffin pump and provides a lecturer yearly
explaining the design and construction of
their equipment.
Walworth Company - Clear plastic valve models

Fuel

Fuel was provided by science foundations incident to the Galapagos expedition of the National Science Foundation in 1964.

Jobs for Midshipmen

Part-time and vacation jobs have been provided to Midshipmen by:

| | |
|--------------------------|-------------------|
| Sealand, Inc. | Red Stack Company |
| Waterman Corporation | Army Engineers |
| Chevron Shipping Company | |

Midshipmen training aboard merchant ships

The following companies and agencies have provided training aboard their ships for periods varying from one day to two and a half months:

| | |
|---------------------------|--|
| Prudential-Grace | American Export - Isbrandtsens Company |
| Matson | Waterman Corporation |
| Oceanic Steamship Company | States Line |
| American President Lines | Calmar Line |
| Pacific Far East Lines | Sealand, Inc. |
| Chevron Shipping Company | Military Sealift Command |
| Keystone Shipping Company | U. S. Navy |
| Pacific Coast Transport | Army Corps of Engineers |
| | Naval Weapons Station, Concord |

In fairness to companies not on the above list, it should be noted that no company that has been solicited for this service has refused.

APPENDIX B

Field Trips

Field trips are regularly arranged for visits to:

| | |
|----------------------|--|
| Bethlehem Shipyard | General Electric Operated Nuclear Research |
| Todd Shipyard | Station |
| Long Wharf, Richmond | Enterprize Diesel Division DeLaval Corp. |
| Williamette Shipyard | Shell Oil Company |
| | Westinghouse Electric Corp. |

Guest Lecturers

This list is too long for inclusion. It includes steamship company executives, political leaders, union officials, technicians, educators. A typical example might be cited: Officials from Mitsubishi Corporation of Japan gave a lecture on their shipbuilding, accompanied by a color movie which could only be described as "incredible". It could have won an award on its color and camera work alone!

Conclusion

The above are the highlights of the cooperation the California Maritime Academy has received from the private and public sector of our society. Most of our donors have been associated with maritime affairs to one degree or another, but many have been merely public-spirited citizens. The sincere desire to employ graduates and of companies and individuals maintaining a positive relationship with the Academy is exemplified by the letters in Enclosures C and D. If time allowed more research I am sure many other examples could be found.

P. WOOD

N. M. NILSEN

W. T. RUFF

APPENDIX B

ENCLOSURE "C"

The following is a list of companies and corporations that have an active interest in the continuation of the California Maritime Academy as a viable educational institution:

Worthington Corporation
Fluor Corporation
Dresser Industries, Inc.
U. S. Atomic Energy Commission
Dockside Machine and Ship Repair
Phillips Petroleum Company
Port Costa Products Company
Franklin & Associates, Ltd.
JHS Associates
National Steel and Shipbuilding Company

APPENDIX B

ENCLOSURE D

LETTERS & LIST OF
COMPANIES SEEKING CMA GRADUATES
FOR EMPLOYMENT

Phillips Petroleum Company
Burke & Co. (Air filters)
Ocean Science Ships Inc.
Atlantic Richfield Company
Apollo Chemical Corporation
Western Precipitation Division
Vinnell Corporation
IMODCO
Sea-Land
Coen Company
Rogers Engineering Company
Guam Power Authority
Paceco
Spreckels Sugar Company
Dresser Industries Inc.
Pacific Pumps
Maritime Administration
Todd-Cea, Incorporated
Worthington Corporation
Sampson Associates Inc.
Litton Systems Inc.
R. W. Navis & Associates
Todd Shipyards Corporation
Prudential Grace Lines
Marine Office of America

Panama Canal Company
Military Sealift Command
City of Long Beach
Alaska Pilot Service, Inc.
Oregon State University
Dillingham Corporation
Young Brothers, Limited
Oahu Railway, Inc.
Hawaiian Tug & Barge Co.
SOAMAR
Gann Enterprises
St. Paul's Insurance Company
Hartford Insurance Group
American Stern Trawlers
Tidewater Marine Service Inc.
Walter O. Haines
General Dynamics/Electric Boat
General Motors Defense Research
Laboratory
Waterman S/S Co.
Law's School of Marine Engineering
City of Avalon
San Diego Unified Port District
United States Tuna, Inc.
Westinghouse Electric Co.

APPENDIX B

CALIFORNIA MARITIME ACADEMY
Vallejo, California

25 July 1970

GRADUATION AWARDS - CLASS OF 1970

1. AMERICAN BUREAU OF SHIPPING, NEW YORK

FOR: HIGHEST OVERALL GRADE POINT AVERAGE (\$50.00 CHECK EACH)
PRESENTED TO: (1) DECK DEPARTMENT - JOHN M. KEEVER, NAPA

(2) ENGINEERING DEPARTMENT - GEORGE B. HALL, JR.,
INGLEWOOD

2. CALIFORNIA MARITIME ACADEMY ALUMNI ASSOCIATION

FOR: OUTSTANDING CONTRIBUTION TO THE MIDSHIPMEN CORPS
(PERSONALIZED ATTACHE' CASE)

PRESENTED TO: JOHN M. KEEVER - Deck, NAPA

3. CHEVRON SHIPPING COMPANY OF SAN FRANCISCO

FOR: EXCELLENCE IN PRACTICAL NAVIGATION (ENGRAVED WRISTWATCH)

PRESENTED TO: DECK - GEORGE N. ZELUFF, SAN DIEGO

FOR: EXCELLENCE IN MACHINERY LABORATORY COURSES (ENGRAVED
WRISTWATCH)

PRESENTED TO: ENGINEER - JACK A. DEAN, KENWOOD

4. MATSON NAVIGATION COMPANY'S "HUGH GALLAGHER AWARD"

FOR: GREATEST LEADERSHIP LAST CRUISE (ENGRAVED WRISTWATCH)

PRESENTED TO: DECK - JOHN M. KEEVER, NAPA

5. PACIFIC FAR EAST LINE

FOR: GREATEST CONTRIBUTION TO THE INTERESTS OF THE MARITIME
PROFESSION AS A MIDSHIPMAN (ENGRAVED WRISTWATCH)

PRESENTED TO: ENGINEER - GEORGE T. LEATHAM, VALLEJO

6. SAN FRANCISCO JUNIOR CHAMBER OF COMMERCE

FOR: BEST OVERALL PERFORMANCE DURING SEA TRAINING - DECK
DEPARTMENT (STOPWATCH)

PRESENTED TO: BARRY A. BARRETT, SOUTH LAGUNA

7. SHIPOWNERS AND MERCHANTS TOWBOAT COMPANY

FOR: EXCELLENCE IN SEAMANSHIP - DECK DEPARTMENT (WRISTWATCH)

PRESENTED TO: RICHARD A. CRAMER, ALBANY

APPENDIX B

GRADUATION AWARDS - 1970

CALIFORNIA MARITIME ACADEMY

8. THE SOCIETY OF PORT ENGINEERS OF LOS ANGELES-LONG BEACH

FOR: OUTSTANDING PRACTICAL STUDENT IN EACH DEPARTMENT
FROM SOUTHERN CALIFORNIA (\$100 DEFENSE BOND EACH)

PRESENTED TO: DECK: WILLIAM J. MAHONEY, REDONDO BEACH
ENGINEER: GEORGE B. HALL, JR., INGLEWOOD

9. THE SOCIETY OF PORT ENGINEERS OF SAN FRANCISCO

FOR: EXCELLENCE IN WATCH STANDING (\$50 DEFENSE BOND)

PRESENTED TO: VINCENT J. CANEPA - ENGINEER - SANTA CRUZ

10. MR. R. D. SWEENEY OF LOS ANGELES AWARD

FOR: BEST CONDUCT RECORD DURING THREE YEARS AT ACADEMY (\$50 CHECK)

PRESENTED TO: DECK - WILLIAM H. SNYDER, DAGGETT
ENGINEER - HEZEKIA BOLTON, JR., SAN BERNARDINO

11. WATERMAN CORPORATION OF CALIFORNIA

FOR: GREATEST 3-YEAR ACADEMIC IMPROVEMENT IN ALL COURSES (\$50 BOND)

PRESENTED TO: DECK - BRUCE P. BUTTERFIELD, PLEASANT HILL
ENGINEER - GEORGE B. HALL, JR., INGLEWOOD

12. WOMEN'S PROPELLER CLUB OF SAN FRANCISCO

FOR: HIGHEST COMPOSITE GRADE POINT AVERAGE FOR COURSES IN
MATHEMATICS

PRESENTED TO: DECK - JOHN M. KEEVER, NAPA
ENGINEER - WITH AN UNUSUAL SITUATION OF A FIVE-WAY
TIE, THE AWARD IS TO BE SPLIT BETWEEN:

HEZEKIAH BOLTON, JR., SAN BERNARDINO
JACK A. DEAN, KENWOOD
VOLNEY E. JULIANEL, JR., BELMONT
STEPHEN J. MACKEY, BELMONT
JENS C. NIELSEN, SANTA ROSA

13. PISTOL TEAM AWARDS FOR THE ACADEMIC YEAR 1969-70. SCORES BASED ON A MAXIMUM SCORE OF 300.

| | | | | | | | |
|-------------|---------------|-------|-----|-------------------|------------------------------|-------|-----|
| BARRETT, | MARKSMAN, | SCORE | 245 | LARSON, G.R., JR. | MARKSMAN, | SCORE | 257 |
| CATES, M.D. | MARKSMAN, | SCORE | 259 | | SHARPSHOOTER, | SCORE | 268 |
| CLARK, D.D. | MARKSMAN, | SCORE | 244 | MOORE, M.A. | MARKSMAN, | SCORE | 257 |
| | SHARPSHOOTER, | SCORE | 265 | RAY, C.D. | MARKSMAN, | SCORE | 240 |
| EATON, J.A. | MARKSMAN, | SCORE | 246 | | SHARPSHOOTER, | SCORE | 260 |
| | SHARPSHOOTER, | SCORE | 266 | SANDERSON, P.M. | MARKSMAN, | SCORE | 247 |
| KIFER, T.C. | MARKSMAN, | SCORE | 246 | SMITH, L.E. | MARKSMAN, | SCORE | 251 |
| LANZA, L.L. | MARKSMAN, | SCORE | 244 | FARR, D.L. | MARKSMAN, | SCORE | 240 |
| | | | | | CLUB CHAMPION FOR FIRING THE | | |
| | | | | | HIGHEST SCORE. SUPT. TROPHY | | |
| | | | | | FOR FIRING THE HIGHEST SCORE | | |

March 22, 1971

JOB DISCRIMINATION BY THE MARINE ENGINEERS' BENEFICIAL ASSOCIATION

Since November 9, 1970, the MEBA has flagrantly discriminated against all newly licensed marine engineers who have tried to obtain jobs in the 85% of the maritime industry that the MEBA has under contract and has been giving preferential treatment to graduates of its own school in Baltimore. The chronological background of the case follows.

In the four-year contract signed in June 1965, the MEBA was able to get the various U.S. shipping companies to agree to establish a training fund. Shortly afterwards, the MEBA explained to its membership that the union was unable to fully man the ships with marine engineers as a result of the expansion of the merchant fleet made necessary by the Vietnam War and would have to establish its own school in Baltimore to supply the required number of engineers. The first group graduated from the two-year Baltimore school in late 1968, which was too late to do anything about the critical shortages of marine engineers that developed in the three years previous to this. Almost every month since that time, a class averaging about 25 cadets has followed that first group. The U.S. Coast Guard in the middle of 1970, decided that there was no longer a critical shortage of marine engineers and rescinded its authorization of temporary licenses, which the Calhoon School had been issuing after two years of training (compared to 3 years for CMA and 4 years for the other maritime academies). Recruits entering the Calhoon School since that time have had to enroll for a three-year curriculum, but those in the two-year program will be allowed to proceed as originally scheduled.

It is interesting to note that this decision by the U.S. Coast Guard (the licensing agency) and the rapid decline in available positions during the present transition period has not resulted in closing the cadet phase of the MEBA's Training Program, despite the fact that the sole reason given to the MEBA membership for starting the school was the shortage of marine engineers during the peak years of the Vietnam conflict. Instead, the MEBA has demanded that the State and Federal maritime academies be closed down. To aid that objective, the MEBA has established a complex discriminatory procedure through its new Group Shipping Rules. Under these rules, entry into 85% of the industry is reserved for graduates of the Calhoon (MEBA) School. If all goes according to plan, the academies will have to close their doors if only 15% of the industry remains as job-hunting territory. The union will then be in a virtual monopoly position with respect to the training and supplying of marine engineers for 85% of the American Merchant Marine. (The MEBA claims to have 90% of the industry under contract, but District No. 2, MEBA, should perhaps be excluded because since 1965 they have been diametrically opposed to the National MEBA on most issues, including this one.)

In late 1967, the MEBA membership was urged by their union newspaper (The American Marine Engineer, Nov. 1967, p. 9) to adopt a new set of Shipping Rules to protect their jobs when the inevitable recession once again hit this "feast-or-famine" industry. A promise was made that if these Rules were adopted, then "the Group system will give all newcomers fair and uniform treatment." The Rules were eventually adopted, but since June 8, 1970, the MEBA has not lived up to its promise of "fair and uniform treatment." On that date, the MEBA prevented all newcomers, except Calhoon (MEBA) School graduates, from signing applications for membership in the

APPENDIX C

Job Discrimination by MEBA

union. Just prior to this, the new Group Shipping Rules had been put into effect setting up three priority groups for employment. All those who were members on April 1, 1969, were given Group I status. All others were placed in Group III but could advance into Group II if they obtained "200 days of covered employment subsequent to the date of his application for membership." In June and July 1970, two attempts were made to prevent academy graduates from advancing into Group II. The first was by limiting the interpretation of "covered employment" to mean "sea-time" instead of the more inclusive meaning that was spelled out in the Rules which would include vacation time and night-relief work in addition to "sea-time". Then the Rules were interpreted a second time to mean that this 200 days of "sea-time" must be obtained in "one calendar year", an impossible task when consideration is given to (a) the flagrant discrimination that later occurred, (b) the sudden drop in employment during this transition period, and (c) the MEBA-imposed limit of a maximum of one trip or 30 days employment on any one job for all new entrants who were not from the Calhoun School. Fear of legal action resulted in the MEBA abandoning these two additional devices to deprive all except the chosen few from obtaining employment.

Instead, on September 8, 1970, the MEBA established a fourth group called A.E.'s (Available for Employment) and placed them on a separate Rotary Shipping List. Until that time, discrimination consisted mainly of being prevented from applying for membership, for few engineers were yet in the newly-established Group II and the same Rotary Shipping List was being used for both Group III (Calhoun grads) and A.E.'s (all other newcomers). But on September 8, 1970, the Calhoun grads, who were placed in Group III immediately after graduation, were pushed one priority group above all other newcomers, who now had to wait until a job filtered down through Groups I, II and III, before they could compete for it. Needless to say, their prospects for jobs deteriorated drastically.

As if this was not a sufficient barrier to exclude all newcomers who were not of the union's choosing, on November 9, 1970, a new Rule was established which if allowed to continue unchecked will effectively close off most of the maritime industry to academy graduates and also to those unlicensed members of the engine-room work force, such as wipers, firemen and oilers, who through hard work, study and ambition, have in the past been able to pull themselves up out of the focs'le and obtain a position as a licensed officer. Thus, for the first time in over 100 years (since the first Federal licensing act in 1852) it is now virtually impossible as a result of these discriminatory practices by the MEBA for this American ideal to be realized in 85% of our merchant marine!

The November 9, 1970, Rule enabled Calhoun grads to advance to Group II status on graduation day without a single day of "sea-time" or "covered-employment" as a licensed engineer. All other new applicants (A.E.'s) were thus placed two priority groups behind the union cadets. The implications become obvious when it is realized that there have been few, if any, A.E. jobs (or even Group III jobs) dispatched from the San Francisco MEBA hall since last year, yet hardly a week goes by without at least one Group II engineer getting a job. As the quota for Group II is gradually filled by additional Calhoun engineers graduating monthly from the MEBA School, the disparity between the job opportunities for those in Group II and those in the fourth group (A.E.'s) will get much worse, if such a thing is possible.

APPENDIX C

Job Discrimination by MEBA

The MEBA's justification for moving the Calhoon grads into Group II is two-fold: (a) they sign the required application for MEBA membership when entering the Baltimore School (of course, no one else has been permitted to sign such an application for membership since June 8, 1970), and (b) the Calhoon grads accumulate the required "200 days covered employment" while still cadets, since they are paid a salary of \$200 a month to work as cadets on MEBA-contract ships for one year out of the two years that they are in the program. It should be pointed out that Cadets of the Federal Maritime Academy (at Kings Point, N.Y.) also sail for one year as Cadets on MEBA-contract ships, but they are paid a comparable salary by the Federal government and consequently are not covered by the MEBA contract. They, like the state academy grads, are given A.E. (fourth group) status by the MEBA after graduation and pay a \$65 "service fee" per quarter for the privilege of sitting daily in the MEBA hiring halls waiting for ships that never come in.

Nor will the impact of these discriminatory practices automatically disappear as the older members retire, for none of the new entrants with A.E. status will be able to move up the ladder, even if they had the necessary 200 days of covered employment. This is because they are prevented from filing applications for membership, and the 200 days of covered employment must be accumulated after signing such an application. When the quota for Group II is filled (25% of the number in Group I will be allowed to enter Group II), it will be predominantly composed of Calhoon (MEBA) grads. Furthermore, as openings in Group I occur through attrition, almost all of those moving up from Group II to fill those vacancies in Group I will be from the MEBA's school. This is because the requirement for such a move is also discriminatory, for it requires "200 days of sailing time in any one calendar year subsequent to the date of original membership." If cadet seetime is again counted for Calhoon grads (but not for academy cadets), then it is obvious that the MEBA School's graduates would be the only ones eligible for full-book membership, with the possible exception of a few 1968 and 1969 academy graduates and a few applicants who came up through the ranks in those two years. Anyone else coming into the industry since 1969 will be entirely excluded from full-book membership and probably from anything other than the lowest priority status (i.e., A.E.). Faced with this dire situation and the necessity of earning a living, most of the Class of 1970 from CMA have already given up hope of ever obtaining a job through the MEBA and have gone into the Navy, the Coast Guard, the Army Corps of Engineers, or are putting themselves on the "available for employment" lists for shoreside jobs wherever they can be found during these depressed times.

At the present time, the MEBA is graduating as many marine engineers as the six State and Federal academies combined. This is being done at great expense to the industry (\$7,000,000 went to the MEBA Training Fund in 1970), and also to the MEBA membership (e.g., around 250 much-needed jobs as Day Third Engineer were voluntarily surrendered by the MEBA leadership in order to induce shipping companies to tolerate its cadet program.) For a union to manufacture its own job competition, especially during a recession period, is indeed strange, and provides a great deal of insight into how the centralization of the MEBA's structure during the last decade has deprived the membership of any effective means of acting in their own self-interest.

APPENDIX C

Job Discrimination by MEBA

The MEBA's objective is clear. It is complete control of the supply of marine engineers for the industry and to monopolize all training facilities under its Training Program. This became evident in June 1969 when it removed from its collective bargaining contracts its traditional promise not to discriminate against academy graduates with respect to membership in the MEBA. There have been many recent statements by its officials with respect to closing the academies. In fact, as a result of a resolution introduced in November 1970, it is now official MEBA policy to work for the closing of all maritime academies!

On the West Coast a civil suit has been started in order to give "all newcomers fair and uniform treatment," which was what the MEBA promised to do in November 1967. In addition, charges of discrimination by the MEBA have been filed with the NLRB. With respect to the latter, the MEBA will undoubtedly claim that it is not a labor organization as defined by law since its members are supervisory employees. However, many of the jobs that new entrants would be eligible to take if the MEBA did not discriminate against them, are of a non-supervisory nature. Newly-licensed Third Engineers can be employed as watch-standing Third Engineers or as Day-Working Third Engineers. In the latter position, they have no supervisory function. The NLRB, therefore, has jurisdiction in this case with respect to the job classification.

Although there is good reason to believe that the above legal proceedings and similar suits on the East Coast will eventually be successful, there is a real danger that the MEBA will achieve its long-run objective, for the time element has become crucial. The Federal government within the past year (partly as a consequence of MEBA pressure) has de-emphasized its support of the State maritime academies. Much pressure is now being brought to bear on various State governments to abolish the State academies because their graduates are finding it difficult to obtain sea-going jobs during this transition from war to peace. Ironically, the MEBA's system of discrimination enables the union to lobby in Sacramento and Washington for the abolition of the academies because there are no jobs for marine engineers. Of course, no mention is made of the fact that graduates of the MEBA's School are getting jobs and will continue to get jobs in increasing numbers as they fill the Group II quota and eventually obtain Group I status. Nor does the MEBA accept the logic of closing its own school if this transition period is going to be of lasting duration. They realize, of course, that if their thinly-veiled system of discrimination is broken and if they have to live up to their promise of giving "all newcomers fair and equal treatment", they would have to phase out their cadet program, since the emergency for which it was created has passed into history. But by phasing out their cadet program, they could devote the \$7,000,000 a year of industry money to upgrade the engineers already in the industry, who did not have the advantage of superior training that the academies offer.

HOWARD A. THOR

UNIVERSITY OF CALIFORNIA

BERKELEY • DAVIS • IRVINE • LOS ANGELES • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



SANTA BARBARA • SANTA CRUZ

CHARLES J. HITCH
President of the University

234 HOTEL SENATOR
SACRAMENTO, CALIFORNIA 95814

JAY D. MICHAEL
Special Assistant to the President

March 22, 1971

The Honorable Mike Cullen
Member of the Assembly, 44th District
State Capitol
Sacramento, California 95814

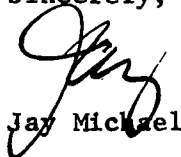
Dear Mike:

This letter is written in response to an inquiry by Miss Jan Sharpless of your staff regarding University policy on transfer of course credit for work taken by students at the California Maritime Academy.

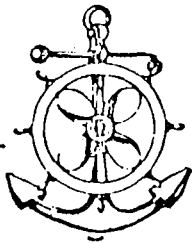
The University allows course transfer credit only for work taken at institutions accredited by the Western Association of Schools and Colleges. Since the Maritime Academy is not so accredited, the University cannot allow transfer credit for courses taken there. Students seeking to transfer from the Academy to the University are evaluated on the basis of their high school record or other college work. Once admitted, they can obtain credit for some courses taken at the Academy by demonstrating competence in the subject matter of those courses. This can be done either by successfully taking University examinations in those subjects or through "validation." The latter involves successful completion of a more advanced course at the University in a particular field and, thereby, obtaining transfer credit for less advanced courses in that field taken at the Academy.

I hope this information will be of assistance to the Committee on Efficiency and Cost Control. If you desire further information, please let us know.

Sincerely,



Jay Michael



APPENDIX E

CALIFORNIA MARITIME ACADEMY
ALUMNI ASSOCIATION

P. O. BOX 327, VALLEJO, CALIFORNIA, 94591

8 December 1970

TO: Board of Governors
FROM: C. M. A. Alumni Association
SUBJECT: Report on Survey of Graduates

Introduction

Pursuant to your request at the last Board of Governors meeting, the California Maritime Academy Alumni Association has compiled the information obtained from a recent survey of graduates. The Board specifically requested information from the last five years of graduates and this is primarily the source of the following information. Where necessary, for the sake of clarity and completeness, information was gleaned from the entire spectrum of survey returns (from 1933 to 1970).

Accreditation

The overall majority of graduates from our entire survey are overwhelmingly in favor of accreditation for the California Maritime Academy. The last five years of graduates are particularly emphatic in their seeking to have California Maritime Academy accredited. There are several reasons for this:

1. Only 30% of our graduates remain actually at sea for their careers. Those men who remain at sea for their careers have little difficulty in "going to the top".
2. Approximately 21% of our graduates find positions ashore within the Maritime Industry and related fields. Those men who eventually seek positions ashore within the Maritime Industry may or may not achieve top positions due to their limited educational credentials. However, our Alumni files show conclusively that in the past our graduates have been capable of achieving success ashore within the Maritime Industry provided they had substantial experience afloat and an aggressive nature in assuming responsibilities ashore. We might note here that at this day and age, and particularly during a time of recession and unemployment, this no longer applies. In addition, we are now confronted with the fact that our graduates can no longer actively seek a permanent career at sea. This is mainly due to (1) a declining merchant fleet, (2) an anti-Academy stance by the various maritime unions. Hence, our recent graduates are forced to compete directly for shore-side positions immediately upon graduation. For the last five years of graduates we have found that the competition for jobs ashore is very keen.

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Board of Governors Report on Survey of Graduates

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3. Approximately 19% of our graduates assume careers in the military (principally U. S. Navy and U. S. Coast Guard although we do have several graduates in the other branches). Those men who remain in the Armed Forces are generally successful; however, lately the competition has been severe enough to have our Grads eliminated from such areas as the Naval Post Graduate School, and/or "passed over" for promotion.
4. Approximately 25% of our graduates gravitate to other career specialties outside the Maritime Industry. These men suffer a similar fate, and problems, mentioned above.

In conclusion: Our graduates, with a nonaccredited degree, cannot legitimately compete with the graduates from other accredited institutions, including the other Maritime Academies. This, naturally, invokes a great amount of bitterness and disillusionment from the ranks of our last five years of graduates. The C. M. A. Alumni Association appreciates this attitude and strongly feels that our "accreditation problem" should be rectified at the earliest conceivable date.

Professional Training

Nearly all of our graduates feel that they have received a more-than-substantial education in the practical and professional subjects necessary to qualify them for sea-going jobs. The complaints coming in on this are few and varied; however, some bear consideration. Some graduates feel they have been "shortchanged" in such areas as automation, nuclear power, maritime business, advanced cargo handling methods, and the like. In all areas of complaints, though, we find that the graduate immediately defends his background in the same breath by saying, "I was well prepared to accept on-the-job training wherever necessary." The C. M. A. Alumni Association feels that there are indeed several shortcomings in the curriculum regarding the professional subjects as well as the liberal subjects. In updating the Academy curriculum, relative to seeking full accreditation, due regard should be given not only to academic attainment but also to the professional courses.

As mentioned in the above section on accreditation, we find that fully qualifying our graduates for a career at sea is no longer enough. We must make them fully competitive in all aspects of the Maritime Industry afloat and ashore. This can only be brought about by an extension of our present curriculum to a fully accredited four-year system, and/or a merger with the State college system.

Military Training

This topic is rated unfavorably by a majority of the graduates and particularly by the last five years of graduates. In many cases it is deemed unnecessary in the achievement of the student's eventual career specialty and in other cases it is deemed irrelevant in helping the student attain his goal in a civilian establishment. The U. S. Naval Reserve training program is an integral part of the Academy training. However, most graduates, and especially the last five years of

Board of Governors
Report on Survey of Graduates

Page 3

graduates, feel that this program could be carried out similarly to those on the college campuses. The "military system" at California Maritime Academy has unfortunately led to the situation where we have a majority of retired military personnel in positions of administrators, faculty and staff, and a minority of civilian/merchant marine oriented people. The result is this: an incomplete understanding of the Midshipmen's aspirations and goals relative to seeking a career in a civilian establishment within the U. S. Maritime Industry. Furthermore, the military system leads the student into a corridor of impressions that do not always apply to civilian careers. Many graduates of the past five years feel that the "military system" at the Academy is being confused with general concepts of discipline. Discipline could be maintained at the Academy, and even uniforms worn, without the hard and fast military setup. This is, in fact, the very principle that the new -- and highly successful -- union maritime schools are employing.

The recommendations from the survey conclusively lead to the following:

1. Employment of retired military personnel should not be a paramount prerequisite for ANY position.
2. More highly-qualified educators should be sought out to fill certain key positions at the Academy.
3. The military training should be confined to the U. S. Naval Reserve program.
4. Top Maritime Industry executives, or the like, should actively be sought to fill certain vacancies on the Academy's Staff.
5. Assuming a non-military status for day-to-day Academy operations, many graduates feel that the Midshipmen will be better prepared to assume a position in the Maritime Industry after graduation.

This is not to say that the graduates do not recognize a need of discipline and control. On the contrary, ALL graduates express a need of this -- not only for their Academy training, but also for their future positions as leaders. The main problem, as they see it, is that the military form of discipline and control is by nature vastly different from the discipline and control they find in civilian life. Consequently, the majority of graduates in the last five years feel that they are ill-prepared in the qualities of civilian leadership, discipline, and control. This can and should be rectified.

Quality of Instruction and Administration

As mentioned earlier in this report, most graduates feel that they are well prepared for a career at sea. There are, however, many complaints that arise in regard to quality as well as quantity of instruction. The problems brought up have already been expanded in the previous sections. The principal suggestion arising from this topic is that there should be a firm and frequent evaluation of ALL Academy personnel, from the top position in the administration on down through the faculty. Evaluation should be based upon students' recommendations as well as recommendations from Faculty, Alumni, Administration and Staff.

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Board of Governors Report on Survey of Graduates

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In reference to your request at the last Board meeting -- namely that a brief evaluation of the present Administration be gleaned from the last five years of graduates -- we have found the following information:

1. There is overall disapproval of the present Administration's policies, actions, and leadership.
2. Most of the graduates in this bracket strongly feel that there is a severe communications gap between the Administration and the students which has, in turn, led to a severe credibility gap. This credibility gap has arisen, in part, through the poor handling of Midshipmen Corps requests that were destined for the Board of Governors' attention and either withheld or delayed enroute by various administrative individuals.
3. The graduates in this five-year bracket note that in the area of "academic leadership" there has been little achieved over the past five years. They have noted that the Academic Dean has held no Faculty or Department Head meetings to formulate a plan to improve instruction at the Academy. Here again we find the problem of communications paramount.
4. Those Administrators controlling discipline at the Academy are rated very unfavorably by most of the graduates -- even those men who achieved 100% conduct rating (therefore let us not assume that these unfavorable comments are based entirely on vindictive statements). In this category we find that the graduates in the five-year bracket complain mostly of arbitrary and inconsistent policies within the discipline framework of the Academy. Furthermore, it is clear to them that the right of the student to seek sensible change in policies, in keeping abreast of the times, is stifled nearly completely. In fact, it has only been in the last year that a program has been instituted whereby students may be guaranteed a voice to the Board of Governors via the Superintendent; but even this program is being somewhat hampered by the present Administration in various ways. This can and should be rectified.
5. As mentioned in another previous section, many of the graduates in the past five years -- as well as those over the entire spectrum of years -- feel that there is too much importance or priority placed upon the military backgrounds of Administrators. The graduates feel that while some personnel of this background may be desirable, they certainly should not overwhelm the Staff at the Academy as they do presently. This policy can be changed: For example, the top Administrators at the Massachusetts and Maine Academies are educators in background, and have been given the rank of Rear Admiral to comply with the "chain-of command" at their schools. This possibility should not be overlooked for C.M.A. in the future.

Conclusion

This report has endeavored to relate certain vital information to the Board of Governors as per the Board's request. The C.M.A. Alumni Association believes that many of the points herein are noteworthy and should be considered deeply

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Board of Governors
Report on Survey of Graduates

Page 5

by the Board members. We realize that there are many negative comments herein; however, this does not mean to imply that our graduates lack esteem or affection for our Academy. Rather, this indicates a sincere desire on the part of the graduates to rectify serious problems and/or shortcomings at the Academy to guarantee her future in the fast-moving and critical years that lie ahead. We sincerely hope that the Board of Governors will accept this report in the high spirit of progressive thought that originally created it.

Respectfully submitted,



Capt. E. C. Savage
National President, C.M.A.A.A.



M. H. K. Aschemeyer
Executive Secretary, C.M.A.A.A.

ECS/MHKA:faa

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AMERICAN INSTITUTE OF MERCHANT SHIPPING

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March 17, 1971

STATEMENT OF THE AMERICAN INSTITUTE OF MERCHANT SHIPPING - PACIFIC REGION IN SUPPORT OF CONTINUING AND IMPROVING THE CALIFORNIA MARITIME ACADEMY

THE MARITIME ACADEMY PROVIDES BENEFITS TO THE STATE OF CALIFORNIA AND ITS MARITIME INDUSTRY

Our American flag steamship companies on the Pacific Coast, operating over 120 American flag vessels in interstate and foreign commerce, employ California Maritime Academy graduates as marine managers both afloat and ashore. Over 110 graduates of the California Maritime Academy are presently serving as merchant marine officers on these Pacific Coast vessels. California Maritime Academy graduates also serve in executive positions in almost every steamship company domiciled on the West Coast. For example, 4 of the 5 California steamship companies employ California Maritime Academy graduates as either operating managers or marine engineering superintendents. A number of these graduates are vice presidents of steamship companies. Many other California Maritime Academy graduates have secured rewarding and important positions in maritime related industries, such as ship-building, naval architecture, port and waterways authorities, stevedoring, tug and barge companies, pilotage, and marine supply and manufacturing.

Contrary to the Legislative Analyst's statement that the academy program primarily benefits the Federal Government, these graduates and the industry have contributed significantly to the economy of California in the form of jobs, pay-rolls, and revenues. The California steamship industry payroll alone is over 200 million dollars per annum and much of this is plowed back into California's economy. Out of slightly less than 2,000 graduates of the California Maritime Academy, 1,632 are presently residents of the State of California. This would

indicate a strong tendency for California maritime graduates to remain in the state after their education and training, thereby adding to the economy and providing a good return for the public investment in their education.

The vast increase in ocean trade on the Pacific Coast and present estimates for continued growth show promise of even greater benefits to California. Water transportation which provides the lifeline for the commerce of this state carried over 45 million tons of cargo in and out of California in 1969. This tonnage provides quantifiable benefits to the citizens of California in the amount of about 1 billion dollars per year. (According to the American Association of Port Authorities, it is estimated that there are economic benefits of \$22.50 to the community for every ton of cargo handled through a port.)

California will continue to need California Maritime Academy graduates and the maritime industry in order to help stimulate its economic development and the growth of its industries which are dependent upon interstate and foreign commerce.

CALIFORNIA MARITIME ACADEMY SERVES OUR NATIONAL INTEREST

Aside from the benefits which they provide to their own state, graduates of maritime schools, such as California Maritime Academy, constitute a viable national asset. These schools provide a source of about 700 licensed graduates each year who are immediately available and highly capable of filling the nation's emergency sealift requirements. Since academy graduates are commissioned as Ensigns in the United States Naval Reserve or Coast Guard Reserve upon graduation, they provide a supplemental source of capable officers for our Armed Forces.

The United States Merchant Marine has been the mainstay of our defense sealift capability, carrying at least two-thirds of our military cargoes when needed and responding without delay to meet unpredictable demands. As an example, in one three month period from July to October, 1965, the number of privately owned cargo ships under time charter to the military increased dramatically from 33 to 111 vessels. If we did not have this reservoir of academy trained officers to help man these vessels, the entire merchant marine fleet, including those vessels not necessarily engaged in carriage of defense cargoes would have been hard pressed for capable manpower.

Additionally, for a five-year period (1965 - 1970), the Maritime Administration operated a fleet of General Agency Agreement victory ships in support of the Vietnam sealift. This fleet numbering 172 ships operated predominately out of West Coast ports and depended heavily on the California Maritime Academy for licensed deck and engine officers.

Recognizing the value of the merchant marine academies, the Federal Government through the Maritime Administration provides support in the form of grants, subsistence allowance for students, and training vessels along with funds required for their repair and upkeep. In contrast to the Legislative Analyst's report and the interim report of the Assembly Ways and Means Committee dated December 31, 1970, the Maritime Administration has indicated that it has no intention of eliminating the subsidy for freshmen cadets or making any cuts in the funds provided for the California Maritime Academy in the budget for fiscal year 1971-72. The question of sharing the training vessel between California Maritime Academy and the Texas Maritime Academy has been deferred. It is our understanding that the Maritime Administration will not make any provision which is unsatisfactory to the academies concerned.

CMA IS THE ONLY MARITIME ACADEMY ON THE PACIFIC COAST

The California Maritime Academy is the only academically organized school for training merchant marine officers on the West Coast. There are no union schools on the West Coast. With new technologies in automated equipment in the engine room and on the bridge and the emphasis that a capital intensive industry places on managerial competence, both ashore and at sea, there will be less chance in the future of seamen rising to officer status through the hawse pipe.

Consequently, it is expected that the maritime industry will depend heavily on the California Maritime Academy to provide the necessary marine managers in the years to come. One West Coast steamship company reports that 20 percent of its present deck and engineering officers, including its inland fleet, are graduates of the California Maritime Academy. Additionally, there are many ship masters and chief engineers of vessels who are academy graduates including the captains of four of the five most modern automated ships in one company's fleet.

In line with its growing position of leadership in commerce and transportation, California needs to help shape its own destiny by providing the leaders needed both afloat and ashore to help attain a modern integrated transportation system with its attendant benefits to California in the form of improved services and lower through costs.

Should this school be phased out as suggested by Mr. Post, an important part of its leadership potential would also be eliminated.

A PROFILE LOOK AT OUR PRESENT AND FUTURE MERCHANT MARINE OFFICER CORPS

The Maritime Administration Report of February, 1970, which formed the basis for the Interim Report of the Assembly Ways and Means Committee of December 31, 1970, and the Legislative Analyst's Report is no longer valid; neither are the projections for union school outputs (2,633 for 1975).

While the MARAD Report bases its total output figures in appendixes 17 through 21 on five union training programs, only two of these five programs are presently in existence. The international organization of Master Mates and Pilots - mates school appendix 7, the MEBA No. 2 Engineer School - appendix 19, and the Pacific Maritime Association/Marine Firemen, Boilers and Water Tenders Engineer Program - appendix 20, have all been discontinued. These schools which turned out officers in 90 to 120 days closed after meeting the emergency demands of the Vietnam conflict.

There are only two union schools presently available to produce deck officers for initial licenses. In 1971 it is expected that the Brotherhood of Marine Officers (National Maritime Union affiliate) and the MEBA District 2 Deck School (Associated Marine Officers) will graduate a total of 23 original third mate licensees. The Maritime Administration Report, in appendix 17, indicates that the Master Mates and Pilots School has tentative plans to return to producing graduates for original licensees in 1973. This is not true. The MMP School is designed as a professional school to increase the knowledge and competency of those officers who already have licenses.

On the engineering side, the Brotherhood of Marine Officers (NMU affiliate), the MEBA District 2 (Calhoun School), and the MEBA District 2 (Associated Marine

Officers) are expected to graduate a total of 165 original third assistant engineer licensees in 1971. This is compared to the 371 licensees projected for this year by the Maritime Administration Report of February, 1970. Additionally, as a result of their expansion of curriculum, the MEBA District (Calhoun School) is not expected to graduate any third assistant engineer licensees in 1972.

The inaccuracies pointed out in the Maritime Administration Report of February, 1970, would tend to refute any summary of findings which were based on this report, especially as to the following conclusions that we believe are incorrect:

1. The officer training program is dominated at the present time by the large productive capacity of the union schools.
2. The union schools will produce more than 50 percent of all academy graduates of the United States by 1975.
3. There will be a 44 percent surplus manpower available over manpower required in 1975.

Of the officers permanently employed by our steamship companies which operate 120 American flag vessels on the West Coast, 17 percent are academy trained and 83 percent are from other sources, including union schools, upgrading courses, hawse pipe, etc. This is reflected in the attached graphs which show high age profiles for shipboard officers. Seventy-one percent of all officers are over 45 years of age including a goodly portion (61-66%) of the junior officers, such as third and second officers.

Because of the considerably high age profile, continued replacement will be needed from all officer training sources due to retirements and other attritions. However, the overall offshore demand levels for merchant marine officers may decrease due to an expected temporary decrease in the size of the fleet. This may come about as one of the consequences of modern technology which allows the more productive modern vessel to do the same work previously done by three or more break bulk cargo vessels.

Since replacements will be needed despite some expected decrease in officer berths afloat, it would appear desirable to have a managerial profile for a new industry which would include officers from varying sources, of varied age, and with

varied educational background and technical training and experience.

There must be accommodation for input from all sources since each source has an important role to play. While experience tempers unbridled imagination, young imaginative managers with fresh ideas are also needed to meet the stiff challenges and find new ways of doing things when the old ways no longer appear to serve the goals of a new transportation service. With the industry becoming more capital intensive, it is not enough for a merchant marine officer to be a technician. Productive ships costing in the neighborhood of 20 to 30 million dollars need professional marine managers with both marine technical know-how and management ability to insure that the capital investment is not lost or damaged, and that the company makes a profit through application of advanced management techniques for personnel and material.

Other great maritime nations, such as Japan and Great Britain, have already restructured the mission of their maritime training schools to broaden the program, especially in management techniques, in order to meet the demands of the growing international intermodal transportation systems. We can do the same here in California.

CMA HAS GREAT POTENTIAL VALUE IN THE NEW TRANSPORTATION INDUSTRY

While California Maritime Academy's contribution to the industry and to the State has in the past constituted a good return on the public investment, there is yet a much greater potential value for this school as a source for young managers in the new transportation industry.

The United States Merchant Marine is in a transitional period. The concept of transportation service is no longer simply pier-to-pier delivery; rather, the emerging concept is one of a door-to-door system with the steamship line providing through routing. Shipping lines are being transformed into transportation companies and are playing a vital role in determining the shape of the U. S. international transportation system.

It will take bold and imaginative management to meet the challenges posed by the great transition from the old break bulk method of carrying cargo to the new intermodal systems.

This leadership must be supplied by young men with broad knowledge in management and the liberal arts as well as competence in the technical field. What better source than from California's own young people! What better base to build on than the California Maritime Academy which has proven capable of performing its mission in the past!

We recognize the need for improving the California Maritime Academy in order to better prepare the students as transportation managers to meet the demands of this new industry.

For this reason, a Study Group has recently been formed within the West Coast industry for the purpose of developing a plan to increase the value of the school's contribution to both the State of California and its maritime industry, keeping in mind new requirements resulting from the emergence of modern intermodal transportation systems, and the role that California will play as the hub of commerce in the Pacific basin.

To this end, we wholeheartily agree with Assemblyman Ryan's recommendation that an evaluation be made of the steps necessary to "...significantly broaden the academy's academic program" and to broaden the mission of the academy in order to take advantage of new developing disciplines in transportation and related fields.

There is general support within the industry on the West Coast for the following:

1. Broadening the academic curriculum to a full college level
(4 years) with an accredited degree.
2. Inclusion of the Academy in the California state or university
system under its accreditation and tuition requirements.

In order to accomplish this purpose, it may be necessary to increase student participation in the financing of the institution to the minimum presently expected from students attending state colleges, such as Chico where the total cost for school fees, boarding and lodging is in the neighborhood of \$1,900 per year.

The industry Study Group on the California Maritime Academy is in the process of conducting an intensive study to evaluate programs presently established or proposed for the other state maritime academies and the U. S. Merchant Marine Academy in order to make recommendations on how the aforementioned goals might

best be accomplished for the California Maritime Academy.

In light of the fact that the industry is actively engaged in studying this matter for the purpose of recommending an appropriate course of action, we respectfully request that the budget for the California Maritime Academy for 1971-72 be approved and that any other decision as to the Academy be held in abeyance until there has been adequate time to complete studies presently underway in this regard.

PHILIP STEINBERG
Regional Vice President

1. Number of Academy Graduates Permanently Employed as Shipboard
Officers by West Coast Company Members of AIMS

APPENDIX F

110

SOURCE PROFILE

55%

CMA

100

90

80

70

60

31%

KINGS PT.

50

40

30

14%

OTHER
STATE SCHOOLS

20

10

OTHER STATE SCHOOLS

KINGS PT.

CMA

2. Number of Academy Graduates vs. Other Sources Permanently
Employed as Shipboard Officers by West Coast Company
Members of AIMS

APPENDIX F

SOURCE PROFILE

900

800

700

600

500

400

300

200

100

83%

OTHER SOURCES

17%

ACADEMIES

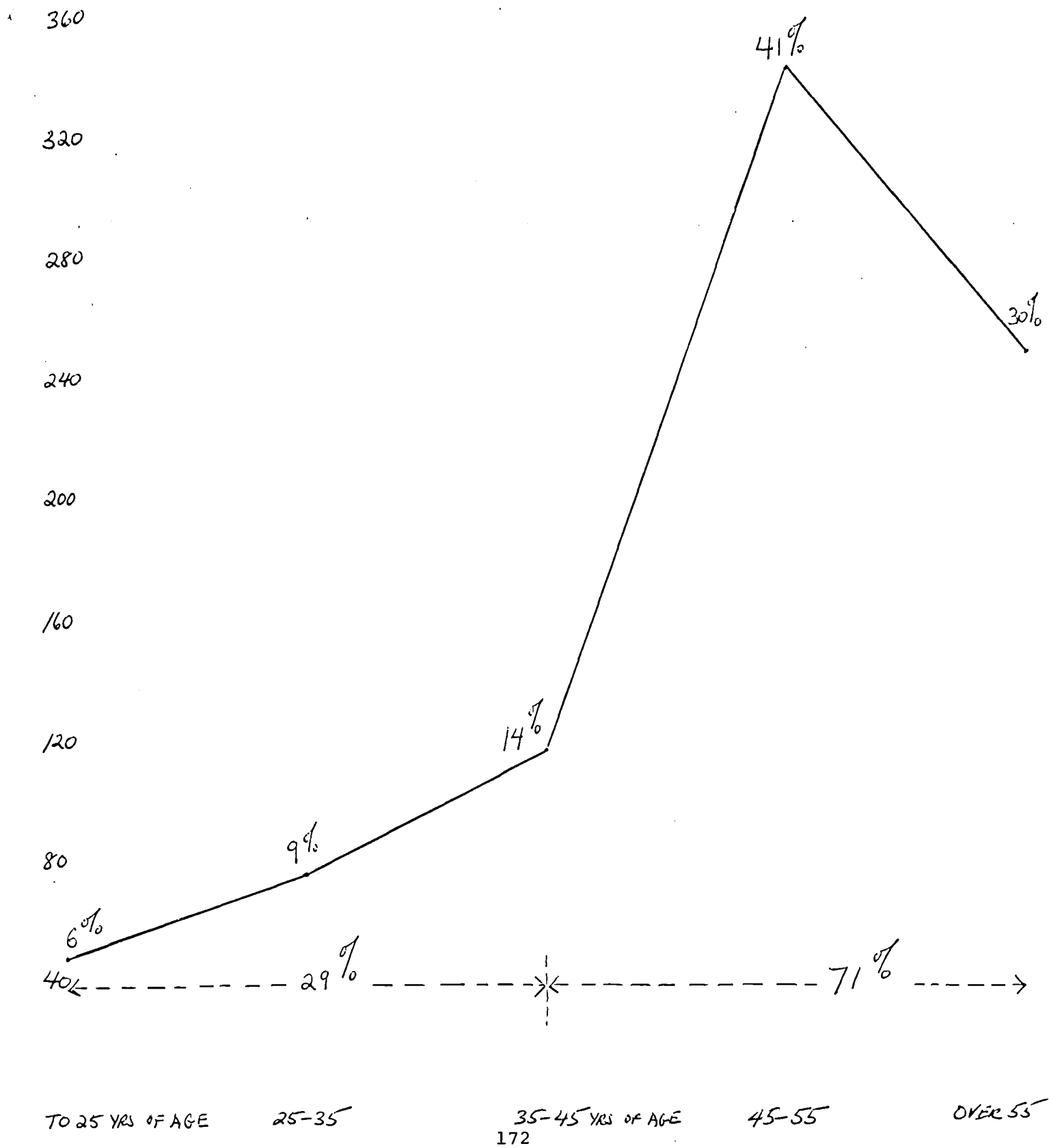
ACADEMIES

OTHER SOURCES

100
400

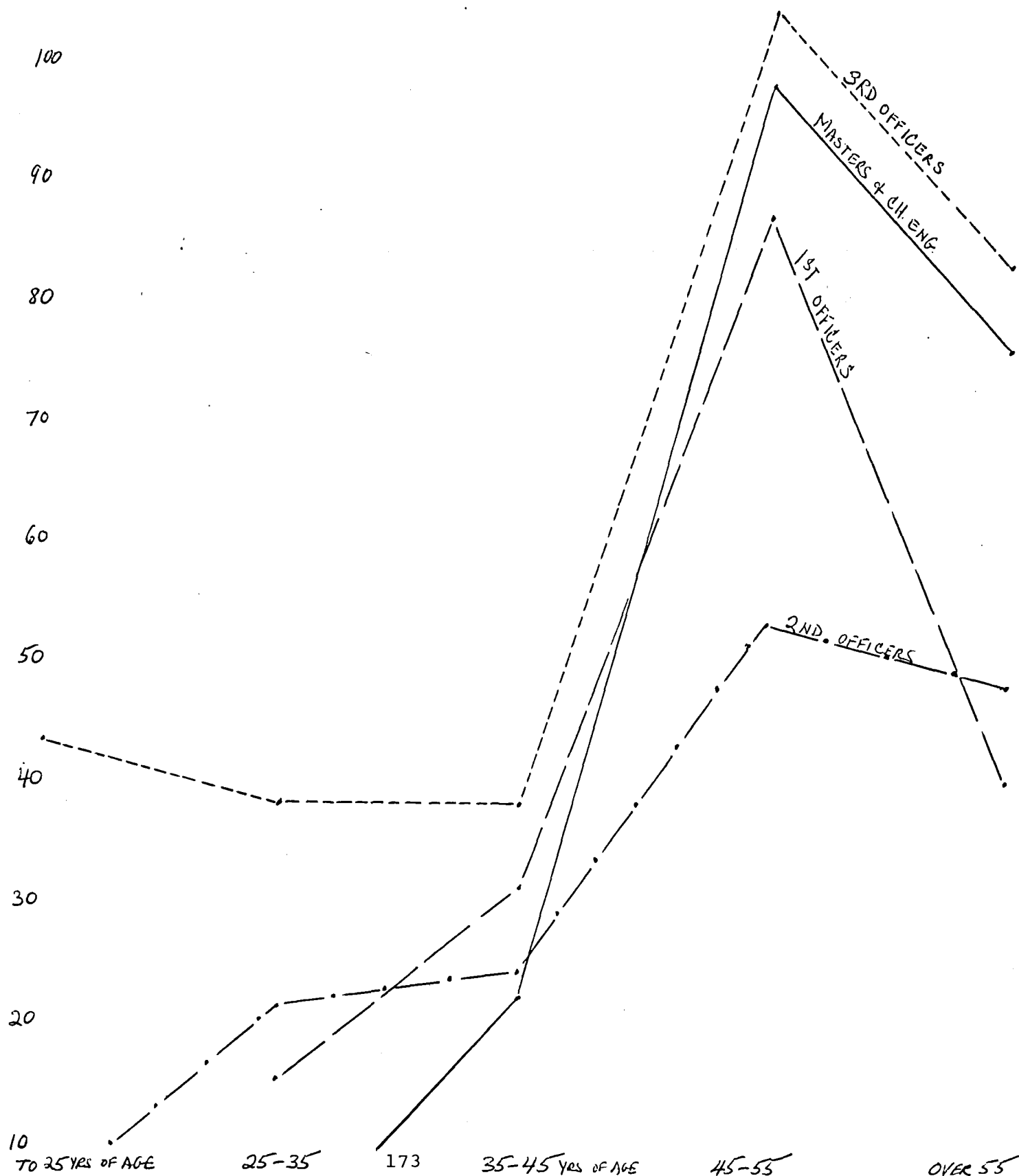
3. Ages of Shipboard Officers (Deck and Engineering) Permanently
Employed by West Coast Members of AIMS (less Oceanic)

APPENDIX F



4. Ages of Shipboard Officers (Deck and Engineering) Permanently Employed as Masters or Ch. Eng., 1st Officers, 2nd Officers and 3rd Officers by West Coast Members of AIMS (less Oceanic)

APPENDIX F



APPENDIX G

The Honorable Ronald Reagan
Sacramento, California 94814

February 10, 1971

Re: Maritime Employment Plight

Dear Governor Reagan:

Concern strikes at the lives of thousands of maritime personnel throughout the country. Not only the concept but now the reality of unemployment is hitting hard. Despite the problem, the nation's seven maritime academies continue to turn out licensed personnel, the majority of whom will face slight prospects of employment at sea or ashore.

There has been much criticism among members of the Maritime Union (M.E.B.A.) about the vast turnout. A few union members have suggested that academies reduce enrollments in order to balance the situation. Others feel all seven academies (five of which are state run, one federal and one union run) should be closed.

However, it is the considered opinion of the undersigned that the union's Calhoun School of Engineering remain operative for this is the only true medium that can properly accommodate the supply to the demand - its administrative personnel being part and parcel of the industry. This is the only school of its kind that is not reliant upon tax monies of any sort. Each of the other six are entirely dependent.

But there has been a proposal to open still another academy, while the California State Maritime Academy at Vallejo is now bidding for increased funds.

With an eye to the flooded job market, the M.E.B.A. has regulated acceptance of new members by a method termed "group shipping", which is controlled by admittance of members and shipping activity. The move is self-protective, to prevent the situation from becoming worse and eventually lowering wages.

As of 1970, the Pacific Maritime Association reported the number of man-days had dropped to 210,000 -- almost half the reported 431,000 two years earlier. Several factors indicate this trend will continue.

APPENDIX G

The Honorable Ronald Reagan
February 10, 1971
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One major issue threatening the industry is that by 1971 the government will cease subsidizing operation of most U.S. vessels. Age and classification standards, which the vessels will not be able to meet, are the chief contributing factors.

Currently, ship owners find it difficult to operate even with such a subsidy. Prudential-Grace Lines, for example, was forced last January to put a six-vessel passenger fleet in lay-up despite an \$11 million operating differential subsidy from the government in 1970. Prudential-Grace attributed the action to rising operating costs, foreign flag competition and insufficient passenger revenues.

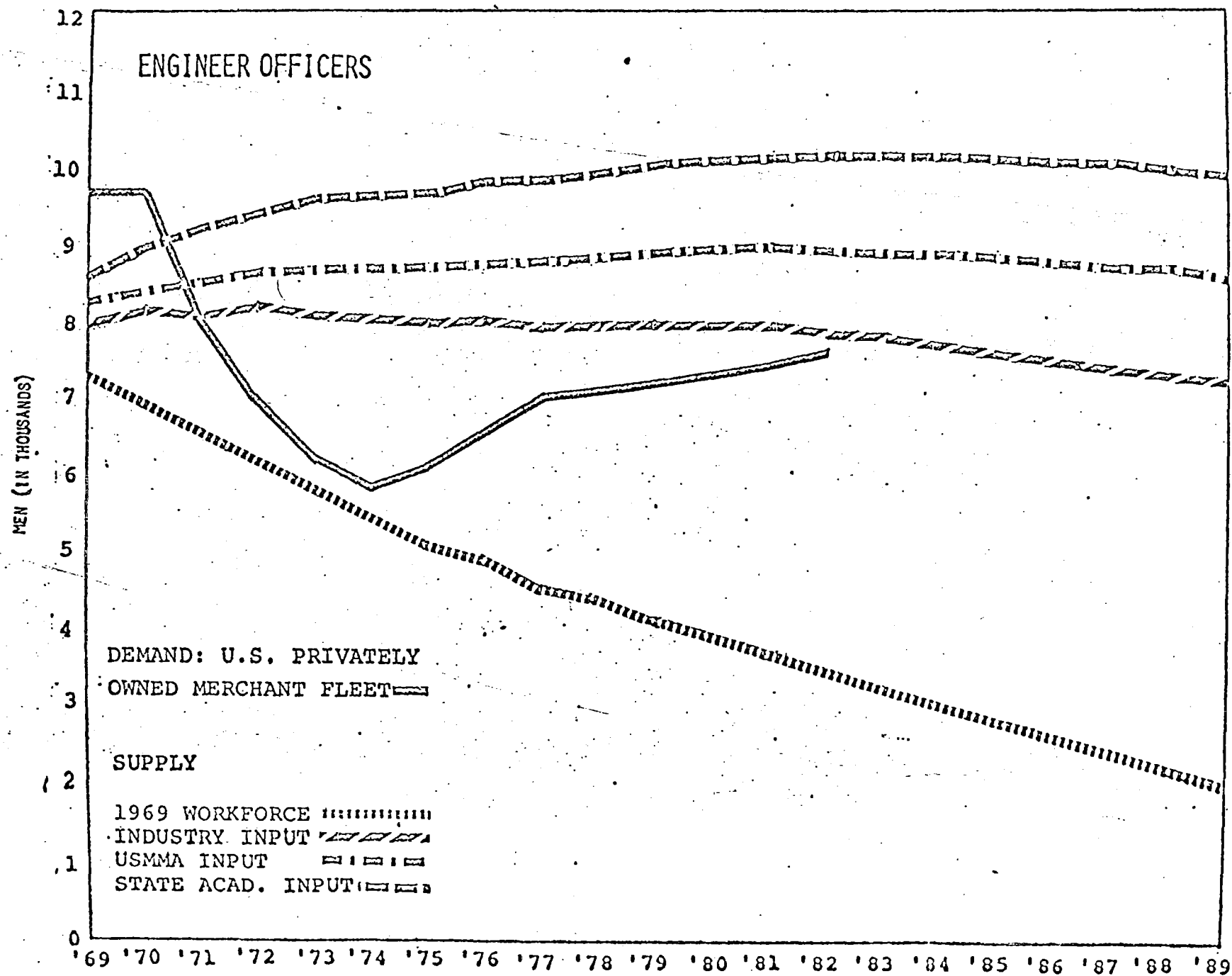
The result of the Prudential-Grace Lines lay-up means an end to U.S. flag passenger ship service from the Atlantic coast, leaving only four such passenger ships in West coast service. But there has been speculation that two of these may also go into lay-up soon -- the "President Cleveland" and "President Wilson". APL's books disclose a four million dollar deficit for the year 1970.

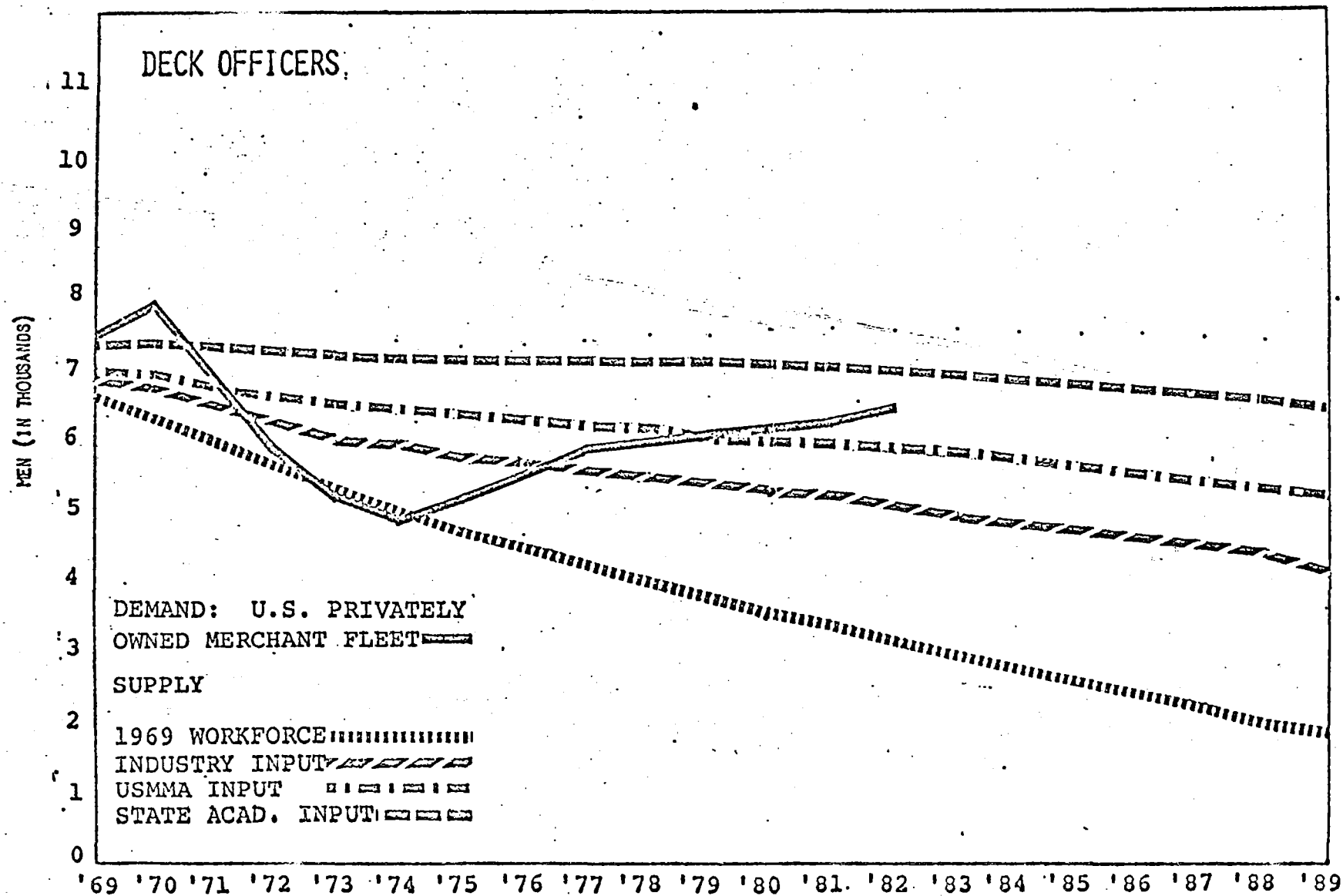
With each ship lay-up the problem of employment is heightened. Fifteen to 50 engineers per passenger ship are laid off, while graduates from maritime academies are increasingly entering the market.

Still more employment difficulties have been created with the Maritime Administration ceasing to run its fleet of 172 cargo vessels to Southeast Asia - a loss to as many as 1800 licensed deck and engine personnel.

The Merchant Marine Act of 1970 instigated a maritime ship building program for 300 modern vessels. But the first will not be finished until 1973. The plan is to construct 30 ships yearly over a 10-year period. Speculation among M.E.B.A. members is that the Act has come too late, when merchant vessels are deteriorating and U.S. flag vessels are being transferred to foreign countries where standards of operation are lower. More than 140 transfers have been made recently - another job loss to as many as 1600 licensed deck and engineer personnel.

This problem of unemployment is not new or strange. It was evidenced during the depression era. But the problem is further complicated by what Helen Delich Bentley, Federal Maritime Commission Chairman, has called "intradepartmental competition" in cargo bidding in Washington, thus creating a slowdown.





C. A. BLACK, Exec. Vice-Pres.
 Room 400, Mills Building,
 220 Montgomery Street,
 San Francisco, California 94104
 (415) 433-7280



Affiliated with AFL-CIO

DISTRICT No. 1 — PACIFIC COAST DISTRICT, MEBA (AFL-CIO)

J. M. CALHOON
 PRESIDENT

C. A. BLACK
 EXECUTIVE VICE PRESIDENT

LEON SHAPIRO
 SECRETARY-TREASURER

I. A. LAMY, VICE PRESIDENT, ATLANTIC COAST

C. E. DEFRIES, VICE PRESIDENT, GULF COAST

April 2, 1971

Mr. Mike Cullen, Chairman
 Efficiency & Cost Control Committee
 State Capitol
 Sacramento, California

Dear Mr. Cullen:

With reference to the hearing on March 23, 1971 I am enclosing the information requested by the Committee:

1. Shipping Rules of District #1-Pacific Coast Dist. MEBA (AFL-CIO) - See attached exhibit

2. Number of Engineers in

| | |
|-----------|-------|
| Group I | 7,250 |
| Group II | 670 |
| Group III | 790 |

3. By What means does MEBA regulate applicants to the Calhoon School?

The input of applicants is regulated by the projection of job availability in the industry:

- a) Emergency situations, such as Viet Nam
- b) Future engineer pensioners
- c) Engineers leaving the industry and natural attrition.

4. The Average Age of engineers is in the forties.

5. Pacific Maritime Association average monthly vessels operated (see attached exhibit):

| | |
|------------------------------|-----|
| 1961 average monthly vessels | 130 |
| 1966 " " " | 143 |
| 1968 " " " | 153 |
| March 1971 " " | 68 |

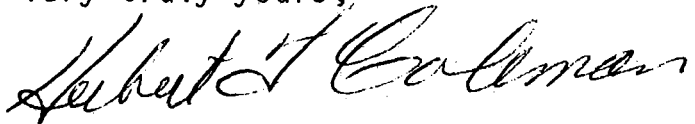
With the additional lay-ups of APL and American Mail Line vessels there will be approximately 62 in April.

APPENDIX H

Mr. Mike Cullen
April 2, 1971
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If Mr. Kenyon or myself can be of any further assistance,
or supply any additional data, please call on us.

Very truly yours,

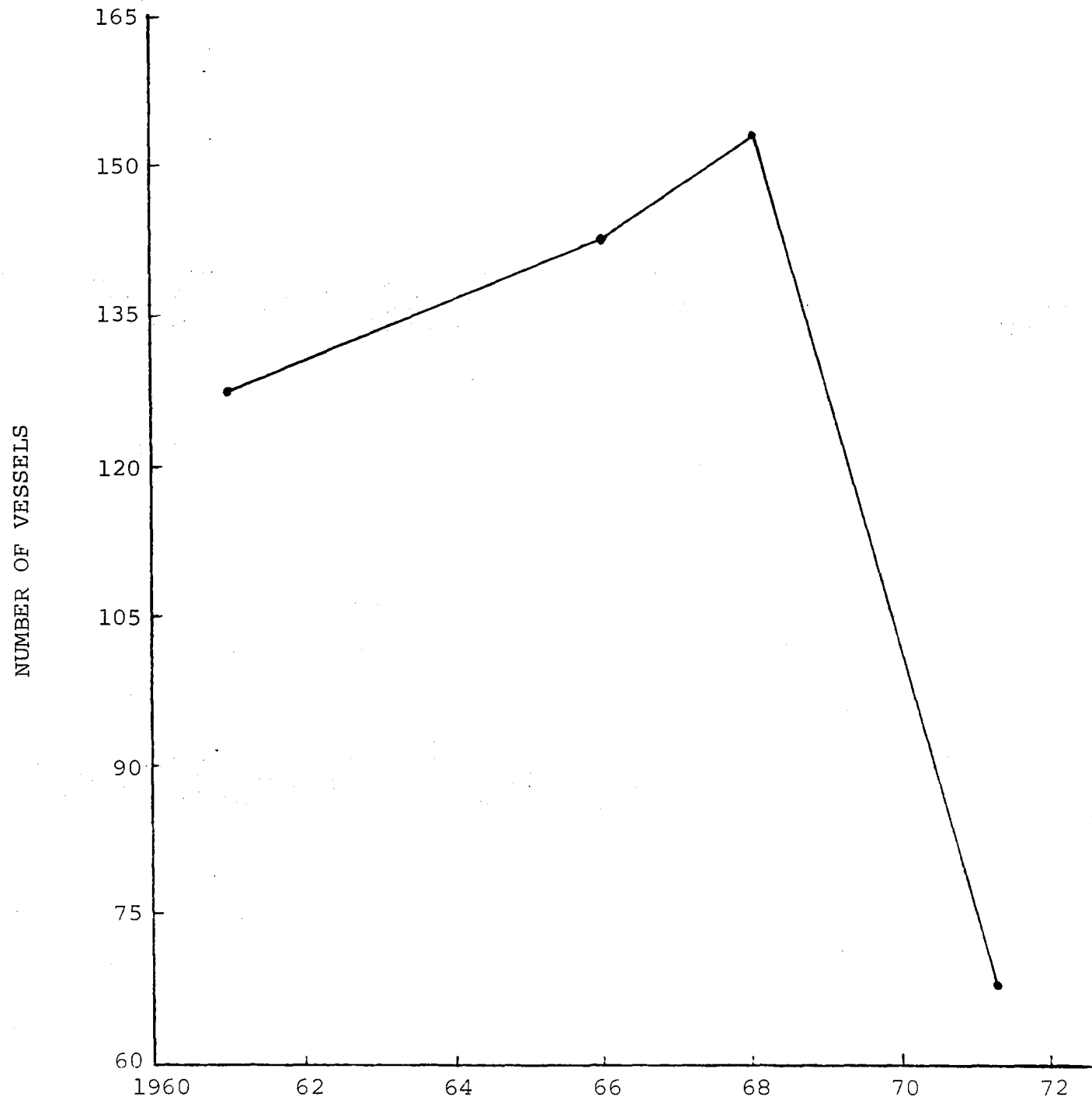
A handwritten signature in cursive script, reading "Herbert T. Coleman". The signature is written in dark ink and is positioned above the printed name.

Herbert T. Coleman

HTC:ah

Enclosures

PACIFIC MARITIME ASSOCIATION
OPERATED VESSELS - MONTHLY AVERAGE



Shipping Rules of Pacific Coast District MEBA

The District Executive Committee of Pacific Coast District MEBA approved and is submitting to the full membership of the District, the following Amendments to the Shipping Rules: The Shipping Rules of Pacific Coast District MEBA shall be amended:

Amendment No. I

I. By adding at the end of the present Shipping Rules the following provisions:

"All of the foregoing provisions of the Shipping Rules shall be subject to the following:

(1) All members and applicants for membership in Pacific Coast District MEBA shall be classified into Group I, Group II or Group III.

(2) All full members of Pacific Coast District MEBA as of December 31, 1967 shall be deemed to be in Group I.

Effective January 1, 1971 and annually thereafter a member in Group I shall lose such status and be placed in Group II if he fails to have at least 200 days of covered employment during the three preceding calendar years.

The number of members classified in Group I shall not be less than the number of regular permanent jobs covered by Pacific Coast District MEBA contracts. Such quota may be revised from time to time by the District Executive Committee to meet the changing economic conditions.

Whenever a member in Group I for any reason ceases to be in said Group, such vacancy shall be available to those persons classified in Group II who are members of Pacific Coast District MEBA and have accumulated 200 days of sailing time in any one calendar year subsequent to the date of original membership. In the case of a member who has been in Group I but had dropped to Group II, said 200 days of sailing time must have occurred subsequent to his having been so dropped.

The order of preference in filling said vacancies shall be, first, to those members who had previously been in Group I and second, to all the other members in Group II on the basis of the total number of days of their respective sailing time.

(3) All applicants for membership in the Pacific Coast District who have not as of December 31, 1967 become full members but who have as of said date completed subsequent to the date of their application at least 200 days of covered employment, shall be classified in Group II.

The number of persons classified in Group II shall not be less than 25% of the quota established for Group I. Such quota may be revised from time to time by the District Executive Committee to meet changing economic conditions. Vacancies in Group II to meet the outstanding quota shall be available to those persons classified in Group III who are applicants for membership in Pacific Coast District MEBA and meet the requirements for Group II and shall be filled in the order of the date of their respective applications for membership.

Any person in Group II other than a full member shall lose his status and be classified in Group III if in any two successive calendar years he fails to have 200 days of said covered employment.

(4) All other persons shall be classified in Group III which shall also include those persons who have been dropped from Group II.

(5) The respective shipping rights and privileges for those classified in the several Groups shall be as follows:

a) Members in Group I shall have priority over all others in bidding for jobs and shall be eligible for leaves of absence, transfers, promotions and changes in rating in accordance with and as provided in the Shipping Rules.

b) All persons in Group II shall have the next preference in bidding for jobs and shall be eligible for leaves of absence, promotions and changes in rating, as provided in the Shipping Rules, but shall not be eligible for transfers.

c) All persons in Group III shall be permitted to bid for employment in accordance with the Shipping Rules only after bidding has been closed for those in Groups I and II. They shall not be eligible for any leave of absence, transfer, promotion or change in rating. They may not while in Group III remain in continuous employment with one company in excess of 10 months.

(6) The District Executive Committee shall promulgate the necessary rules and regulations to govern the application and interpretation of this amendment and the procedures for the filing and disposition of grievances hereunder."

APPENDIX I

March 18, 1971

Mike Cullen
Chairman
Assembly Committee on
Efficiency and Cost Control
California Legislature
State Capitol, Room 315
Sacramento, California 95814

STATEMENT

My name is William M. Caldwell. I am a professional seafarer holding a Master of Oceans License, 6th issue - 9th number. I have been a professional seafarer since October, 1925. At present, I am Executive Vice President of the International Organization of Masters, Mates and Pilots. The Organization represents over 11,000 Licensed Masters, Mates and Pilots who man the American flag merchant marine. Our Organization's West Coast office is located at One California Street, San Francisco, California, Room 3120.

Our Organization is very concerned regards the continuance of the California Maritime Academy both for assurance that there will be a source of Licensed Deck Officers for service aboard American flag merchant ships as well as a source for employment in the maritime industry ashore. Of course, our major concern is that there will be available young American Licensed Deck Officers with a college education trained in the traditions of the sea to replace the older officers that are presently retiring and leaving the maritime industry.

A review shows that less than 20% of Licensed Deck Officers manning the American flag merchant marine at this time have been trained at academies. The reason for this is that in the past years most Licensed Deck Officers came from the unlicensed groups and, as seafarers say, "out of the forecandle."

These officers are the hard core of the officers aboard ships today. Many probably would have quit the sea, but were not able to secure suitable assignments ashore because of their years of shipboard training and living. Consequently, they continued going to sea and this is now reflected in the high age group of the officers sailing the ships. Also, many officers that sailed as Masters and Chief Officers have "slowed down" and are finishing their careers as Third Officers, which at this time has made it hard for Academy graduates to get permanent assignments.

But the maritime industry is changing fast. The Merchant Marine Act of 1970 with the building of 30 ships a year for 10 years is the start of a revitalization of the American Merchant Marine. Meeting the impact of the new technology with its new sophisticated and automated equipment with its faster and larger vessels requires more professional training for the Licensed Deck Officers that man them. It will require a steady flow of younger men for replacement of the older men who will be retiring and leaving the ranks as pensioners because of the attractive

APPENDIX I

pension and welfare benefits that have been negotiated in the industry.

It must be remembered that California is the most heavily populated state in the Union. It is also a maritime state with major ports. Statistics show that a majority of the academy trained officers aboard West Coast ships are graduates of the California Maritime Academy. Many have secured assignments ashore as executives in the maritime and allied industries. I would say that to phaseout the California Maritime Academy and deny young Californians higher training for a lucrative career at sea or ashore is just plain shortsighted. Especially so with the revitalization program in motion and a possibility of trade with China being renewed in the near future and the accompanying expansion in waterborne shipping both offshore and inland. Also, we must not forget that academy trained Licensed Deck Officers are not created overnight to man such an expanded fleet.

Some critics have stated that there is an oversupply of deck officers in the American Merchant Marine and that it has been hard for Academy graduates to obtain assignments and that our Organization is "running their own training facilities" with preferential employment status over Academy graduates. Because of the Vietnam withdrawal an unemployment problem has been created for the time being and vessels are being returned to the boneyard. In my opinion because of the increased ship building program, natural attrition of older deck officers, improved pension and welfare benefits influencing early retirement, this unemployment can only be a temporary situation.

In answer to those who accuse the Organization of "running their own training facilities" with preferential employment status over Academy graduates, this accusation is simply not true. During the Vietnam emergency when there was a shortage of Licensed Deck Officers, our Organization trained some deck officers in a 60 day crash program in order to enable them to sit for original U. S. Coast Guard 3rd Mate licenses. This program was terminated as soon as the emergency was over. Also, all applicants for membership in our Organization have the same rights with respect to available assignments.

Our Organization, in conjunction with the Employer, is building a Maritime Institute of Technology and Graduate Studies near Baltimore, Maryland, for the higher professional training of already experienced Licensed Deck Officers. The curriculum of this Institute is structured to train officers in the use of the latest sophisticated equipment, ship handling, navigation and marine sciences so that they can operate and navigate American flag merchant ships in competition second to none. This Institute is not in competition or designed to take the place of academies such as the California Maritime Academy.

Our Organization recommends that the California Maritime Academy not be phased out of existence, but instead that it be upgraded to a four year college with one year of training at sea within the higher education department of California. That the curriculum be upgraded so that a Bachelor of Science degree from the Academy would be recognized throughout the academic community.

APPENDIX I

The expense to the California taxpayer in the long range perspective would be minimal in proportion to the benefits that would accrue to the community, the State and the Nation. Young Academy graduates with licenses are eligible for Naval Reserve Commissions. The American Flag Merchant Marine is the Nation's fourth arm of defense. Young officers are ambassadors-at-large all over the world. They are needed and will be needed to navigate and utilize the speed and sophisticated equipment of the new American flag merchant ships in maritime competition with foreign flag operators both afloat and in operations ashore.

We urge that the Assembly Committee on Efficiency and Cost Control of the California Legislature concur in our recommendation.

William M. Caldwell

William M. Caldwell
International Executive Vice President
International Organization of Masters,
Mates and Pilots
One California Street, Room 3120
San Francisco, California 94111

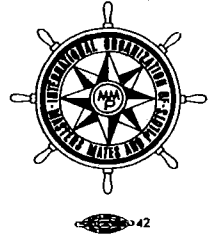
APPENDIX J

INTERNATIONAL ORGANIZATION OF MASTERS, MATES AND PILOTS

OFFSHORE DIVISION

March 26, 1971

RECEIVED MAR 29 1971



Assemblyman Mike Cullen, Chairman
Assembly Committee on Efficiency and Cost Control
California Legislature
State Capitol, Room 315
Sacramento, CA 95814

Re: Supplemental Data from
International Organization of
Masters, Mates and Pilots
re California Maritime Academy

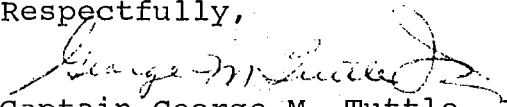
Dear Sir:

Enclosed please find the documents you requested
at the termination of my testimony in the 1400 March 23, 1971
hearing regarding the California Maritime Academy.

1. Constitution of International Organization of
Masters, Mates and Pilots.
(a) Article III Section 7. Page 8.
2. By-Laws of International Organization of
Masters, Mates and Pilots Offshore Division.
(a) Article II. Page 1 and 2.
3. Annual Report 1970 Membership.
(a) Fourth quarter Membership Report.
4. Employee Data of Pension Plan.
January 31, 1969. (The most recent).

Please feel free to call upon our Organization for
any assistance needed in your report.

Respectfully,


Captain George M. Tuttle, Jr.
Assistant Port Agent

GMT:vrw
Encl.

cc: Captain Wm. M. Caldwell, Int'l Exec. Vice President



APPENDIX J

ENCLOSURE 1

ARTICLE III

Applicants for Membership

Section 7.

a) Before an application may be accepted, a subordinate body must advise the International Secretary-Treasurer who shall consult the list of suspended members which shall be submitted to him periodically by the subordinate bodies.

b) Prior to his acceptance as a member by the membership of the Organization an applicant shall have no rights within the Organization except the following:

1. Employment in accordance with the National Shipping Rules and the By-Laws of his subordinate body.
2. To attend membership meetings of his subordinate body where he shall have no voice or vote.

c) If the applicant becomes delinquent in any monies payable to the Organization prior to his acceptance into membership, his application shall be denied forthwith and no monies paid shall be returned.

d) At any time prior to his acceptance into membership, the Organization or his subordinate body shall have the right to deny his application.

e) Before being admitted into membership, the applicant must tender his full initiation fee and required dues and assessments, and have his record examined by a Membership Committee which shall recommend acceptance, rejection, or postponement of the application as the findings indicate. If rejected, the initiation fee, but not the dues or assessments, shall be refunded.

APPENDIX J

ENCLOSURE 2

ARTICLE II

ELIGIBILITY FOR MEMBERSHIP

Section 1

a) Persons eligible for membership in this Organization shall possess a valid United States Coast Guard Merchant Marine Officer's license, certificate, or other evidence of professional capability.

b) No applicant may be admitted to membership and no member may be permitted to transfer from another subordinate body unless the ratio of members in the Offshore Division, to the number of jobs under Offshore Division contracts, is less than 1.5 to 1. When such conditions exist first all members wishing to transfer from other subordinate bodies of the International may be admitted. Then applicants may be considered for membership. The ratio described herein shall be subject to annual review and may be amended by the General Executive Board.

c) Membership in the Offshore Division shall be subject to the provisions of the International Constitution.

d) Applicants can only ship when no member is available, and remain on board for one voyage only, but in no event longer than ninety days.

Section 2

The Offshore Division Executive Council may create a special unit for persons receiving retirement benefits from any retirement program negotiated by, or administered by, the Organization.

International Organization of Masters, Mates and Pilots, Inc.

ANNUAL REPORT

Subject to Final Audit

Mail to International Secretary before January 30th.

SAN FRANCISCO

Local No. 90

No. of Members on Books Year Ending December 31, 1969 2,210

Initiated 134

Re-instated 8

Admitted by Demit 10

No. of Members Gained 152

Demitted to Locals 11

Deceased 37

Resigned 102

Suspended 23

Expelled

Rejected

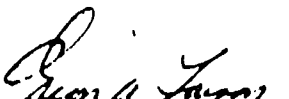
No. of Members Lost 173

No. of Members (~~gained~~ lost) (21)

No. of Members now on books year ending December 31, 19 70 2,189

| Total | | 50% Initiation Fees plus | | | |
|--|------|---------------------------------|-------------|------------------|--|
| 1st quarter paid—No. of members | 2202 | Per capita tax 2124 @ \$5.50 | | 21,872.50 | |
| 2nd " " " " | 2220 | | 2161 @ 5.00 | 22,720.00 | |
| 3rd " " " " | 2252 | | 2138 @ 5.00 | 29,700.00 | |
| 4th " " " " | 2189 | | 33 @ 5.00 | | |
| | | | 2023 @ 7.50 | 22,967.50 | |
| Tax paid for year ending December 31, 19 70 | | \$47,452.50 | \$ | | |
| 50% Initiation Fees | | \$49,807.50 | | 97,260.00 | |

Signed,


Orion A. Larson

Local Secretary

APPENDIX J

A. EMPLOYEE DATA

The actuarial position of the Pension Fund has been recalculated on the basis of a census of Licensed Deck Officers who were active in the Plan Year ended December 31, 1968, (i.e., had accumulated at least one full year of service credit and had worked at least 180 days on either coast within the last five calendar years - 1964 to 1968), a census of pensioners on the rolls as of January 31, 1969 and a survey of those officers who were inactive during the year.

The following is a summary of the census data from 1965 to 1968. The growth or contraction is shown as a percentage change from the previous census.

| | Year ended December 31 | | | |
|--|------------------------|-------|-------|-------|
| | 1968 | 1967 | 1966 | 1965 |
| I. Active employees in Fund Office' tabulations with at least one year of total pension credit and sailing from: | | | | |
| a. West coast | 992 | 967 | 978 | 945 |
| b. East coast | 270 | 237 | 226 | 228 |
| c. Both coasts | 472 | 429 | 340 | 368 |
| Total | 1,734 | 1,633 | 1,544 | 1,541 |
| Percentage increase | 6.2% | 5.8% | 0.2% | - |
| II. Active employees included in valuation* | 1,322 | 1,267 | 1,216 | 1,158 |
| Percentage increase | 4.3% | 4.2% | 5.0% | - |
| Average age | 49½ | 49½ | 50½ | 51 |
| Average years of pension credit | 15 | 15½ | 16½ | 17 |
| Members eligible to retire immediately on: | | | | |
| a. Basic Pension | 694 | 660 | 585 | 529 |
| b. Reduced Pension | 33 | 26 | 57 | 55 |
| c. Early Retirement Pension | 23 | 30 | 41 | 23 |
| Estimated number** who will become eligible during the ensuing year to retire on: | | | | |
| a. Basic Pension | 52 | 73 | 69 | 79 |
| b. Reduced Pension | 3 | 4 | 7 | 11 |
| c. Early Retirement Pension | 11 | 7 | 11 | 13 |
| III. Inactive employees eligible for an immediate or deferred pension | 113 | 105 | 74 | 77 |

*Includes all employees sailing on West Coast and 70% of those sailing on both coasts.

**An employee eligible for more than one type of pension is included for the pension payable at the higher amount.

APPENDIX J

| | Year ended December 31 | | | |
|--|------------------------|------|------|------|
| | 1968 | 1967 | 1966 | 1965 |
| IV. Pensioners on the rolls as of valuation date (one month after December 31) | | | | |
| Basic Pensions | 324 | 305 | 280 | 261 |
| Other than Basic Pensions | 233 | 243 | 242 | 220 |
| Total | 557 | 548 | 522 | 481 |
| V. Beneficiaries on the rolls | 40 | 68 | 46 | 29 |

The 1,734 active officers have accumulated 104,273 quarters of credited service of which 76.75% has been credited to the West Coast. During the calendar year 1968, these men had 436,951 sailing days reported of which 335,190 days (or 76.75% of the total days) were on the West Coast.

The average age of the active members has declined from 51 in 1965 to 49½ in 1968; however, there was no change during the most recent year. This trend was consistent with a decline in the average years of Pension Credit from 17 years to 15 years over the recent four years of experience. This change reflects an increase in new members and a transfer of older members to inactive or retired status. It is observed that the average age is one year higher than the active membership of the MM&P Plan as of December 31, 1967 and the average years of credited service are 4½ years more than the MM&P Plan membership. From 1962 to 1967 the MM&P membership exhibited an increase of 1½ years in the average age (a reverse trend of the MMP-PMA membership) while the average years of credited service remained almost constant.

The census data, according to sailing coast, for the 1,734 active officers in the year 1968 is shown in Tables 1 to 1-C. It is observed that less than 14% of these men are younger than age 40. The number of men having 20-24 years of credited services is markedly higher than other duration groups except officers with less than five years of credit.

335,190
 104,273
 230,917
 224,630
 258,096

Table 1
Census of Employees in Active Service during 1968
by Age and by Years of Credited Service (East and West Coasts)
All Licensed Deck Officers

| Age | Total | Years of Credited Service | | | | | | |
|---------------------|-------|---------------------------|-------|---------|---------|---------|---------|---------|
| | | 1 - 4 | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30 - 34 |
| Total | 1,734 | 474 | 149 | 136 | 281 | 408 | 198 | 88 |
| 20 - 24 | 48 | 48 | - | - | - | - | - | - |
| 25 - 29 | 80 | 79 | 1 | - | - | - | - | - |
| 30 - 34 | 45 | 31 | 14 | - | - | - | - | - |
| 35 - 39 | 64 | 33 | 21 | 6 | 4 | - | - | - |
| 40 - 44 | 244 | 75 | 34 | 46 | 56 | 33 | - | - |
| 45 - 49 | 329 | 87 | 15 | 35 | 69 | 100 | 23 | - |
| 50 - 54 | 321 | 53 | 16 | 18 | 64 | 115 | 51 | 4 |
| 55 - 59 | 284 | 32 | 23 | 13 | 42 | 89 | 55 | 30 |
| 60 - 64 | 212 | 22 | 16 | 12 | 23 | 50 | 50 | 39 |
| 65 & over | 107 | 14 | 9 | 6 | 23 | 21 | 19 | 15 |

88
192
230
216
162
78
967

Note: The Plan provides for a maximum of 20 years credited service. The employee records reflect an accumulation of credits beyond 20 years and when an officer retires the most recent 20 years of credit are used to determine benefits from the MMP-PMA Plan and the MM&P Plan.

Table 1-A

Census of Employees in Active Service during 1968
by Age and by Years of Credited Service (East and West Coast)
Licensed Deck Officers Whose Sailing Days in 1968 were Credited to the West Coast only

| Age | Total | Years of Credited Service | | | | | | |
|-------------------|-------|---------------------------|-------|---------|---------|---------|---------|---------|
| | | 1 - 4 | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30 - 34 |
| Total | 992 | 256 | 83 | 82 | 146 | 226 | 131 | 68 |
| 20 - 24 | 39 | 39 | - | - | - | - | - | - |
| 25 - 29 | 49 | 49 | - | - | - | - | - | - |
| 30 - 34 | 33 | 22 | 11 | - | - | - | - | - |
| 35 - 39 | 31 | 13 | 12 | 4 | 2 | - | - | - |
| 40 - 44 | 127 | 32 | 20 | 26 | 29 | 20 | - | - |
| 45 - 49 | 201 | 42 | 11 | 25 | 44 | 63 | 16 | - |
| 50 - 54 | 176 | 27 | 8 | 12 | 31 | 66 | 30 | 2 |
| 55 - 59 | 154 | 13 | 10 | 3 | 18 | 44 | 40 | 26 |
| 60 - 64 | 115 | 10 | 7 | 7 | 11 | 21 | 30 | 29 |
| 65 & over | 67 | 9 | 4 | 5 | 11 | 12 | 15 | 11 |

MMP-PMA

Table 1-B

Census of Employees in Active Service during 1968
by Age and by Years of Credited Service (East and West Coast)
Licensed Deck Officers Whose Sailing Days in 1968 were Credited to the East Coast Only

| Age | Total | Years of Credited Service | | | | | | |
|-------------------|-------|---------------------------|-------|---------|---------|---------|---------|---------|
| | | 1 - 4 | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30 - 34 |
| Total | 270 | 64 | 16 | 21 | 45 | 83 | 33 | 8 |
| 20 - 24 | - | - | - | - | - | - | - | - |
| 25 - 29 | 7 | 6 | 1 | - | - | - | - | - |
| 30 - 34 | 2 | - | 2 | - | - | - | - | - |
| 35 - 39 | 10 | 7 | 1 | - | 2 | - | - | - |
| 40 - 44 | 37 | 13 | 5 | 6 | 7 | 6 | - | - |
| 45 - 49 | 52 | 17 | - | 4 | 9 | 18 | 4 | - |
| 50 - 54 | 52 | 8 | 1 | 3 | 11 | 20 | 9 | - |
| 55 - 59 | 65 | 7 | 5 | 6 | 12 | 23 | 8 | 4 |
| 60 - 64 | 32 | 2 | 1 | 2 | 2 | 11 | 11 | 3 |
| 65 & over | 13 | 4 | - | - | 2 | 5 | 1 | 1 |

MMP-PMA

Table 1-C

Census of Employees in Active Service during 1968
by Age and by Years of Credited Service (East and West Coast)
Licensed Deck Officers Who Sailed From Both Coasts in 1968

| Age | Total | Years of Credited Service | | | | | | |
|-------------------|-------|---------------------------|-------|---------|---------|---------|---------|---------|
| | | 1 - 4 | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30 - 34 |
| Total | 472 | 154 | 50 | 33 | 90 | 99 | 34 | 12 |
| 20 - 24 | 9 | 9 | - | - | - | - | - | - |
| 25 - 29 | 24 | 24 | - | - | - | - | - | - |
| 30 - 34 | 10 | 9 | 1 | - | - | - | - | - |
| 35 - 39 | 23 | 13 | 8 | 2 | - | - | - | - |
| 40 - 44 | 80 | 30 | 9 | 14 | 20 | 7 | - | - |
| 45 - 49 | 76 | 28 | 4 | 6 | 16 | 19 | 3 | - |
| 50 - 54 | 93 | 18 | 7 | 3 | 22 | 29 | 12 | 2 |
| 55 - 59 | 65 | 12 | 8 | 4 | 12 | 22 | 7 | - |
| 60 - 64 | 65 | 10 | 8 | 3 | 10 | 18 | 9 | 7 |
| 65 & over | 27 | 1 | 5 | 1 | 10 | 4 | 3 | 3 |

MMP-PMA

APPENDIX K

Students now receiving \$600 allowances will continue to be paid in accordance with G.O. 37.

G.O. 37 and the agreements with the Academies will be changed as the student allowance system described herein indicates.

Sincerely,

s/s Robert J. Blackwell

ROBERT J. BLACKWELL
Deputy Maritime Administrator



THE ASSISTANT SECRETARY OF COMMERCE
Washington, D.C. 20230

FEB 17 1971

**Honorable Robert L. Leggett
House of Representatives
Washington, D. C. 20515**

Dear Mr. Leggett:

I refer to your letter of February 3, 1971 concerning the proposed transfer of the California Maritime Academy from the State Department of Education to the State College Board of Trustees.

The proposed transfer of the Academy from one State agency to another should have no effect on Federal funding for the school under the Maritime Academy Act of 1958.

The deeper problem, however, from the Federal Government's point of view and probably from that of the State as well is that the school's product, third mates and third assistant engineers for the merchant marine, will be in surplus for the foreseeable future even with the new ships resulting from the Administration's building program.

For the Federal Government the only direction is to tailor its support to the needs of the industry for officers. For the purposes of the State of California, of course, the Academy has to take its place in a very wide spectrum of educational priorities.

I would say that the Academy should be most energetically exploring curriculum and other changes which would broaden the range of occupational opportunities open to its graduates and which might tap new sources of financial support.

Sincerely,

Sgd. A. E. Gibson

**A. E. GIBSON
Assistant Secretary
for Maritime Affairs**

Enclosure

APPENDIX M

February 1, 1971

TO: AL M. LOEB

FROM: KENNETH W. McCLELLAN

SUBJECT: TRANSMITTAL OF STAFF FINDINGS REGARDING THE CALIFORNIA MARITIME
ACADEMY - FILE C.S. 70-10

In accordance with your request for information regarding the program offered by the California Maritime Academy, I have made a study of graduates' success and the employment opportunities currently available to graduates of the program. In the course of my review, I met with members of the faculty, the Academy Alumni Association, maritime unions, maritime industry representatives, representatives of the United States Coast Guard, and the U. S. Maritime Commission. I also received assistance from other members of the Education Group of the Department of Finance.

A basic source document for the projection of the maritime industry needs for the next 10 years was the report on "Merchant Marine Officer Training," which was made to the Special Subcommittee on Maritime Education and Training of the Committee on Merchant Marine and Fisheries of the House of Representatives in February 1970. This report was prepared by the Maritime Administration, U.S. Department of Commerce.

A questionnaire was prepared and transmitted to the three most recent graduating classes of the Academy for the purpose of securing their comments on the effectiveness of the program and their opinions as to job opportunities for future graduates. A compilation of the results can be found on page 40 of the report.

Based on the evaluation of the academy training and industry manpower needs, it is concluded that a surplus of maritime officers will exist over the next 10 years and that other sources of officer training can be relied upon to meet this need. Union regulations and declining shipping have combined to create dismal job opportunities for future CMA graduates as marine engineers and deck officers. There appears to be little reason for continuing to fund the program.

It is recommended that this evaluation and analysis be forwarded to the Director of Finance for adoption as a report of the Department of Finance.



K. W. M.

KWM:ed

(NOTE: Full report is contained in Committee files)

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MAR 12 1971

Mr. Al M. Loeb
Program Budget Manager, Education
State of California
Department of Finance
Sacramento, California

Dear Al:

This is in reply to your letter of February 9, 1971, regarding allowances for incoming freshmen students at CMA.

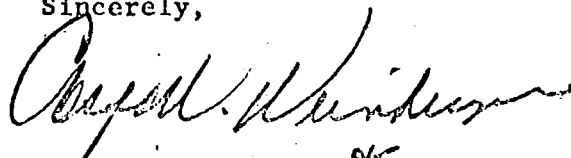
Currently, the six State academies, the Federal Academy at Kings Point and the several union-operated schools produce more than 1,000 new ships' officers each year. In addition, 200 new officers will come annually from men who obtain their licenses through individual study. On the employment side of the picture, recent studies have shown there will be a surplus of 50 percent more trained officers than available seafaring jobs in the next five years. Further, this surplus will continue to exceed 30 percent by the end of the next decade.

Under the circumstances, it was obvious that action should be taken to develop the proper relationship between the officer training programs and the opportunities for seafaring employment over the life of the President's Maritime program. A deliberate oversupply of trained men would depress the job market and result in a waste of time, money, and talent. In order to begin to correct the situation, it was determined that we would not provide for allowances for incoming freshmen at State Maritime in the President's Budget for FY 1972.

The Department of Commerce, Maritime Administration, informed the State schools of these intentions on November 23, 1970. Since that time, and despite the overwhelming evidence to the contrary; substantial pressure has been brought to bear--from members of Congress and the general public--to continue the payment of allowances as in the past. As a result, the Department has reopened the question, and it has not been resolved as yet.

As soon as we have further details, I will send them along. With kindest regards.

Sincerely,



Caspar W. Weinberger *WE*
Deputy Director