

# Hita La'mon: Hasso Independence

“...if we are to develop our economy, we will have to do it ourselves. The colonizers not only do not help in economic development, they discourage it, either through direct actions or by setting up systems that make us dependent on their continuing activities.”

-Anthony A. Leon Guerrero, Former President and Chairman of the Board of Bank of Guam



## The Jones Act



•“Merchant Marine Act of 1920 (Section 27)”

•Restricts shipping between U.S. ports to vessels that are U.S. flagged, U.S. crewed, U.S. owned (75%) and U.S. built, and essentially cuts Guam off from 90% of the world’s shipping.

•Foreign vessels that drop off their cargo at an American port cannot then pick up cargo there and deliver it to another U.S. port.

•Only 7 U.S. shipyards are capable of building these large commercial vessels and 4 of these build exclusively for the Department of Defense, leaving only 3 for commercial building.

•This lack of competition results in high costs in building new ships — up to five times more costly than comparable ships built in Asia.

- U.S. trade barriers have real costs for U.S. consumers ... there is no doubt that the Jones Act adds costs to U.S. shippers, especially in areas where water transportation is the only economical shipping option, such as Hawaii, Guam, and Puerto Rico.” - U.S. Senator John McCain, 1998
- To make up for the extra cost, shipping companies increase the cost of imports. These increased fees are passed on to the consumer in Guam, Alaska, Hawai’i, and Puerto Rico.
- “While Guam already has exemptions from the Jones Act, it has very little effect on our shipping costs because other non-contiguous U.S. ports that shippers would need to connect through to make a shipping route sustainable are subject to all the restrictions.” -Senator Frank Blas Jr.
- “... a significant economic benefit to Guam from independence would result from the termination of the applicability of the Jones Act in U.S. trade with the island. Because of the corresponding reduction in shipping costs, the prices of goods from the U.S. arriving in Guam would be significantly lower than they are under the status quo.” -Joseph Bradley, Economist, Bank of Guam

## Comparative Case: Hawai'i



- “We could be certainly as rich and prosperous as Singapore or Hong Kong if we were allowed to have the access to the world.”- Ken Schoolland, Professor of Economics at Hawai'i State University
- “It is now known that the Hawaiian cost of living, primarily because of our additional shipping cost and because of the Jones Act, are now 49 percent higher than the U.S. mainland. And this is becoming unbearable. It's difficult for individuals. It's difficult for families. It's difficult for small businesses as well.”  
-Hawai'i State Senator Sam Slom



•If Hawai'i was exempt from the “domestic build” provision of the Jones Act, “It is estimated this could save every household in Hawaii \$3,000 a year.”- Leroy Laney, Professor of Finance and Economics, Hawaii Pacific University

•“Due to the restrictions placed upon our state by the Jones Act, Hawaii merchants cannot hope to compete in the world marketplace. For example, liquefied natural gas cannot economically be imported despite the state's critical and growing energy crisis.”- Grassroot Institute of Hawai'i

•“What would an enemy want to do to the people of Hawaii during war time?” asks Schoolland. “They

would want to cut us off from international shipping. Well, this is what the law does to us all the time.”

### **Nihi Ta Hassuyi Este (Questions To Consider):**

1. What is your household budget -- how much do you spend on food, goods, gas, and other products that arrive on a ship?
2. What would an economy designed to “improve the economic well-being of the people within the economy” look like for Guåhan? Consider economic alternatives that an Independent Guåhan can pursue.



[www.independentguahan.com](http://www.independentguahan.com)

[independentguahan@gmail.com](mailto:independentguahan@gmail.com)