

The Daily Dish

Send the Jones Act to Davy Jones's Locker

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Rise and shine for today's Eakinomics quiz! The Jones Act is:

- (a) an antiquated, protectionist law that raises the costs shipping, especially for Hawaii and American territories;
- (b) something that Scott Lincicome talks about incessantly, especially on social media, and even to random women in airport bars;
- (c) a roadblock to humanitarian aid to Puerto Rico in the aftermath of Hurricane Fiona;
- (d) all of the above.

The correct answer is: (d) all of the above. Section 27 of the Merchant Marine Act of 1920, introduced by then-Senator Wesley Jones, regulates coastal trade and requires that all goods transported by water between U.S. ports be carried on ships constructed in the United States, fly the U.S. flag, are owned by U.S. citizens, and are crewed by U.S. citizens. It is the mother of all Buy America provisions and is accordingly indefensible as economic policy.

As a matter of ongoing damage, it makes U.S. oil too expensive in Hawaii and forces that state to rely on imported oil from Russia (which, of course, was suspended in the aftermath of the brutal invasion of Ukraine). It raises enormously the costs of goods in Samoa and Guam. But it is an ongoing nightmare for Puerto Rico.

In recognition of these facts, the editorial board of *The Washington Post* has called for repeal of the Jones Act, at least as it applies to Alaska, Hawaii, and Puerto Rico. But short of full repeal, it makes perfect sense to suspend the Jones Act to expedite the recovery from Hurricane Fiona.

As NBC News reported: "A ship carrying much-needed diesel fuel has been unable to dock in hard-hit southern Puerto Rico since Sunday while it awaits federal authorization because of the Jones Act, a century-old shipping law. The delay comes at a time when about 40% of power customers still do not have electricity more than a week after Hurricane Fiona battered the island." President Biden is already under pressure to waive the Jones Act to allow this vessel (and other relief) to reach the island. President Trump waived the Jones Act for 10 days; that seems like the minimum one should do.

More generally, the Jones Acts should simply go. The notion was that it would be a mechanism to support shipbuilding in the United States. It wasn't. It was supposed to generate a ready reserve of ships in the event of the need for naval capability. Nobody believes it has. It has generated none of the supposed benefits, imposed large costs on America and its territories, and permitted the inflated prices to benefit the shipping middlemen. It is time to sink the Jones Act.