

## Privately Owned Ships Solution to U. S. Shipping Problem Says Lasker

By  
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The completion of the government's shipbuilding program found it with the following fleet:

Status of U. S. shipping board fleet at delivery of last vessel, March 13, 1922:

	Steel	
	No.	D. W. T.
Passenger and cargo	47	526,138
Cargo	1,288	8,779,702
Tanker	83	756,907
Refrigerator	13	91,183
Tugs	30	
<b>Totals</b>	<b>1,461</b>	<b>10,153,930</b>
	Wood	
	No.	D. W. T.
Cargo	237	872,941
Tugs	15	
<b>Totals</b>	<b>252</b>	<b>872,941</b>
	Concrete	
	No.	D. W. T.
Cargo	2	6,500
Tanker	7	48,783
<b>Totals</b>	<b>9</b>	<b>55,283</b>

Through the agency of the Emergency Fleet Corporation, (whose stock is owned by the Shipping Board, representing the national government), the ships originally intended for war purposes were, at the conclusion of the war, under mandate of congress, immediately put into operation by and under the government, to meet America's peace time needs.

### At Crest of Operations

At the height of its operations, October, 1920, the shipping board had 1,317 steel ships plying between our shores and those of foreign markets. With the decline which has come in world trade we are now (May 15) operating 447 steel ships, of a total of 3,675,614 deadweight tons, and have 983 steel ships, of a total of 6,578,316 tons, tied up.

For the purposes of the future, in surveying the government's fleet, we may eliminate the wooden ships, the creation of which, to my mind, was a colossal error that even war cannot forgive. Certainly the then administration had ample warning through Gen. Goethals of the tragedy of waste the wooden ship program entailed. The wooden ship program to date cost over \$300,000,000, with unliquidated claims still to be adjudicated, and made practically no contribution to either war or peace carriage. They rightly deserve the ridicule which has been heaped on them.

Thus, the government's problem of temporary operation and ultimate disposition is involved in the 1,430 steel ships which it possesses.

### Hard Competition Abroad

When shipping board operations were at their height American vessels carried 45 per cent of the value of our in-and-out foreign commerce. Today, with business depressed, we are carrying but 35 per cent; this is due largely to the fact that in times of sore depression the nations with either or both old established lines and lower standards of living make it hard for us to compete.

However, the 447 steel ships the government is operating today are covering practically every trade route in the world, insuring constant access to the markets available for the products of America.

Immediately after the close of the war had we not possessed the government fleet there is no doubt that

freights would have soared even higher than they did; and today were America's government owned tonnage withdrawn from the seas our traders would pay increased tolls to foreign owners. So we must remember that while the operation of the fleet is costing us millions, it is saving us millions in freights and insuring us continuous relations with our customers.

### What Board Costs Today

The Shipping Board—including administrative expense, cost of tieup and maintenance of its unused fleet, and the operation of over 400 ships—is being run at a cash outlay to the treasury approximately \$50,000,000 annually. This does not take into account the cost of the ships and consequent capital charges.

It is true that overhead would not be greatly increased if the operation of more ships were needed to take care of America's trade. But my experience as chairman of the Shipping Board has caused me to realize, as I never realized before, that government operation is as poison ivy in the garden of industry.

Through checks and balances required under government ownership, initiative on the part of employees, is, in large measure, killed or forbidden. That inspiration which comes through profit and the building for one's self for the future is utterly lacking. So, in the combined lack of initiative and inspiration, there is not created that vision which is necessary for permanent upbuilding.

### Private Owners Did Better

I do not want to be understood as insinuating that the Shipping Board is not today making a very good operation of the ships it is running. In its early history, however, because of the vast fleet it had to run without a properly trained organization, the results obtained were by no means those produced by private ownership, and no one will so argue.

But I aver that under the Harding administration the Shipping Board's operation has become comparable to the best operations of privately owned ships. It is a blind American who, at equal prices, with service comparable to the best, fails to give overwhelming preference to his government owned ships, for they are the best insurance he has of sure carriage to his overseas customers until private American ownership comes into being.

The point I wish to emphasize, though, is that government ownership, while today satisfactory for immediate needs, is not building up for the future, and is overly costly in its operations at all times.

### Only Solution to Problem

While we are losing \$50,000,000 annually in cash in operation, we are wearing out the fleet, and in the course of a few years it will be of no worth. Nowhere have I heard any voice suggesting that the government build further merchant ships, and only through private ownership can we see hope of renewals and additions that will be needed.

So while at the moment we are not only justified but our national need demands that we continue the sad losses of operation of the Shipping Board until we can work out a national policy which will insure the passage of the fleet into private hands, we have no excuse for not immediately tackling our problem and solving it.

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