

SHIPWORKERS' STRIKE

A Colossal Business Mistake

The future of the shipbuilding industry lies with the men and the management. It is as much the problem of one side as of the other. Increased output and lower costs can be secured by more intelligent direction and effort without sacrifice to either side

But it can be done only by sympathetic and intelligent co-operation between the shipworkers and the yard owners; never by strike and strife.

The strike is not only a breach of an agreement with the Government, but, with the future of the industry hanging in the balance, it is a colossal business mistake.

Congress authorized the President of the United States to spend three billion five hundred million dollars (\$3,500,000,000) for the construction of ships and the President selected the Emergency Fleet Corporation for his agent to carry out this programme. The German submarine was at that time sinking vessels from four to five times as fast as English and American yards were producing them.

It was America's job to beat the submarine. Old shipyards were extended and new ones were built on both the Atlantic and Pacific coasts.

Contracts were placed for wood ships, composite ships, concrete and steel ships—for any ship that would float, propel itself and serve any kind of a useful purpose—because we were building a fleet for emergency.

Wages were increased. Overtime and Sunday work were ordered. Carloads of necessary material were sent by express. Three hundred thousand men were added to the fifty thousand shipworkers, and the Government bore the expense of transporting them and training them. The Government paid these beginners high wages while they were acquiring skill and experience, for the Nation needed ships and was willing to pay the price.

The yards of the Pacific Coast and the Great Lakes responded nobly, for they had been longer in the game and had a larger number of experienced shipworkers to draw from. Even the new yards created since the war was declared began deliveries.

Then the armistice was declared and the building situation was changed over night. The Nation began figuring the cost.

And the Emergency Fleet Corporation was asked: "If you were building a lot of ships for an emergency, why don't you quit now that the emergency is over?"

"Ships are costing the Government from two and a half to three times what they cost three years ago, and 50 per cent more than they can be bought for in England at the present time. So quit building till the costs go down to where we can compete."

The Emergency Fleet Corporation thereupon took account of stock. It found that it was building more wood ships than it could use or sell, and so it canceled those that had not been begun.

It was found that a merchant marine was something more than an aggregation of ships. It had to be a well-balanced fleet that provided a certain proportion of fast passenger ships, or slower going passenger and cargo carriers, and of many ships built especially for certain lines of trade.

And upon review of the numbers and types of vessels building under the emergency programme, the Emergency Fleet Corporation decided to suspend work on a portion of it so in case Congress decided to permit us to spend the money authorized, it could substitute more desirable and necessary types of ships for those suspended.

It is impossible to build a perfect "ready-to-use" merchant marine. Part of it at least must be built to suit the needs of business that will develop through the effort and enterprise of the future.

It is necessary, therefore, to proceed more slowly than heretofore in the completion of the present programme. Overtime and Sunday work and other expenses due to speed have therefore been cut out.

And we are calling on the managements and the shipworkers to co-operate in such a way as to make high wages and low labor cost possible in the shipyards as it has been made possible in the automobile industry.

Let me cite three examples of how high wages and reduced output per man have increased the labor costs of vessels. One of the best producing yards on the Pacific Coast shows that the average output per man is 70 per cent of that of ten years ago, and the average rate of pay 70 per cent higher. This means a labor cost two and four-tenths times greater than two years ago.

Three Atlantic Coast yards show labor cost from two and a half to three times higher than two years ago.

We can look for more output per man as the new men in the yard grow in experience, but in the meantime the future of the industry is in the balance.

Foreign orders cannot be secured until costs go down and even the Government cannot continue shipbuilding indefinitely if every ship shows a heavy loss.

I am presenting the facts as they are before the United States Shipping Board and the Emergency Fleet Corporation, and my advice to the men is: Go back to work and get together with the owners to see what can be done to put the shipyards in shape to compete for the world's business in shipbuilding.

(Signed) **CHARLES PIEZ,**
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