

Fifteenth Annual Report  
OF THE  
**UNITED STATES  
SHIPPING BOARD**



Fiscal Year Ended  
June 30  
**1931**



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1931

## UNITED STATES SHIPPING BOARD

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T. V. O'CONNOR, *Chairman.*

EDWARD C. PLUMMER, *Vice Chairman.*

H. I. CONE, *Commissioner.*

ALBERT H. DENTON, *Commissioner.*

JEFFERSON MYERS, *Commissioner.*

S. S. SANDBERG, *Commissioner.*

ROLAND K. SMITH, *Commissioner.*

SAMUEL GOODACRE, *Secretary.*

## TABLE OF CONTENTS

### I. UNITED STATES SHIPPING BOARD

	Page
Letter of transmittal.....	v
Organization chart.....	Facing
Organization.....	1
General statement.....	2
Bureau of traffic.....	11
Bureau of regulation.....	31
Bureau of operations.....	36
Industrial relations division.....	36
Investigations division.....	42
Port facilities division.....	45
Bureau of construction.....	49
Bureau of law.....	59
Litigation and claims division.....	59
Contracts and opinions division.....	62
Admiralty division.....	62
Bureau of finance.....	63
Bureau of research.....	68
Secretary.....	70

### II. UNITED STATES SHIPPING BOARD MERCHANT FLEET CORPORATION

Organization chart.....	Facing	81
Organization.....		81
Special features of the year's activities.....		82
Sales of vessels.....		82
Proposed sale of Hoboken Terminal.....		83
Proposed sale of 45 Broadway.....		83
Operating agreement, 1930.....		84
Extent of vessel operations.....		84
Total results of operations during 1931.....		85
Cost of cargo services.....		85
Other operating results.....		86
Coal trade.....		87
Changes in district offices.....		87
Reduction of pay rolls and administrative expenses.....		88
Supply and operating activities.....		88
Centralized purchasing.....		88
Fuel purchases and issues.....		88
Storekeeping activities.....		89
Stevedoring.....		89
Care of reserve fleet.....		90
Terminals.....		90

	Page
Progress along special technical lines.....	92
Fuel conservation.....	92
Tests with pulverized coal.....	93
Radio.....	93
Traffic.....	93
General conditions.....	93
Steamship conferences and pooling agreements.....	94
Egyptian cotton contract.....	95
Insurance.....	95
Finance.....	96
Cash accounts.....	96
Cash discounts.....	97
Interest earned on bank balances.....	97
Collection of accounts.....	97
Credit investigations.....	98
Housing properties.....	98
Securities.....	98
Consolidated cash statement.....	98
Accounting and auditing.....	99

## APPENDIX

Table I. Vessels sold and vessels disposed of otherwise than by sale during the fiscal year ended June 30, 1931.....	103
II. Vessel property controlled by the United States Shipping Board Merchant Fleet Corporation as of June 30, 1931.....	105
III. Status of vessels controlled by United States Shipping Board Merchant Fleet Corporation as of June 30, 1931.....	106
IV. Managing operators and charterers of Shipping Board vessels as of June 30, 1931.....	107
V. Services maintained by the United States Shipping Board Merchant Fleet Corporation as of June 30, 1931.....	108
VI. An analysis of the total vessel property acquired by the United States Shipping Board showing disposition of same as of June 30, 1931.....	110
VII. Summarized consolidated cash statement, by appropriations, for the fiscal year ended June 30, 1931.....	116
VIII. Balance sheet as at June 30, 1931.....	120
IX. Gross appropriations and allotments from inception to July 1, 1931.....	122
X. Estimated operating profit and loss, fiscal year 1931.....	123
XI. Names and compensation of employees of the United States Shipping Board in the service on June 30, 1931.....	124
Names and compensation of employees of the United States Shipping Board who were separated during the fiscal year ended June 30, 1931.....	125

## LETTER OF TRANSMITTAL

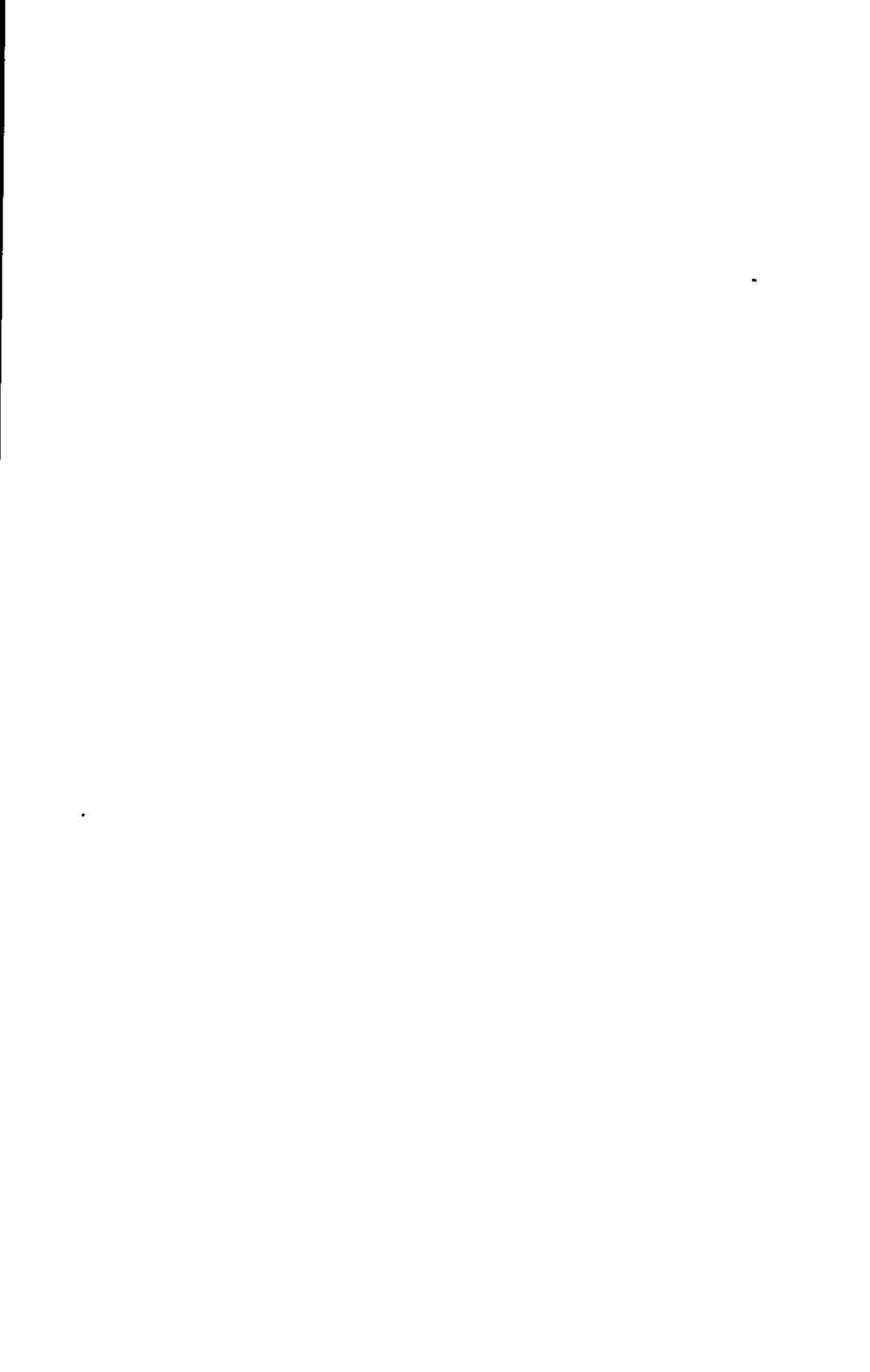
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UNITED STATES SHIPPING BOARD,  
*Washington, D. C., December 1, 1931.*

*To the Congress:*

In compliance with section 12 of the shipping act, 1916, we have the honor to transmit herewith the fifteenth annual report of the United States Shipping Board and the United States Shipping Board Merchant Fleet Corporation covering the fiscal year ended June 30, 1931.

T. V. O'CONNOR, *Chairman.*  
EDWARD C. PLUMMER, *Vice Chairman.*  
H. I. CONE, *Commissioner.*  
ALBERT H. DENTON, *Commissioner.*  
JEFFERSON MYERS, *Commissioner.*  
S. S. SANDBERG, *Commissioner.*  
ROLAND K. SMITH, *Commissioner.*



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PART I

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UNITED STATES SHIPPING BOARD

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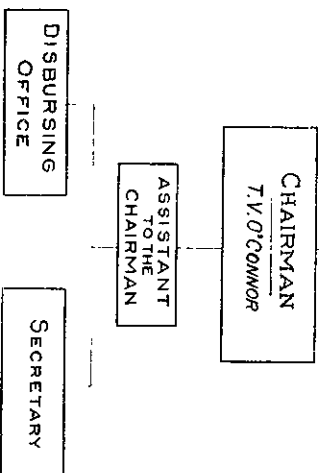


# UNITED STATES SHIPPING BOARD

## ORGANIZATION CHART

JUNE 30, 1931

T. V. O'CONNOR, CHAIRMAN  
 EDWARD C. PLUMMER, VICE CHAIRMAN  
 JEFFERSON MYERS, COMMISSIONER  
 ROLAND K. SMITH, COMMISSIONER  
 ALBERT H. DENTON, COMMISSIONER  
 HUTCH I. CONE, COMMISSIONER  
 SAMUEL S. SANDBERG, COMMISSIONER  
 SAMUEL GOODACRE, SECRETARY



<b>COMMISSIONER</b> E.C. PLUMMER	<b>BUREAU OF TRAFFIC</b>  <small>DISCRIMINATIONS AGAINST AMERICAN VESSELS, OCEAN TRADE ROUTES AND CONDITIONS, RAIL TRANSPORTATION AS SHIPPERS' OR SHIPPERS' ALIAS AND PHILIPPINES, RECOMMENDATIONS REGARDING PREFERENTIAL RATES</small>	<b>COMMISSIONER</b> R. K. SMITH	<b>BUREAU OF REGULATION</b>  <small>ALLEGED VIOLATIONS OF SHIPPING ACT, DEFERRED REBATES, FIGHTING SHIPS, RETALIATORY REFUSALS OF SPACE, PRACTICES, UNFAIR DEVICES, DISCRIMINATION, UNREASONABLE DENIAL OF COMPETITION, DISCLOSURE OF SHIPPIING INFORMATION, AGREEMENTS REQUIRED TO BE FILED FOR BOARD ACTION BY CARRIERS, FORWARDS AND OTHERS, INVESTIGATION OF BOARD'S TRAMP RESULTS AND OPERATING PRACTICES AND FILING OF RESERVATION RATES</small>	<b>COMMISSIONER</b> HUTCH I. CONE	<b>BUREAU OF CONSTRUCTION</b>  <small>RELATIVE COST OF FOREIGN AND DOMESTIC CONSTRUCTION, CONSTRUCTION LOAN FUND, DIESELIZATION, NEW DESIGNS AND MACHINERY, TAX EXEMPTIONS, AMERICAN BUREAU OF SHIPPING REPRESENTATION.</small>	<b>COMMISSIONER</b> T. V. O'CONNOR	<b>BUREAU OF OPERATIONS</b>  <small>INDUSTRIAL RELATIONS, INCLUDING SEA SERVICE, LABOR COSTS AND CONDITIONS, PIER AND PORT FACILITIES AND DEVELOPMENT, VESSEL OPERATION EFFICIENCY, INVESTIGATION OF CARGO AND PASSENGER HANDLING EQUIPMENT, RULES RELATING TO TERMINALS AND OPERATION OF VESSELS.</small>	<b>COMMISSIONER</b> JEFFERSON MYERS	<b>BUREAU OF LAW</b>  <small>TRANSFERS OF FLAG, CONVICTIONS OF FOREIGN AND DOMESTIC VESSELS, DENIAL OF U.S. NAVIGATION LICENSES, VIOLATIONS OF MERCHANT MARINE ACT, STUDY OF NAVIGATION LAWS OF FOREIGN COUNTRIES, INVESTIGATION OF OCCURRENCES, SHIP MORTGAGE, LEGAL MATTERS, SUPERVISION OF LEGAL MATTERS.</small>	<b>COMMISSIONER</b> S. S. SANDBERG	<b>BUREAU OF RESEARCH</b>  <small>GENERAL RESEARCH, EXPORTS AND IMPORTS, COMPLAINTS AND STUDIES, STATISTICAL REPORTS, WORLD COMMERCE AND ECONOMIC STUDIES, BUREAU FUNCTIONS COMPRISE GENERAL SCOPE OF SHIPPING STATUTES AS A WHOLE AND ARE NOT LIMITED TO ANY SPECIFIC SECTIONS OF THE LAW.</small>	<b>COMMISSIONER</b> A. H. DENTON	<b>BUREAU OF FINANCE</b>  <small>HANDLES ALL FINANCIAL MATTERS COMING BEFORE THE BOARD, SHIP MORTGAGE LOANS AND INVESTMENTS, MARINE INSURANCE, CONSTRUCTION LOAN FUND, INSURANCE FUND, COLLECTION OF ACCOUNTS, LIQUIDATION OF PAST DUE SECURITIES</small>
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- (1) REFERS TO SECTIONS OF SHIPPING ACT 1916, AS AMENDED  
 (2) REFERS TO SECTIONS OF MERCHANT MARINE ACT 1920  
 (3) REFERS TO SECTIONS OF MERCHANT MARINE ACT 1926

# THE UNITED STATES SHIPPING BOARD

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## ORGANIZATION

On July 1, 1930, the United States Shipping Board was composed of the following members: T. V. O'Connor, chairman; E. C. Plummer, vice chairman; and Commissioners H. I. Cone, Albert H. Denton, Jefferson Myers, S. S. Sandberg, and R. K. Smith.

T. V. O'Connor, Great Lakes, was appointed a member June 9, 1921, term five years; reappointed June 15, 1926, for a term of six years from June 9, 1926; term expires June 8, 1932. Mr. O'Connor was elected vice chairman of the board on June 16, 1921, and on February 5, 1924, was designated chairman. E. C. Plummer, Atlantic coast, was appointed June 9, 1921, term 3 years; reappointed May 23, 1924, term 6 years from June 9, 1924; reappointed June 12, 1930, term 6 years from June 9, 1930; term expires June 8, 1936. Mr. Plummer was elected vice chairman of the board on February 7, 1924. Jefferson Myers, Pacific coast, was appointed June 15, 1926, succeeding B. E. Haney, resigned, for the term expiring June 8, 1931; given reappointment on June 3, 1931, during recess of Congress, for term of six years from June 9, 1931; recess appointment expires at end of Senate session, Seventy-second Congress, first session. R. K. Smith, Gulf coast, was appointed October 14, 1926, under a recess appointment, to succeed J. H. Walsh, resigned; reappointed December 17, 1926; term expired June 8, 1929; reappointed May 28, 1929, for a term of six years from June 9, 1929; term expires June 8, 1935. Albert H. Denton, interior, was appointed January 4, 1928, to serve the unexpired term of six years from June 9, 1927, succeeding W. S. Hill, resigned; term expires June 8, 1933. Admiral H. I. Cone (United States Navy, retired), Atlantic coast, was appointed for a term of six years from June 9, 1928, succeeding Admiral W. S. Benson (United States Navy, retired); term expires June 8, 1934. S. S. Sandberg, Pacific coast, was appointed for a term of six years from June 9, 1928, succeeding P. S. Teller; term expires June 8, 1934.

There having been no change in the personnel of the Shipping Board during the fiscal year 1931, on June 30, 1931, the membership was the same as on July 1, 1930; namely, T. V. O'Connor, chairman, E. C. Plummer, vice chairman; and Commissioners H. I. Cone, Albert H. Denton, Jefferson Myers, S. S. Sandberg, and R. K. Smith.

During the year the board held 108 meetings, in addition to which there were held many special hearings conducted either by the board or by committees thereof.

### GENERAL STATEMENT

During the fiscal year ended June 30, 1931, as in the previous fiscal year, the work of the United States Shipping Board has been performed in seven bureaus, as follows: Bureau of Traffic, Bureau of Regulation, Bureau of Operations, Bureau of Construction, Bureau of Law, Bureau of Finance, and Bureau of Research. Each bureau is under the supervision of a member of the board, as shown in the accompanying organization chart.

The Shipping Board's manifold activities during the year were directed chiefly toward the establishment and maintenance of an adequate merchant marine under the American flag and under private American ownership. In this connection the board followed a program which included, first, the construction, under war conditions, of a great fleet of merchant ships; second, the mapping out in the post-war period of trade routes considered most essential to the development of American commerce; third, the operation on these routes of the best units of the war-built fleet; and, fourth, transfer of the lines so established to private American ownership.

Coincident with the above activities the board during the year engaged in promotional work under functions delegated to it by the merchant marine act of 1920 and by section 26 of the shipping act, 1916. Also, in so far as the limited regulatory powers vested in it permitted, the board engaged in administrative activities insuring against transportation relationships unfair as between carriers or detrimental to commerce of the United States and in quasi judicial activities in protection of the shipping public against unreasonable and unjustly discriminatory rates and charges.

In order more effectively to carry on its work, the board in 1917 formed a subsidiary organization known as the Emergency Fleet Corporation, which has served as the board's agency in all transactions involving the purchase, construction, equipment, lease, charter, maintenance, and operation of the Government's merchant fleet. With the passing of the war emergency, the name of this organization was changed to Merchant Fleet Corporation. Its activities, at first conducted on a gigantic scale, have decreased in magnitude proportionately with the board's disposal of its ships and other property to private ownership. With the dwindling activities of the Merchant Fleet Corporation, corresponding reduction in annual budget figures for ship operations and overhead has been made possible.

**Retrenchment in Operating Expenses.**

The rapidity with which the board's active ship operations have been curtailed, through sale of ships and services to private interests, is reflected in the board's annual budget for the past several years. For the fiscal year 1928 it was \$17,000,000, for 1929 \$13,400,000, for 1930 \$11,134,250, and for the fiscal year covered by this report it was \$5,950,000. For the next fiscal year it will be \$1,970,000, a reduction of \$15,030,000 since 1928 and of \$48,030,000 since 1924.

During the fiscal year covered by this report the pay roll of the Merchant Fleet Corporation showed a reduction of 164 employees, with annual salaries and wages totaling \$334,081, compared with the fiscal year 1930.

The total operating loss of the Merchant Fleet Corporation for the fiscal year, exclusive of the cost of operating vessels in the coal trade, was \$9,294,229.43, as against \$10,293,881.91 for the fiscal year 1930.

**Operating Agreement, 1930.**

The introduction of the "operating agreement, 1930," described in detail in previous annual reports, was practically completed during the year, having been put in effect on all lines not being considered for immediate sale. The results obtained have proved the soundness of the principle upon which the new agreement is based. Although handicapped by a severe falling off in trade, the operators, because of the greater latitude and incentive which the new agreement allows them, were able to effect substantial reductions in operating costs.

**Sale of Ships.**

Up to and including June 30, 1931, sales of vessel property have reduced the Shipping Board's fleet to 390 vessels. This number is made up of 368 cargo ships, 10 refrigerator ships, 2 passenger ships, 1 concrete tanker, and 9 harbor tugs; 214 of the cargo ships are laid up, 138 are in active operation, 8 are in inactive status with managing operators of Shipping Board services, 2 are operated by the War Department, and 6 are under bareboat charter to private operators. The remainder of the fleet is inactive with the exception of the tugs, six of which are used in connection with the inactive fleet and three are under bareboat charter.

The above figure of 390 vessels does not include 7 ships sold but not delivered during the fiscal year, nor 1 ship, the transfer of which had been authorized but which had also not been delivered as of June 30, 1931.

During the fiscal year covered by this report 73 vessels were sold for a cash sales price of \$1,088,680. Of this number 71 were cargo ships, 1 a launch, and 1 a lifeboat; 1 cargo vessel was disposed

of by transfer; 60 of the vessels were sold on a dismantling and scrapping basis.

During the year the Baltimore Mail Steamship Co. purchased five vessels for operation on the Baltimore-Hampton Roads-Hamburg route, established by the board in April, 1930. The purchaser obligated himself to convert the vessels to combination passenger and cargo ships and to maintain the service for five years.

One cargo vessel was sold for restricted operation to a line purchased from the board in 1926.

The sale to the Waterman Steamship Corporation of the Mobile Oceanic Line, consisting of 14 vessels; the sale to the Black Diamond Steamship Corporation of the American Diamond Line, consisting of 12 vessels; and the sale to the Southgate-Nelson Corporation of the American Hampton Roads Line, consisting of five vessels, were all authorized by the board, but as the awards were not consummated before June 30, 1931, they are not included in this report.

Subnormal conditions in international trade have resulted in a great amount of idle tonnage throughout the world, it being estimated that the laid-up ships of the great maritime nations now aggregate more than 10,000,000 gross tons. This condition has added to the board's difficulty of disposing of its remaining vessel property to private interests. A preponderance of American tonnage is, however, in private hands, and the percentage is slowly rising.

The records show that of the 1,734 American ships of 1,000 gross tons or over, registered on June 30, 1931, a total of 1,341 ships, aggregating 7,200,000 gross tons, was privately owned, while 394 (this number includes 5 vessels belonging to the Panama Railroad Steamship Line), aggregating 2,200,000 gross tons, were still in the hands of the Government. In other words, at the close of the fiscal year 77 per cent of the ships and 76 per cent of the tonnage was owned by private American interests. The Shipping Board aims to dispose of the ships still remaining in its possession just as soon as this can be done consistently with good business methods.

#### **Attempted Sale of Other Property.**

Further efforts to effect the sale of the Government-owned terminals at Hoboken, N. J., have thus far not met with success. The only bid received during the year for this property was considered inadequate and was subsequently withdrawn.

But one bid was received, during the period covered by this report, for the purchase of the board's office building at 45 Broadway, New York City. This bid was rejected as inadequate, and as not conforming to the proposed terms of sale.

Additional details concerning these negotiations will be found in the report of the Merchant Fleet Corporation, page 83.

**Merchant Shipbuilding in the United States.**

Due to the impetus given by the merchant marine act of 1928, shipbuilding in the United States during the past fiscal year has continued quite actively in the east coast shipyards, although there has been practically no new construction on the west coast. During the year contracts for 16 seagoing commercial vessels of approximately 122,000 gross tons have been placed, and 19 vessels of 166,000 gross tons have been delivered. The larger part of the tonnage building is due to mail contracts entered into by the Postmaster General with shipowners under provisions of the act of 1928.

The total tonnage of vessels under construction in the United States on June 30, 1931, was about 301,489 gross tons, representing 16.5 per cent of the world tonnage under way. This large percentage for the United States is due to the great reduction in building in Great Britain, rather than to any material increase during the year in the United States.

Due to the general depression in shipping, few new contracts have thus far been awarded during the calendar year 1931, and prospects for the immediate future are not very bright, as only two new vessels under mail contract provisions (aside from those already building) are required for delivery in 1933, and two in 1934, while none are required for delivery in 1932.

No vessels of the purely cargo type are under construction.

There has been a falling off in orders for small craft, largely of the nonseagoing type, due to the general depression in business.

**Construction Loans.**

Further evidence of the beneficial effect of the Jones-White Act in stimulating activity in American shipyards is shown by the fact that advances made on construction loans during the year totaled \$28,704,786.65, as contrasted with \$20,384,100 for the fiscal year 1930.

From the inception of the construction loan fund the board has authorized loans totaling \$145,131,165.15, of which amount \$71,755,676.65 has been advanced up to and including June 30, 1931. Further details relating to the administration of the construction loan fund will be found in the report of the Bureau of Construction.

**Mail Contracts.**

At the beginning of the fiscal year, the number of ocean mail contracts previously signed under provisions of the merchant marine act of 1928 stood at 39. Contracts for certain other routes were classified as in process of award.

Of the contracts at that time classed as in process of award, the one with the Mississippi Shipping Co. was signed and put into effect during the course of the year. This service—the Delta Line, formerly

known as the Gulf Brazil River Plate Line—operates from New Orleans and other Gulf ports to the River Plate and beyond, the mail route terminating at Bahia Blanca.

The contract for one other ocean mail route was signed by the Postmaster General during the year, this being with the Eastern Steamship Lines (Inc.), of Boston, for services from New York to Yarmouth, Nova Scotia, and from Boston to St. John, New Brunswick.

Toward the close of the year the Postmaster General certified to the Shipping Board, as provided for by the merchant marine act of 1928, three additional ocean mail routes, for which the Shipping Board, in June, 1931, made certification back to the Postmaster General covering the type of vessels required. These routes certified during the year, but not advertised and awarded until later, were as follows:

New York, Baltimore, Newport News, and/or Norfolk, with optional service from Philadelphia and Boston to Rotterdam and Antwerp, a service being sold by the Shipping Board under the trade name of American Diamond Lines.

Mobile and other Gulf ports to Havre, Liverpool, Manchester, Glasgow, Belfast, London, Antwerp, Aberdeen, and intermediate British ports; Rotterdam, Bremen, and Hamburg, a service being sold by the Shipping Board under the trade name of Mobile Oceanic Line.

Seattle via Puerto Colombia and Kingston to Tampico.

By the terms of the 2 contracts signed during the year there were required the construction of 4 new vessels and betterments on 4 existing vessels. Of the new vessels, 2 are to be either 13 or 16 knots, within the discretion of the Postmaster General, and 2 are to be 20-knot speed.

In the case of the 3 routes certified during the year, but for which no awards were made until after June 30, there will be required the construction of at least 6 and, under certain conditions, 8 new vessels, of which 5 must be of 16-knot speed. In addition betterments will be required on 17 vessels.

At the close of the fiscal year, the number of ocean mail contracts signed since the passage of the merchant marine act of 1928, stood at 41, with positive or conditional requirements for the construction of 61 new vessels (including 5 completely rebuilt vessels), and betterments or substitutions affecting 35 vessels. The estimated cost of the new vessels was \$283,000,000, and of the betterments \$8,000,000. The three contracts in process of award at the close of the year will bring these totals to 69 new vessels, to cost about \$300,000,000, and 52 vessels on which betterments are to be made (or substitutions effected), costing about \$12,000,000.

### Intercoastal Carriers.

Increasingly unsatisfying conditions in the intercoastal trade reached a climax on February 13, 1931, when the United States Intercoastal Conference was disbanded. Following this development, the rate structure became badly demoralized.

In an effort to bring about stable conditions in this trade, the Shipping Board on June 15, 1931, conferred with representatives of 17 leading intercoastal carriers, upon which occasion a committee of operators was appointed to prepare plans for a new conference. Three members of the board were designated to serve as advisors to the committee.

At this writing it is too early to forecast the result of these efforts further than to say that progress has been made looking to the formation of a new conference. It is to be noted, of course, that these efforts of the board were not in the exercise of any regulatory authority vested in it; and it is believed that until additional regulatory authority, particularly as to prescription of minimum rates, is given by Congress the efforts of the board in this and other similar connections will not be productive of any lasting benefit either to the carriers or to the shipping public.

### Shipping Finance.

The Shipping Board has taken an active interest in the finances of American shipping companies, and searching inquiry has been made as to means employed by owners of established shipping lines in foreign trade for the perpetuation of such services through the establishment of replacement funds or other means.

A careful analysis is being made of the financial statements of shipping companies, with a view to developing reliable data as to the financial status of shipping as an industry. In this study, the board is receiving the cooperation of the American Steamship Owners' Association.

### Insurance Fund.

The Shipping Board's insurance fund has continued to insure privately owned ships in which it has an equitable interest and it has also placed its own ships in the board's insurance fund on a commercial basis. At the same time effort is being made to encourage the American marine insurance market by inducing owners to place with the American Marine Insurance Syndicates such of their business as is not eligible for the board's insurance fund.

### Safety Requirements and Load Lines.

Neither the Safety Convention, 1929, nor the Load Line Convention, 1930, is as yet in effect internationally. Ratification of the Load Line Convention has been assented to by the United States Senate; ratification of the Safety Convention is still pending.



Legislation has been passed in Canada authorizing ratification and bringing both conventions into effect on a date to be fixed by the governor in council. Similar legislation covering both conventions is pending in Great Britain. Denmark has completed ratification of both conventions. The Netherlands has completed ratification of the safety convention. Load lines in accordance with the convention are now assigned by Danish authorities upon request by the owner. Parts of the load line convention have been adopted in Germany. New construction in the United States embodies safety provisions generally in excess of the requirements of the safety convention.

There is every prospect that both the safety convention and the load line convention will come into effect as between the principal maritime countries within the year ending July 1, 1932. Shipping will then enjoy the advantage of improved regulations internationally uniform for safety of life and property at sea. The Canadian act of ratification provides that ships of a country that has not ratified the safety convention, or has not ratified the load line convention, may not proceed to sea from a Canadian port until the Government requirements have been complied with, or may proceed without passengers and with a limited cargo upon the issuance of a certificate of Canadian inspection, showing the hull, boilers, machinery, and equipment in good order and sufficient for the voyage intended.

#### **Fourth National Conference on the Merchant Marine.**

The fourth national conference on the merchant marine, held under Shipping Board auspices on January 21 and 22, 1931, in Washington, D. C., was attended by a large number of steamship men, shipbuilders, delegates from trade and traffic organizations, and others interested in the development of the merchant marine and American foreign trade. Ways and means of increasing the patronage of American ships was the outstanding subject discussed. Since the inception of these national conferences in 1928, their usefulness has become more and more apparent. The spirit of solidarity and cooperation developed at the meetings has proved of the greatest benefit to all concerned, not only in composing differences of viewpoint but in the more tangible results achieved through discussion of proposed legislation and other ways and means of strengthening our commercial position at sea. One of the constructive actions of the fourth national conference was the authorization of the appointment of a national standing committee on the merchant marine "to take such initial steps as might be necessary to carry into effect the resolutions adopted by the conference, to decide upon the merits of the recommendations contained in the various addresses, to follow

up those that are deemed meritorious, and to make a report of its work to the fifth national conference."

#### Recommendations.

The shipping act of 1916 directs the Shipping Board to include in its annual report its recommendations to Congress. The following recommendations are therefore submitted for consideration in connection with further measures which may be taken to build up and maintain the American merchant marine:

Legislation should be enacted providing for the award of ocean mail contracts to purchasers of Shipping Board services, substantially along the lines of H. R. 9592, Seventy-first Congress.

Legislation should be enacted providing that ocean mail contracts shall not be awarded to American lines operating foreign-flag ships in competition with American flag ships, substantially as provided in H. R. 8361, Seventy-first Congress.

Section 409 (b) of the merchant marine act of 1928 should be amended so as to authorize higher rates of pay than now provided for mail-carrying vessels whose speed is in excess of 24 knots. Mail pay for this class of ships should be commensurate with the increased differential in cost of operating vessels of the higher speeds.

Provision should be made for tax exemption on American vessels operating in foreign trade, including a provision whereby deductions shall be allowed from taxable incomes derived from operating profits to the extent that such profits are devoted to new ship construction in American yards.

Legislation should be enacted looking to the transfer to privately owned American shipping interests of the peace-time business now handled by Army and Navy transports and by the vessels owned and chartered by the Panama Railroad Steamship Line.

Funds should be appropriated to carry into effect the act of Congress approved February 23, 1925, providing for the creation of a naval reserve.

Some form of Government aid should be provided for American cargo ships not benefited by mail contracts, in order to lower the operating differential which now handicaps these vessels in competing with ships owned and operated by foreigners.

Proposals have frequently been made to establish "free ports" or foreign trade zones in ports of the United States, and several bills to that end have been introduced in Congress. In view of differences of opinion as to whether or not the establishment of these zones would benefit American shipping, it might well be considered whether their establishment in this country, if sanctioned by Congress, should not first be undertaken on a limited scale under direct authority of the Federal Government.

It is recommended that the limitation of \$185,000,000 on the amount of construction loans as prescribed in the independent offices appropriation act, fiscal year 1932, page 21, be removed, and that the Shipping Board be authorized to enter into contracts to make loans up to the ultimate amount of the fund, namely, \$250,000,000, the board, however, not to obligate itself to make actual disbursements of money in excess of the available cash balance standing at the time to the credit of said fund.

It is recommended that section 11 (a) merchant marine act, 1920, be further amended to provide that the contributions to the construction loan fund by the

United States Shipping Board be permitted to continue until such sums, plus appropriations by Congress, reach the maximum of \$250,000,000 provided by section 202 (b), merchant marine act of 1928.

Changes should be made in the present laws relating to the division of damages in cases of collisions of vessels at sea, to conform to the proposals of the International Marine Convention of 1910. These changes should be brought about by legislation rather than by treaty.

Recommendation is made that legislation looking to the adoption of The Hague rules, substantially as provided in H. R. 3830, Seventy-first Congress, should be enacted at an early date.

The International Convention for Safety of Life at Sea, signed in London on May 31, 1929, by delegates from 18 governments, including the Government of the United States, should be ratified and given full effect by Congress.

The coastwise laws should be amended so as to make it unlawful for ships of foreign flag to engage in so-called "voyages to nowhere"—voyages originating at ports of the United States and terminating at the same place of embarkation, without touching at a foreign port.

Legislation should be enacted to provide for additional regulatory authority over common carriers by water. Particularly is such legislation needed as respects jurisdiction over minimum rates, and as respects restriction of operation of common carrier services by industries or by industrially owned or controlled organizations.

The depression in international trade, continuing throughout the fiscal year, has been marked by a general falling off in operating revenues, an increase in the number of idle ships, and severe unemployment among sea personnel. Due to decreased freight offerings and lowered rates, world shipping generally has experienced difficulty in earning enough to cover current operating expenses let alone interest and depreciation. This condition has accentuated the fact that normal depreciation in recent years has become accelerated by rapid advances in naval architecture and marine engineering, coupled with the growing demand for speed.

The American merchant marine, now the second largest in the world, though youngest among all the great maritime fleets, has, in common with its competitors, felt the depression severely. Some of the lines purchased from the board have with difficulty met their payments, and others have applied to the board for extension of their obligations.

Acting under the broad powers derived from the merchant marine acts of 1920 and 1928, the board has adopted a liberal policy in dealing with these debtors, to the end that any temporary difficulties in which purchasers of Shipping Board lines may find themselves because of the slump in international trade will not prove a bar to continuance of operations. The board believes that treatment of these cases in the most sympathetic and helpful way is clearly a part of its duty of building up and maintaining an adequate merchant marine under private American ownership.

For our new and growing merchant marine the depression has not been entirely without its advantages, in that it has served to enforce the utmost economy on the part of owners, operators, and shipbuilders. Fuel and repair bills, purchase and expenditure of supplies and stores, shore establishments and overhead items generally, have all been scrutinized as never before. The subject of personnel, afloat and ashore, has received more careful attention. Lowered costs of material and an abundant labor supply have tended to simplify construction problems. Intensive advertising and promotional campaigns have been launched to secure additional patronage.

While these beneficial results are doubtless also accruing, to a greater or less extent, to our foreign competitors (and therefore should be discounted in any effect they may seem to have on operating differentials), they are obviously of peculiar advantage to a merchant marine as new as ours. Enforced lessons of thrift and added incentives for efficiency should in some measure make up for lack of entrenchment, at present our greatest handicap.

From what has been said, it is clear that ways and means of securing additional patronage for American ships is the chief problem now facing the merchant marine. The situation is peculiar, in that American exports and imports already move overseas in sufficient volume to afford adequate cargoes for every American ship now engaged in international trade. At present, however, the greater portion of this business is handled in foreign bottoms. The problem involves changed routings, rather than the development of additional business. Its solution will be brought about when American shippers and travelers are persuaded to give a reasonable share of their business to ships flying the American flag.

In the following pages will be found detailed reports, covering the fiscal year 1931, of the seven bureaus constituting the Shipping Board, and also the report of the United States Shipping Board Merchant Fleet Corporation.

#### BUREAU OF TRAFFIC

The work of the Bureau of Traffic is confined almost exclusively to matters affecting the operation and development of the private American merchant marine. These activities are, for the most part, pursuant to the following express provisions of law: Section 26 of the shipping act, 1916, and section 19 of the merchant marine act, 1920, in so far as they relate to the investigation of discriminatory laws, rules, and regulations of foreign governments and unfair foreign competition; sections 21 and 27 of the merchant marine act, 1920, involving the coastwise laws; section 7 of the merchant marine act, 1920, involving the study of trade routes and related matters, includ-

ing the study of competitive conditions between foreign and American vessels in foreign trade, and between American vessels in the intercoastal and coastwise trades; section 8 of the merchant marine act, 1920, with special reference to the economic factors involved in competition between the various ports and between rail and water coastwise and intercoastal transportation, including a study of the movement of commerce to the end that exports and imports should move through ports naturally entitled thereto. This also involves a study of pertinent proceedings before the Interstate Commerce Commission and in some instances active participation therein. A more detailed statement of the activities of the bureau during the fiscal year is set forth as follows:

#### **International Items.**

A number of items involving conditions unfavorable to our shipping in the foreign trade were the subject of investigation and action by the bureau. In those cases involving foreign laws, rules, or regulations we have had the uniform cooperation of the Department of State. The following items are reported, some as new matters and others involving further action on matters included in our last annual report:

*Belgium.*—Some time ago negotiations were undertaken by our State Department with the Belgian Government with a view to a reciprocal agreement exempting steamship owners from double income tax on shipping profits. The bureau has followed this matter, and in reply to a recent inquiry the State Department advises that, due to the passage of a law by the Belgian Parliament at its last session, the Belgian Government is now prepared to effect a settlement of this question by an exchange of notes. We are awaiting further word from the State Department that the agreement has been concluded.

*Irish Free State.*—Advices have also been received from the State Department that the Government of the Irish Free State is now prepared to conclude an agreement for reciprocal exemption from income taxes on shipping profits along lines similar to the agreement concluded between the United States and Great Britain and Northern Ireland by an exchange of notes in 1924 and 1925. We are awaiting receipt of further advices that the agreement has been successfully concluded.

*Brazil.*—A decree of the Brazilian Government, No. 19682, dated February 9, 1931, provides for numerous preferences for vessels of the Lloyd-Brasileiro Line. Article 7 of that decree provides a 50 per cent reduction in the cost of visas of bills of lading and consular invoices of merchandise shipped by Lloyd-Brasileiro vessels. The vessels of the Lloyd-Brasileiro Line are in direct competition with

the vessels of several American-flag lines, both private and Government owned, and the competitive advantage given the Lloyd-Brasileiro Line by the provisions of the decree referred to is a direct discrimination against American-flag vessels operating in the Brazilian trade. This matter has been presented to the State Department, and by direction of that department informal representations have been made to the Brazilian Government, but without any favorable results. The Brazilian Foreign Office holds that the measure in question is simply in the nature of a subsidy to the Lloyd-Brasileiro Line, which is almost wholly Government owned, and that no discrimination is created in favor of Brazilian-flag vessels. We have requested the State Department to make further representations to the Brazilian Government in regard to this matter, pointing out that the favor granted by the decree is to shippers by vessels of the Lloyd-Brasileiro Line, and therefore can not be classified as a straight subsidy to the steamship line. The bureau is proceeding with an investigation of the matter with a view to obtaining information showing, if possible, to what extent the favor granted shippers of the Lloyd-Brasileiro Line has affected the amount of cargo carried from the United States to Brazil by American-flag vessels. It is significant that for the period February 1, 1931, to April 30, 1931, the amount of export cargo from the United States to Brazil carried by Lloyd-Brasileiro vessels increased by approximately 33½ per cent over the amount of export cargo carried for the period November 1, 1930, to January 31, 1931, and, furthermore, the amount of such cargo carried in the vessels of this Brazilian line for the latest period was only about 2,500 tons less than the total export cargo carried in the vessels of seven American lines. We are firmly convinced that the measure in question is unfair discrimination against American-flag vessels, and every effort will be made to obtain a modification of the decree.

*Chile.*—Early in the fiscal year a communication was received from the State Department calling attention to new pilotage regulations issued by the Minister of Marine of the Chilean Government, which granted Chilean vessels a preference in regard to pilotage dues or charges and, therefore, imposed a burden upon vessels of the United States operating to Chilean ports contrary to treatment accorded Chilean vessels in United States ports. Representations were made by our State Department to the Chilean Government suggesting the modification of the Chilean regulations in such a way as to reestablish equality of treatment between American and Chilean vessels, and calling the attention of the Chilean Government to the fact that the Federal Government of the United States has not legislated on the subject of pilotage fees for vessels in international

trade, but that State pilotage associations charging such fees do not discriminate against any vessel because of her nationality, American and foreign vessels paying pilotage on the same basis and at the same rate. Representations were also made by other foreign governments which were likewise affected by the Chilean regulations. A communication from the State Department dated January 20, 1931, transmitted copy of a note dated December 26, 1930, received by the American Embassy at Santiago from the Chilean foreign office in which it was stated that the regulations would be modified in such a manner that foreign vessels would enjoy in Chilean ports the same treatment and charges which are accorded and applied to national vessels. The bureau has received through the State Department a copy of the modified regulations issued by the Chilean Government.

*Cuba.*—(a) Advices having been received that there was again pending before the Cuban legislature a bill providing for substantial reduction of tonnage dues on vessels engaged in tourist trade which do not load or unload any merchandise during their stay in Cuban ports, the bureau addressed a communication to the State Department calling attention to the fact that American-flag vessels are engaged in regular service between the United States and Cuban ports throughout the year; that these vessels are principally of the cargo, and passenger and cargo types, and, therefore, would not come within the provisions of the proposed law. 'On the other hand, it is significant that the large vessels of the Cunard Line (British), which are being withdrawn from their usual service in the North Atlantic and placed in the passenger carrying trade between the United States and Cuba during the profitable winter season, would receive the benefit of the reduction in tonnage dues under the proposed law, thus giving them a distinct competitive advantage over American-flag vessels which must bear the burden of the year-round service. We further stated that the adoption of the proposed legislation would be an unfair and unjust discrimination against American-flag vessels which are engaged in a bona fide effort to build up trade and commerce between the United States and Cuba. We are advised by the State Department that there is very little chance of the proposed measure being enacted into law, but that, in the event it should be revived, the attention of the appropriate authorities will be invited to its discriminatory features.

(b) In presenting to the State Department the matter referred to in item (a) above we also called attention to the fact that, under existing law, Cuban vessels entering Cuban ports are assessed only half the amount of tonnage dues assessed against all other vessels, whereas in ports of the United States no preference is accorded

American-flag vessels. In view of the apparent disposition of the Cuban Government to extend the discrimination in the matter of tonnage taxes, as evidenced by the proposed measure referred to in item (a) above, we expressed the thought that the existing lack of reciprocity in the treatment of American vessels in Cuban ports should also be made the subject of representations to the Cuban Government. There is practically no competition between American and Cuban vessels, and while the principle of reciprocity is violated, the question of unfair competition as a result of the discrimination is not of importance. Under all the circumstances, we are in agreement with the State Department that no good purpose would be served by further pressing the matter at this time.

*France.*—In the last annual report (p. 11) reference was made to a complaint received from the American Bureau of Shipping relative to requirements made by French inspectors at Marseilles directing that changes be made in the gear for handling safety valves on the boilers of the steamship *President Fillmore* before the vessel called again at Marseilles. Through the cooperation of the State Department assurances were received from the French authorities that the vessel would not be subjected to the requirements in question. As stated in the previous report, the French foreign office has agreed that no difficulty would be experienced by American ships calling at French ports "until an agreement concerning the equivalence of navigation certificates is concluded between the French and American Governments." The conclusion of such agreement, we understand, is delayed pending ratification of the International Convention for Safety of Life at Sea.

*Italy.*—(a) In the last annual report (p. 11) we referred to negotiations pending between Italy and the United States for the mutual recognition of the inspection laws of the two countries. We are now advised by the State Department that after thorough investigation of Italian rules and regulations on the subject, advices have been sent to the Italian Government to the effect that the United States is ready to conclude the agreement provided a reservation proposed by Italy as to Italian immigrant vessels is eliminated.

(b) During the last fiscal year our attention was invited to another instance of Italian activity designed to extend the ocean transportation facilities of that country. The president of one of our American lines operating to Italy forwarded us a copy of a letter received from their Genoa office, dated May 13, 1931, from which it appears that recently the Italian press has been filled with long articles urging all loyal citizens to prefer Italian lines in all instances, and calling attention many times to the frequency of calls of the vessels of the American line referred to and the amount of cargo carried by them. The letter further states that this is becoming a



very serious handicap and is making it rather difficult to obtain cargoes for American-flag vessels. We have requested the Department of State to investigate the matter, and if unfair methods are being used to deprive American-flag vessels of their rightful share of this trade that prompt steps be taken to remedy the situation. As stated in a previous case of this nature, referred to in the board's thirteenth annual report (p. 12), we feel that the vessels of both countries have substantially equal rights in this transportation and, therefore, if the vessels of the United States are conceded the right to the transportation of at least 50 per cent of the commerce between the two countries we think no ground for complaint exists. In the present case, however, the agitation seems to be directed specifically and without limit to the business obtained by the vessels of the American line above referred to.

*Poland.*—The attention of the board was directed to a decree of the President of the Republic of Poland dated November 29, 1930, effective January 1, 1931, whereby only those transportation companies which maintain a direct passenger service from a Polish port to a port in the United States or in Canada will be permitted to carry Polish emigrants to the latter two countries. We learned through correspondence with the State Department that protests against this measure have been filed with the Polish Government by the French, British, Belgian, and Danish Legations, and the Netherlands Legation requested postponement of the effective date of the decree. The decree in question will undoubtedly result in financial loss to the operators of American-flag vessels. A statement received from one American line which has submitted a protest to the State Department shows quite a substantial revenue from their Warsaw office during the years 1926–1930, inclusive. While it is probably true that the purpose of the decree is to confer on the Polish Transatlantic Line a virtual monopoly for the carrying of emigrants to the American continent, we have been unable to construe it as flag discrimination and, in so far as we have been advised, there is no breach of existing treaty or agreement between Poland and the United States. We feel, however, that the action of the Polish Government is rather drastic, particularly in view of the fact that similar restrictions are not imposed by the United States and, although there is apparently no legal basis for protest, we have suggested to the State Department that principles of equity seem to be sufficiently strong in this case to justify representations being made to the Polish Government, particularly when it is remembered that we are dealing with Polish emigrants to the United States.

Pursuant to the suggestion, we are advised by the State Department that the American Embassy at Warsaw has been instructed to bring to the attention of the Polish Government the injurious effect

that the decree will have upon American companies engaged in transportation of Polish emigrants to points in the United States, and to express the hope that in consideration of the circumstances, the Polish authorities will take such action as will be necessary to permit those companies to continue to participate in the traffic.

*Portugal.*—Reference was made in the last annual report (p. 12) to an item involving the effect on American vessels in Portuguese ports of a decree of the Portuguese Government, No. 15658, dated June 29, 1928, which refers to the Portuguese harbor master supervision, control, and clearance of any vessel which has sustained damage, and intrusts to him any survey of the vessel seeming to him to be necessary. Protest was duly filed by the Department of State based on the prejudice to vessels classified by duly authorized societies and the subordination of the authority of our consular officers in the survey of American ships to Portuguese officials. The British Government had previously filed a similar protest. As stated in our last annual report, an unsatisfactory reply was received from the Portuguese foreign office and the matter was given further attention. From statements set forth in the Portuguese reply, there would appear to be some question on the part of Portuguese officials concerning the responsibilities of surveyors of the American Bureau of Shipping, and this possibly explains the somewhat evasive response to the direct inquiry made by the American minister, i. e., whether certificates of seaworthiness issued by the American Bureau of Shipping are accorded the same recognition as similar certificates issued by other recognized classification societies. In order that the Portuguese officials might be fully informed on the subject and with a view to obtaining a definite and satisfactory answer to the request for equal recognition, the State Department, at our request, forwarded to the American minister, for delivery to the Portuguese foreign office, a copy of the original instructions issued by the American Bureau of Shipping to its representatives at the port of Lisbon, together with a copy of the rules and regulations of the American bureau referred to in such instructions. Further advices from the American minister are to the effect that there have been no further developments in the matter and that negotiations are proceeding in London between the British Foreign Office and the Portuguese Embassy for the purpose of reaching an agreement on the mutual recognition of the certificates of seaworthiness, which negotiations cover the question of the grant of clearance to damaged ships. It is our intention to follow this matter and endeavor to secure definite assurances from the Portuguese Government that the principle of equality of treatment, for which the board is endeavoring to gain general recognition, will be fully conceded in this instance.

*Rumania.*—Advices were received that the municipality of Constantza, Rumania, from 1923 to 1925, levied a tax of 5 per cent on necessities of life, provisions, etc., including provisions accounts of all foreign vessels at that port, and that from 1925 to January 1, 1931, this tax was assessed at the rate of 20 per cent. It appears that the tax was originally conferred by the Rumanian State on the municipality of Constantza by a special law up to 1925, but that subsequent to 1925 the collection of the tax was regarded as illegal. According to our information, certain German interests protested against the further collection of this tax, filing claim for a refund of amounts paid since 1925, and as a result thereof, the tax was to be abolished, effective January 1, 1931. The matter of refund, we understand, is being handled by the German representative in Bucharest. We communicated with one American line which operates to Rumania, directing their attention to the matter and suggesting that, if their vessels had been subjected to the tax in question, immediate steps should be taken to apply for a refund. It developed that vessels of this line had paid taxes during the period 1925-1930, and they were advised to prepare a statement of claim with supporting data and be prepared to file the same with the State Department in the event claims already filed should be favorably acted upon.

*Sweden.*—The attention of the board was directed to certain alleged discriminations against American vessels in Swedish ports, resulting from the practice of the Swedish Government in assessing tonnage taxes upon American vessels based on a net register tonnage approximately one-third greater than the net register tonnage of these vessels as recognized and approved by our Department of Commerce. The excess taxes payable under the Swedish measurement system amount to a considerable item in the operation of these vessels, and the board has been requested to render all possible assistance in the matter.

As the State Department had previously been requested by the American company involved to take proper steps to have the alleged discrimination abolished, we communicated with that department to ascertain the status of the matter, and also what effect, if any, present or proposed treaty relations with Sweden may have upon the question presented. The State Department replied to this request and transmitted copy of a dispatch from the American Legation at Stockholm from which it appears that in the absence of any agreement to the contrary, United States vessels entering Swedish ports are subject to port charges based upon tonnage measurements under Swedish rules of measurement, which rules apply alike to Swedish and foreign vessels; that Swedish vessels entering United States ports are subject to port charges based upon tonnage measurements

under the so-called British rules; that, while the Swedish rules give a higher net register tonnage than do the British rules, accepted in the United States and elsewhere, vessels of all nationalities entering Swedish ports must either be remeasured according to Swedish rules and pay dues on the resulting net register tonnage or may have the Swedish tonnage noted in an appendix to their national certificate of register, in which case the appendix tonnage will be accepted and used for the calculation of dues. It would appear, therefore, that there is no discrimination against American vessels in Swedish ports inasmuch as all vessels receive the same treatment. We understand that the conclusion of a commercial treaty with Sweden has been the subject of some negotiations, and it is likely that under the provisions of such a treaty discrepancies between the method of assessment of tonnage dues in Swedish and American ports may be eliminated.

#### Competitive Discrimination.

(a) *Australian tariff regulations.*—An artificial rule prescribed by Australia for assessing duties on imports into that country which has caused the diversion of a large part of our exports through Canadian ports to the great prejudice of American railroads, American ports, and American vessels has been referred to in detail in previous annual reports. A detailed explanation of this matter is contained in these previous annual reports and in a separate report of the Shipping Board sent to Congress on January 29, 1929, in response to Senate Resolution 220. All efforts to eliminate this discrimination through the intervention of the Department of State have been unsuccessful, and appropriate legislation is necessary. A bill (H. R. 12043) was introduced in the first session of the Seventieth Congress, the second section of which bill was designed to meet the situation here complained of, but no action was taken thereon and no further legislation on the subject was introduced in the Seventy-first Congress. We are hopeful that, based on the data submitted to Congress pursuant to Senate Resolution 220, the item will receive attention during the session commencing in December.

(b) *Canadian preferential tariff.*—This item has also been covered in previous annual reports and is again referred to herein as a matter in which the bureau has continued its investigations in line with the conclusions set forth in the separate report of the board to Congress in response to Senate Resolution 220. The Canadian preferential tariff is applied only when the commodities subject to that tariff are imported through Canadian sea or river ports, so that if imported via a United States port and thence shipped by rail into Canada such imports, though otherwise eligible to the lower preferential rate, would not receive it. This has resulted in quite a reduction in

the quantity of imports into Canada via United States ports. A bill (H. R. 10128) entitled "A bill to prevent discriminations against American ships and ports, and for other purposes," was introduced in the Seventy-first Congress. This bill provided for a special tax or duty of 10 per cent of the value of articles imported into the United States through a contiguous country, with further provisions for suspension of the tax, upon proclamation by the President, in the case of any contiguous country which extends reciprocal privileges in the matter of imports into that country through the United States. The Seventy-first Congress adjourned without taking action on this bill, and in view of the fact that there has been no change in the situation complained of, we are hopeful that the item will receive attention during the session of Congress commencing in December.

#### Unfair Foreign Competition.

(a) *Apple imports to South America.*—On page 13 of the last annual report we referred to a complaint made to the board in regard to the practice of foreign steamship companies soliciting freight as common carriers out of United States ports while at the same time buying and shipping merchandise for their own account, with particular reference to apple exports to South America. The complainant requested the board to recommend to Congress the adoption of legislation in the nature of a commodity clause as an amendment to the shipping act, which would prohibit the practices complained of. As heretofore reported, a bill (S. 4571) entitled "A bill to amend section 14 of the shipping act, 1916, as amended," was introduced in the Senate on May 23, 1930. This bill was designed to meet the situation complained of to the extent of perishable agricultural commodities. The Senate Committee on Commerce, to which the bill was referred, requested the board to submit a report touching the merits of the bill and the propriety of its passage. The acting chairman of the Committee on Merchant Marine and Fisheries of the House of Representatives also requested the board to make a thorough investigation to ascertain whether unfair practices in the respects complained of are carried on, by whom, and to what extent, and what remedies in the circumstances are practicable and feasible, and submit a report thereon to the committee. Pursuant to these requests, a careful investigation was made and a detailed report was approved by the Shipping Board under date of November 21, 1930, and copies thereof forwarded to the chairman of the Merchant Marine and Fisheries Committee of the House and to the chairman of the Committee on Commerce of the Senate as the board's answer to their respective communications. The Seventy-first Congress adjourned without taking further action on this matter.

(b) *Temporary operation of foreign vessels in trade between the United States and Cuba.*—This matter, referred to in previous annual reports, involves unusual competition in the passenger-carrying trade between the United States and Cuba caused by the Cunard Co. placing in that service during the profitable winter season some of its large vessels withdrawn from their usual service in the North Atlantic. A bill was introduced in the Seventy-first Congress (H. R. 10129) entitled "A bill to amend section 14 of the shipping act, 1916, as amended by section 20 of the merchant marine act, 1920," which was designed to extend the definition of "fighting ship" to cover the operations of the Cunard Line or any other foreign company which attempts to operate its vessels for a few months each year in competition with regularly established American lines between the United States and near-by foreign ports, with the object of taking away some of the profitable business and leaving such ports to be served by the American lines during that portion of the year when business is poor and necessarily unprofitable. The Seventy-first Congress adjourned without taking action on this bill, but it is expected that the matter will again receive attention during the next session of Congress, beginning in December.

In our last annual report we also referred to a further bill (H. R. 10127) introduced in the Seventy-first Congress entitled "A bill to amend sections 212 and 231 of the revenue act of 1928, imposing a tax on the income of nonresident aliens derived from the operation of foreign ships in the indirect trade. No action was taken on this bill by the Seventy-first Congress, but it is expected the matter will receive further attention during the next session of Congress, commencing in December.

#### **Coastwise Laws.**

(a) The duties of the board in regard to the coastwise laws of the United States arise under sections 21 and 27 of the merchant marine act, 1920. Under section 21 attention is given to the necessity for periodic extensions excluding the Virgin Islands from the operation of the coastwise laws and also, on the other hand, to preparation of data relative to the extension of the coastwise laws to the Philippine Islands. On July 28, 1930, the President signed a proclamation further extending to September 30, 1931, the period for the establishment of adequate shipping service with, and deferring extension of the coastwise laws of the United States to, the Virgin Islands. Under date of July 21, 1931, the board adopted a resolution certifying to the President of the United States that adequate steamship service under the American flag has not been established between the United States and the Virgin Islands, and

requesting him to issue a proclamation extending the time for the establishment of such service from September 30, 1931, to September 30, 1932, and deferring the time for the extension of the coastwise laws of the United States to such islands from September 30, 1931, to September 30, 1932.

(b) In regard to the question of the extension of the coastwise laws to the Philippine Islands, data was submitted by the board to Congress in connection with the consideration of Senate Resolution 130, a resolution to investigate the policy of extending the coastwise laws to the Philippine Islands, introduced at the first session of the Seventy-first Congress. Hearings were held before a subcommittee of the Senate Committee on Commerce, but no further action was taken by that Congress.

(c) Under section 27 of the merchant marine act, 1920, the work relates generally to the protection of American shipping against violations of our coastwise laws by foreign vessels. Reference was made in the last annual report (p. 15) to an item involving possible violations of our coastwise laws in connection with the transportation to the United States of fish originating in Alaskan waters, the transportation from Prince Rupert to Vancouver, British Columbia, being made in Canadian vessels. After careful consideration of the matter, it was decided to take no further action at this time in connection with the possible violation of section 27 of the merchant marine act, 1920, by the transportation referred to. Under the Canadian coastwise laws American vessels could not engage in trade between Canadian ports, and it would seem, therefore, that no good purpose would be served in attempting to have the transportation in Canadian vessels between Prince Rupert and Vancouver of Alaskan fish destined to the United States declared a violation of our coastwise laws. From our investigation of this matter, however, it would seem that a more important question is involved. This concerns the Canadian customs ruling, that American vessels can not carry bonded freight from a Canadian port to an American port. It appears that an American fishing company at Prince Rupert, an extensive operator of fishing vessels in Alaskan waters, is interested in distributing its product in part to western points in the United States, and is in a position to carry on its own vessels from Prince Rupert to Seattle all fish landed at Prince Rupert by its own vessels as well as fish purchased from other vessels. Attempts by this company, also by American common carriers trading between United States, British Columbia, and Alaskan ports, to secure permission of Canadian authorities to route their fish from Prince Rupert to Seattle for western United States markets, by American-flag vessels, have been denied under the rulings above referred to. Under our own customs procedure, a shipment of goods from a foreign country destined to

Canada via a United States port, could be transshipped from a United States port to a Canadian port in a foreign-flag vessel. Such transshipment may involve bonded warehouse procedure at the port of entry, but the water carrier outbound does not have to be bonded. It is clear, therefore, that under the interpretations placed upon Orders in Council by Canadian customs authorities, the same equality of treatment is not accorded American-flag vessels. It appears that the handling of the products of American fisheries is largely responsible for the present development of Prince Rupert, whereas it would seem that this industrial development rightfully belongs to Alaskan ports, but as our tariff laws permit free entry of Alaskan fish via Canada, the handling of fish products is now the principal industrial activity of the port of Prince Rupert. Approximately two-thirds of the halibut caught by American vessels in Alaskan waters and waters adjacent thereto have for many years been landed at Prince Rupert.

We have requested the cooperation of the State Department in an effort to secure equal treatment of American-flag vessels in connection with transshipment of Alaskan products from Canadian ports to the United States.

(d) Another item involving possible violation of our coastwise laws was made the subject of investigation by the bureau and correspondence with the Department of Commerce. The Hamburg-American Line offered a cruise voyage on its steamship *Resolute* from California ports to Europe, the itinerary including visits at Panama and Habana and a 2-day stop-over in New York, in which latter port it was stated the vessel could be used as a hotel. The *Resolute* on arrival at New York from California on this advertised cruise voyage completed a world cruise which started from New York on January 26, 1931. This vessel is operated in regular trans-Atlantic service from New York to German ports. The bureau was of the opinion that the statute would be violated if passengers boarding the steamship *Resolute* at San Francisco or Los Angeles were accorded stop-over privileges at New York or any other United States port, even though the ultimate destination was to European ports, as the statute prohibits transportation "between ports or places in the United States" and prescribes a penalty of \$200 for each passenger so transported and landed; that the transportation of passengers in this case from San Francisco or Los Angeles to New York on the last leg of a world cruise under the cloak of a cruise voyage from these west coast ports to Europe was an attempt to do by indirection that which is forbidden by law to be done directly.

The Department of Commerce, in reply to our presentation of the matter, stated that should any of the passengers on the *Resolute* leave the vessel at New York and proceed on their voyage on another vessel there would be a violation of law, but that, in their opinion, no



violation was involved under the facts as presented. They further stated that when the *Resolute* arrived at New York precautions would be taken to see that each passenger taken on at a Pacific coast port proceeded on the same vessel from New York to the foreign destination, and that should any remain in New York a penalty would be assessed.

#### Interest in Trade Routes.

Section 7 of the merchant marine act, 1920, directs the board to investigate and determine, from time to time, what lines should be established between United States ports and such world markets as in its judgment are desirable for the promotion, development, expansion, and maintenance of the foreign and coastwise trade of the United States. The policy and primary purpose of this section are expressly reaffirmed by section 704 of the merchant marine act, 1928.

The activities of the board under section 7, consisting of the maintenance and development of definite trade routes with Government vessels, pending their sale to private interests, are set forth in the report of the Merchant Fleet Corporation. The following matters, relating to the establishment and maintenance of privately owned and operated lines received the attention of the board during the fiscal year:

(a) *Dollar Steamship Lines*.—Early in January, 1931, the board's attention was directed to the plans of the Dollar Steamship Lines to extend and expand its present steamship services by the establishment of a new eastbound service from Manila to New York via Chinese and Japanese ports, calling at Honolulu, San Francisco, Los Angeles, and Habana en route, with fortnightly sailings, as the initial step in the ultimate establishment of an eastbound round-the-world service. As these plans developed it appeared that the establishment of such a service would result in increased sailings from New York to the Far East, via Habana, the Panama Canal, Los Angeles, and San Francisco, in addition to the fortnightly sailings in the westbound round-the-world service. The increased westbound service and the newly established eastbound service were formally announced by the company early in February, 1931, as follows:

1. A weekly service from New York to Manila, calling at Habana, Cristobal, Balboa, Los Angeles, San Francisco, Honolulu, Japan ports, Shanghai, Hong Kong, thence Manila.
2. An eastbound fortnightly service from Manila to New York via Hong Kong, Shanghai, Kobe, Yokohama, Honolulu, San Francisco, Los Angeles, Balboa, Cristobal, Habana, thence New York.

The new Manila-New York service was inaugurated by the sailing of the steamship *President Jackson* from Manila on March 28, 1931.

The plans of the company include operation in the new service of the two new vessels, *President Hoover* and *President Coolidge*, built under the construction requirements of mail contract No. 27 for operation on the route from San Francisco, Calif., by Honolulu, Kobe, Shanghai, Manila, and Singapore, to Colombo. Operation of these vessels in the new service required specific approval of the board, under construction loan agreements covering these two new vessels, and upon application of the company, this approval was granted on March 31, 1931.

(b) *Baltimore Mail Line*.—As stated in the last annual report (p. 17), on April 22, 1930, the board formally approved the establishment of a fast freight and passenger service from Baltimore and Hampton Roads to Bremen and Hamburg, with privilege of calling at French Atlantic and Channel ports, and authorized acceptance of offer made by the Roosevelt Steamship Co., on behalf of a corporation to be organized, to purchase five vessels for operation on this route. Formal agreement covering the sale of these vessels was entered into on July 11, 1930, with the Baltimore Mail Steamship Co., of Baltimore, Md., the newly organized corporation, which agreement requires the reconditioning, alteration, and conversion of the vessels into combination passenger, mail, and cargo steamers in a manner suitable for the trade, with the usual guaranty of service for a period of five years. The vessels in question have been undergoing the necessary reconditioning and rebuilding at the yard of the Federal Shipbuilding & Dry Dock Co., Kearney, N. J., and the new service was inaugurated by the sailing of the reconditioned steamship *City of Baltimore* on July 2, 1931. The Baltimore Mail Line will maintain weekly sailings on this route upon completion of the remaining four vessels.

(c) *Pacific Atlantic Line*.—Mention was made in the last annual report (p. 17) of plans for the organization by private capital of the Pacific Atlantic Steamship Co. and the establishment of a regular direct freight service by American-flag vessels between Pacific coast ports of the United States and United Kingdom ports, via the Panama Canal, under the trade name Pacific Atlantic Line. These plans were perfected during the year by the organization of the company named, and the service was inaugurated by the sailing of the steamship *Jefferson Myers* from Los Angeles, the last Pacific coast port of call, on September 1, 1930. The vessels return to North Atlantic ports of the United States, where they load regularly in the westbound intercoastal service of the Quaker Line. The company has five American-flag vessels available for this service, and it is felt that the establishment of this line will enable American-flag vessels to be more adequately represented in this trade.

(d) *Pacific South African Line.*—The board has continued its interest in the operation of the Pacific South African Line by the South African Dispatch Line, of San Francisco, Calif., between the Pacific coast of the United States and the south and southeast coasts of Africa, which route was approved by the board as an essential trade route on January 22, 1929. This line has, during the year, continued its operations with three American-flag vessels allocated to it on a bareboat charter basis, supplemented by foreign-flag sailings when American-flag vessels were not available to meet the needs of the service. Applications have been made for the allocation of additional American-flag vessels for operation on this route, and the board on November 25, 1930, approved the charter on bareboat basis of two additional motor ships when such vessels are available. The cargo movement on this route has greatly increased since the establishment of the service, and it is the aim of the operator to establish an all-American flag service with a minimum of 10 sailings per annum.

(e) *Delta Line.* (formerly Gulf Brazil River Plate Line).—During the fiscal year the trade name of the Gulf Brazil River Plate Line, purchased by the Mississippi Shipping Co., of New Orleans, La., was, with the board's approval, changed to Delta Line. The line originally had been known as the Delta Line, and it was believed that this name had more value as a trade name. Upon application of the owner, the line was also given the privilege of calling at West Indian ports on both outward and inward voyages when cargo bookings warrant, provided that the change in itinerary does not result in a reduction in the number of sailings per annum.

#### Sales of Lines.

*American Brazil Line.*—On September 17, 1930, the board authorized the sale of the American Brazil Line to the Philadelphia Transport & Terminal Corporation, of Philadelphia, Pa., together with three vessels, with a guaranty of service between New York, Philadelphia, Savannah, and/or Jacksonville to ports in Brazil within the Para-Victoria range. The sale, however, was not consummated, due primarily to general economic conditions greatly affecting the plans of the proposed purchaser, and the action of the board authorizing the sale was, on July 1, 1931, rescinded.

*American Hampton Roads Line.*—On September 26, 1930, the board accepted the offer of the Southgate-Nelson Corporation, of Norfolk, Va., on behalf of a corporation to be organized, to purchase the trade name and good will of the American Hampton Roads Line, together with five vessels, for operation, subject to a guaranty of service, between United States North Atlantic ports and the east coast of United Kingdom, excluding New York outbound, and Lon-

don to New York homeward. The contract of sale has not been executed, and the line is still being operated for the account of the board by the Southgate-Nelson Corporation, under the supervision of the Merchant Fleet Corporation, pending the conclusion of negotiations with the Post Office Department regarding a mail contract for this route.

*Mobile Oceanic Line.*—On July 16, 1930, the board authorized the sale to the Waterman Steamship Corporation, of Mobile, Ala., of the trade name and good will of the Mobile Oceanic Line, including 14 vessels, for guaranteed operation between Mobile and other east Gulf ports and the United Kingdom, Ireland, and Continental Europe (Bordeaux and north). The contract of sale has not been executed, pending the conclusion of mail contract negotiations by the Post Office Department, and the line is still being operated for the account of the board by the Waterman Steamship Corporation, under the supervision of the Merchant Fleet Corporation. Certification of the type, size, and speed of vessels required for operation on this route has been forwarded to the Postmaster General, under the provisions of the merchant marine act, 1928.

*American Diamond Line.*—On June 3, 1931, the board approved the sale to the Black Diamond Steamship Corporation, of New York, N. Y., of the trade name and good will of the American Diamond Line, including 12 vessels to be operated in a service from New York and other North Atlantic ports to Rotterdam and Antwerp. The execution of a formal contract of sale and delivery of the vessels thereunder will doubtless be deferred pending conclusion of negotiations by the Post Office Department regarding a mail contract for this route. The line is still being operated for the account of the board by the Black Diamond Steamship Corporation, under the supervision of the Merchant Fleet Corporation. Certification of the type, size, and speed of vessels required for operation on this route has been forwarded to the Postmaster General, under the provisions of the merchant marine act, 1928.

#### **Control of Minimum Intercoastal Rates.**

Reference was made in the board's thirteenth annual report (p. 29) to the question of control and regulation of minimum intercoastal water rates by an appropriate governmental agency. As stated in that report, an investigation was initiated to ascertain the facts and also the attitude and views of the transportation interests involved, resulting in the presentation of a variety of opinions, the recommendations favoring such control being based on alleged uncertainties of permanent cooperation under the conference agreements adopted from time to time.

During the last fiscal year difficulties arose in the Intercoastal Conference, induced by serious differences between the member lines which finally resulted in the complete dissolution of the conference. On two occasions, at the invitation of the Shipping Board, representatives of the various intercoastal lines, conference and nonconference, have met with the board for the purpose of a full and free discussion of the entire situation, which the board was hopeful would pave the way for further conferences between the lines looking to the reestablishment of the Intercoastal Conference with all lines represented. The present depression has resulted in substantial decrease of intercoastal traffic, and since the dissolution of the Intercoastal Conference the various lines have engaged in rate-cutting tactics in order to secure cargo for their vessels. This condition is becoming more and more unsatisfactory, and it is clearly apparent that, unless the water lines are successful in reaching an agreement resulting in stabilization of the rates at an early date, serious consideration must be given the question of the necessity for further appropriate legislation.

In this connection there was introduced by Senator Copeland in the last session of the seventy-first Congress a bill (S. 6234) which proposed to vest the United States Shipping Board with a large measure of control over intercoastal lines and rates. An identical bill (H. R. 17326) was introduced by Representative Gavagan. The seventy-first Congress adjourned without taking action on these bills.

#### **The Hague Rules.**

Reference has been made in previous annual reports to The Hague rules, which have in view the adoption of a uniform bill of lading for ocean transportation in the foreign trade. These rules are the product of an international conference held at Brussels in 1922. The board has been opposed to their adoption as an international agreement and has supported the position that they should be adopted as a part of our commercial laws and thus remain subject to amendment and development at the pleasure of Congress. Proposed legislation embodying these rules in modified form has been introduced in Congress on several occasions, the measure introduced in the Seventy-first Congress (H. R. 3830), entitled "A bill relating to the carriage of goods by sea," having proceeded to the point of a hearing by the House Committee on the Merchant Marine and Fisheries. As stated in our previous annual report, these hearings were not completed, and the Seventy-first Congress adjourned without further action on the bill. The passage of legislation adopting The Hague rules in a modified form would be of advantage to all interests involved, and it is expected that the matter will

receive further consideration during the next session of Congress commencing in December.

#### Development of Ports.

The activities of the bureau of traffic pertaining to matters arising under the provisions of section 8 of the merchant marine act, 1920, have extended to various items pending before the Interstate Commerce Commission, involving matters of special interest to the board because of their relation to ports and water transportation, as follows:

1. In our last annual report (p. 19) we referred to the Southern Pacific Transcontinental cases, fourth section applications Nos. 13638 and 13639, in which the examiner's proposed report recommends that authority be granted the Southern Pacific Railroad under section 4 of the interstate commerce act to establish between New York and Baltimore and California terminals lower rates than apply to or from intermediate points in California, Arizona, New Mexico, and Texas, on practically all cargo traffic competitive with the intercoastal steamship lines operated through the Panama Canal. At the direction of the Shipping Board the bureau filed exceptions to the examiner's proposed report and participated in oral argument thereon before the Interstate Commerce Commission. Briefly stated, the rates proposed by the Southern Pacific lines, and recommended by the commission's examiner, would apply to competitive traffic averaging about 1,500,000 tons a year, practically all of which is now carried by the intercoastal water lines. These proposed rates, which are in many instances less than half of the applicants' present rates, would be less than 10 per cent above the intercoastal water rates, and the examiner further recommended approval of the applicants' request for authority to maintain the proposed differential in case the water rates are changed; that is, the applicants would be able to allow their rates via the Sunset-Gulf Line to rise and fall with those of the intercoastal water lines without the necessity of applying to the commission in each instance where a reduction was desired, with the limitation that not more than a 10 per cent reduction could be made without special relief. Our investigation developed that the diversion from the intercoastal water lines of any substantial part of the traffic involved would be of serious consequence to those lines, whereas, considering the large volume of business handled over the Southern Pacific lines, the additional revenue resulting from what the commission's examiner feels would be a fair share of the traffic, would not appreciably increase the railroad's net earnings, particularly in view of the exceedingly low basis of rates sought to be applied. In fact, as admitted by the examiner, the applicants as a family have been doing very well without this traffic. The traffic

carried by the intercoastal water lines is drawn principally from the two coasts and to a certain extent inland from the eastern seaboard, while the applicants' lines serve a large portion of the interior country in addition to the large volume of water-borne traffic between the Atlantic and Gulf ports served by its water carrier known as the Morgan Line.

The Interstate Commerce Commission has not yet rendered a decision in this case.

In this connection several bills were introduced in the Seventy-first Congress which, in general, provided for amendments to section 4 of the interstate commerce act to prohibit the granting of fourth section relief by the Interstate Commerce Commission on account of water competition through the Panama Canal. In the case of Senate bill 563 hearings were held before a subcommittee of the Senate Committee on Interstate Commerce, but no report was submitted.

2. In the matter of fourth section applications No. 2040 et al. (referred to at p. 21 of our last annual report) rail carriers serving South Atlantic and Gulf ports requested relief from the provisions of the fourth section of the interstate commerce act in connection with import and export rates between those ports and central and western trunk line territories, on a basis that would enable them to compete with rail carriers serving North Atlantic ports. The examiner's proposed report recommended the grant of fourth section relief, but limited the rates to a scale not less than 75 per cent of the domestic rates. At the direction of the Shipping Board, notice of intervention was filed on behalf of the Merchant Fleet Corporation and a statement was submitted at the oral argument before the Interstate Commerce Commission setting forth the position of the Fleet Corporation with reference to the steamship lines established by the board and operated through the agency of the Fleet Corporation, and with particular reference to the lines operated out of Gulf and South Atlantic ports. As to these services, it was stated that participation in the movement of the competitive export and import traffic involved has been of considerable help in building them up to a point where they can eventually be sold to private operators, and the hope was expressed that a permanent adjustment of the rates might be devised whereby those lines may continue to participate in a reasonable measure in the movement of the traffic involved. Decision was rendered by the Interstate Commerce Commission under date of December 2, 1930, granting the rail carriers' applications, with the proviso that the export and import rates should not be less than 65 per cent of the domestic rates between the points involved. It is doubtful whether this limitation will permit any substantial quantity of exports and imports from and to the central and western sections involved to flow through South Atlantic and Gulf ports.

The effective date of the commission's order in this case has been postponed to December 3, 1931.

3. In the Pacific coast fourth-section cases, Nos. 13457 et al., the Interstate Commerce Commission (Division 3) rendered a decision under date of July 10, 1930, granting the Pacific coast railroads enlarged fourth-section relief, under which decision the railroad companies are permitted to establish and maintain class and commodity rates on cargo moving between San Diego, Los Angeles Harbor, and San Francisco Bay ports on the one hand and North Pacific ports on the other, as low as 50 per cent of the rates between intermediate points, with the privilege of making further reductions to meet any reductions in water rates, subject to certain minimum limitations as to ton-mile or car-mile revenue, based on carload minimum weights; but if the water rates should be increased the rail lines are not required to increase their rates.

Practically all of the coastwise business carried by the Pacific coast steamship companies is involved in these cases, and these steamship companies would be seriously affected by the loss of any considerable portion of this traffic. If the approved rates are allowed to become effective, the rail lines will be in a position to practically parallel the rate structure of the water lines. Furthermore, the decision of the commission, in effect, results in freezing the rate structure of the coastwise water lines, as any decrease in the water rates would be immediately followed by corresponding decreases in the rail rates, and any increases would not have to be met by the rail lines, so that the water lines could never look forward to the opportunity of increasing their rates.

A petition for reopening of cause and reargument before the full commission has been filed by the steamship companies involved, supported by some of the port interests. The bureau has made a careful investigation of the issues involved in these cases, and pursuant to its recommendation the Shipping Board adopted a resolution indorsing the petition of the steamship lines for reopening and reargument and directing the bureau to intervene in support of the application and, if the case is reopened, to participate in the further hearings or arguments.

#### BUREAU OF REGULATION

In furtherance of the performance of the major duties devolving upon it in the discharge of the regulatory functions prescribed by the shipping act, 1916, and the merchant marine act of 1920, the bureau continued throughout the year the ascertainment of the status of carriers by water engaged in the interstate and foreign commerce of the United States and of persons carrying on the business of forwarding and furnishing wharfage, dock, warehouse, or other termi-



nal facilities in connection with a common carrier by water. As of June 30, 1931, the bureau's classification of such carriers and persons is as follows:

1. Interstate carriers on rivers and canals.....	56
2. Towing, lighterage, or ferriage services.....	307
3. Interstate water carriers within purview of sec. 5 of interstate commerce act.....	21
4. Carriers by water engaged in proprietary service.....	212
5. Interstate carriers on high seas or Great Lakes (exclusive of classes 1, 2, 3, and 4).....	164
6. Carriers engaged in foreign commerce of the United States in tramp service.....	201
7. Carriers operating in foreign commerce of the United States (exclusive of classes 2, 4, and 6).....	253
8. Forwarders, wharfingers, warehousemen, and others furnishing terminal facilities in connection with common carriers by water.....	237

By reference to classes 5, 7, and 8, it will be noted that 164 interstate carriers, 253 carriers in foreign commerce and 237 forwarders and other persons are by the bureau's record shown to be subject to regulatory provisions of the shipping act and merchant marine act.

The major activities of the bureau during the year were five in number, viz., (1) formal complaint investigations, (2) informal complaint docket, (3) section 15 agreements, (4) interstate tariffs, and (5) special administrative inquiries. A summary statement of each follows:

#### Formal Complaint Investigations.

Section 22 of the shipping act provides that sworn complaint of any violation of that act by a common carrier or other person subject thereto may be filed with the board by any person, and that reparation for any injury caused thereby may be sought. If the complaint is not satisfied, the board is by the statute authorized to investigate it in such manner and by such means and to make such order as it deems proper. Section 22 further provides for investigations by the board upon its own initiative concerning any violations of the regulatory provisions of the statute.

During the year covered by this report 17 of such formal complaint and formal initiatory investigations were conducted by the bureau in conformity with the board's rules of practice. Pleadings were received, sworn testimony of witnesses for the contending parties taken by the bureau's examiners at various places in the United States, argument considered, and tentative reports and recommendations prepared for the board's consideration and action. Upon the bureau's recommendation the board during the year, in connection with this formal quasi-judicial function, adopted and issued 23 orders and resolutions.

Of the cases decided during the year those involving the question of reasonableness of carriers' rates under section 18 of the shipping act, and whether the complaining parties were subjected by carriers to undue or unreasonable prejudice and disadvantage in violation of section 16 of that act, predominated. Two of the investigations conducted upon complaint involved determination of the issue of whether exporters of the United States had been subjected to unjust prejudice as compared with their foreign competitors in violation of section 17 of the shipping act. The initiatory investigations related to the filing by interstate carriers of maximum rates, charges, and freight classifications in compliance with section 18 of that act.

#### **Informal Complaint Docket.**

Under rule 24 of the board's rules of practice governing the receipt and handling of unsworn complaints alleging violations of regulatory provisions of the shipping act, in addition to three cases pending at the close of the previous year 16 new complaints were brought to conclusion by the bureau through correspondence and conference with the contending parties. Representative subjects of the complaints considered were interpretation of freight classifications and tariff items claimed by shippers to adversely affect their interests, alleged exaction of excessive freight charges, discrimination as between shippers in the matter of application of rates, discriminatory contracts based on volume of freight offered, propriety of carriers' rules and regulations under the board's tariff regulations, subjection of a particular port to undue prejudice, and undue preference between shippers regarding cargo space accommodations. The bureau endeavored in each case to bring the parties to the controversy to an amicable understanding of the principles involved and to indicate the proper method of disposal. In the majority of instances adjustment agreeable to the parties concerned was effected.

#### **Section 15 Agreements.**

Every common carrier by water, or other person subject to the shipping act, is required by section 15 of that statute to file with the board a true copy of every written agreement and a complete memorandum of every oral agreement with other carriers or persons subject to the act fixing or regulating transportation rates or fares; giving or receiving special rates, accommodations, or other special privileges or advantages; controlling, regulating, preventing, or destroying competition; pooling or apportioning earnings, losses, or traffic; allotting ports or restricting or otherwise regulating the number and character of sailings between ports; limiting or regulating in any way the volume or character of freight or passenger traffic to be carried; or in any manner providing for an exclusive,

preferential, or cooperative working arrangement. By this section of the act the board is authorized to disapprove, cancel, or modify any agreement, or any modification, whether or not previously approved by it, that it finds to be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, detrimental to commerce of the United States, or to be in violation of the shipping act. Approval by the board of agreements under this section of the statute excepts them from the provisions of the Sherman Antitrust Act, the Wilson Tariff Act, and amendments and acts supplementary thereto.

Agreements submitted for the board's approval are of two principal classes, "conference" agreements between carriers in the same trade and agreements between carriers establishing through route and other "tandem" traffic relationships.

During the period covered by this report 57 filed agreements of new conferences and modifications of existing conference agreements were analyzed by the bureau and acted upon by the board pursuant to the recommendation of the bureau based upon consideration of all of the pertinent traffic and operating conditions involved. In the majority of cases the bureau's recommendation to the board regarding these conference agreements and modifications was necessarily preceded by interview with representatives of the particular carriers concerned. As of June 30, 1931, active conferences in the foreign and interstate commerce of the United States, functioning under agreements on file with and approved by the board, are 83 in number. In general, the trades covered by these conferences are indicated below, together with the number of member carriers of the conference having the largest membership in each particular trade range:

	Number of conferences	Membership
Between the United States and—		
United Kingdom, Continental Europe, Baltic Sea, and Scandinavian ports.....	23	24
Mediterranean, Adriatic, Black Sea, and Levant ports.....	13	8
West Indies and Caribbean ports.....	8	6
West coast of Mexico, Central and South America, and Panama Canal.....	2	9
North Coast of South America.....	2	3
Brazil and River Plate.....	3	16
West Coast South America.....	3	14
Canary Islands, West, South, and East Africa, and Madagascar.....	2	17
Australia, New Zealand, and Tasmania.....	2	5
Japan, China, Formosa, and Philippine Islands.....	11	35
Straits Settlements.....	3	15
East Indies and South Sea Islands.....	4	7
India (Calcutta).....	1	16
Between the Philippine Islands and—		
Europe.....	1	20
Hong Kong.....	1	8
Between Porto Rico and Virgin Islands and Europe.....	1	12
Between United States ports:		
Coastwise and intercoastal.....	3	9

As in the past, the basic subject matter of the tandem agreements filed during the 12-month period covered by this report was the establishment of through route and through billing arrangements, with absorption by the carriers out of the through rate or the exaction of an additional charge from the shipper for transshipment expenses, such as dockage, tolls, and drayage. An unprecedented volume of agreements and modifications of this latter description were filed, due apparently to decreased volume of normal movement of local cargo and to the efforts of the carriers to draw traffic from direct-line routes for transportation via transshipment routes. Apropos are agreements respecting traffic from Pacific coast ports to Europe, in which direct trade 16 of the 17 conference carriers furnishing transportation operate foreign flag tonnage. One hundred and seventy of the 474 tandem agreements filed and given section 15 attention during the year established indirect transshipment service in this trade by 11 American flag carriers operating in the intercoastal trade in conjunction with trans-Atlantic lines operating between North Atlantic ports and Europe. Twelve trans-Atlantic lines operating under the American flag are party to 61 of such through route and billing agreements.

#### **Tariffs.**

Common carriers by water in interstate commerce are required by section 18 of the shipping act and the board's tariff regulations promulgated thereunder to file with the board and keep open to public inspection by posting at stations, wharves, or piers the maximum rates, fares, and charges for or in connection with transportation between points on their own routes; and if through routes have been established, the maximum rates, fares, and charges for or in connection with transportation between points on their own routes and points on the route of any other carrier by water. Pursuant to these statutory requirements and regulations, 1,631 tariffs and supplements of water carriers in interstate commerce were received and permitted to be posted during the period covered by this report. Of these 1,333 are in respect of freight and 298 relate to passenger transportation. One hundred and sixty-four carriers issued their own tariffs or participated in schedules filed by other carriers or agents under authority of powers of attorney and concurrences on file in the bureau.

As provided by the board's tariff regulations, each tariff or supplement was examined promptly, and in practically all instances where schedules were found deficient under the regulations the bureau procured the correction of irregularities prior to the proposed effective date of the schedule. In only three cases were the

tariffs originally filed rejected, the carriers subsequently issuing new tariffs in lieu of such rejected schedules.

Extensive use of the bureau's public tariff files was made by representatives of shippers, carriers, tariff-publishing agencies, trade organizations, and representatives of other governmental bodies, in gathering data relative to rates, tariff rules and regulations, practices of water carriers, and in the auditing and checking of freight bills covering all water traffic. In this relation the water rate and practices of carriers in conjunction with motor-truck services have been of special interest to the public, as indicated by the many and varied requests for information.

#### Special Administrative Inquiries.

The inquiries comprising the special docket were conducted generally to ascertain the facts in regard to relations claimed to exist between carriers affecting their rates and practices, and to elicit information respecting unsupported claims of violations of the statute by carriers. For the most part such inquiries were carried on informally through correspondence and personal interview with the aid of information obtained from consular reports, steamship conference minutes, and carriers' annual and statistical reports on file with the Interstate Commerce Commission.

### BUREAU OF OPERATIONS

The work of the bureau of operations is carried on in three divisions, as follows: (1) Industrial relations division (including sea-service section), (2) investigations division, and (3) port facilities division.

#### Industrial Relations Division.

Among the duties assigned to the bureau of operations is that of keeping in touch with marine and dock labor matters. As mentioned in the previous annual report, this activity is not confined to Shipping Board vessels, but extends to the American merchant marine as a whole. As the board's few remaining lines are gradually sold into private American hands, the board's interest as an owner will diminish and the bureau's activities with respect to marine and dock labor will be largely related to private ownership.

Wages generally have been maintained with respect to longshore labor and crews of vessels in foreign trade. In the observation of the division this satisfactory condition during the year is the result of the splendid spirit of cooperation which has been the rule between employers and employees.

The importance of these agreements has been dwelt upon in previous reports, and the test of time and stress of circumstances have

proven their worth in cementing the mutual interests of employer and employee.

Due to the world-wide depression and consequent reduction in shipping earnings the tendency to cut wage scales has been offset in large degree by the publicly expressed opinions of statesmen and recognized leaders of capital and labor who, during the year under review, were united in urging the preservation of industrial relations and American standards, by avoiding on the one hand wage reductions and on the other by refraining from demands for increased scales.

The previous annual report indicated that much progress had been made in the matter of safety for longshore workers in the various ports through cooperation between the board's representatives and the local interests. Voluntary safety codes had been adopted at the various large ports such as New York, Boston, New Orleans, Texas ports, Pacific coast ports, Hampton Roads, Pensacola, Mobile, and Gulfport.

In the last report it was also stated that Philadelphia interests were practically agreed on a code, and since then it has been definitely reported that Philadelphia has adopted a voluntary code as prepared by the employers' standing committee, representing the steamship lines and employing stevedores at the port of Philadelphia, and representatives of the International Longshoremen's Association.

While the adoption of a voluntary code has been discussed at Baltimore, no definite action can be reported. The matter is in the hands of a committee appointed by the chairman of the Steamship Trade Association, and while there is prospect of an understanding being reached at present the port interests are doing what they can by practice to reduce accidents.

Interest has been aroused at Charleston, S. C., and although no safety code has been promulgated, the port interests practice such rules as are furnished by the various underwriters and the International Longshoremen's Association.

From the experience of the several ports it seems that the code is serving a very good purpose. Accidents have been reduced and expedition in loading and discharging has not suffered. There seems to be much sentiment in favor of a code national in scope. While it does not appear that port interests desire a compulsory code through legislation, there is a feeling that a national standard code, voluntary in character, would best accomplish the purpose and would standardize terminology and practice in the longshore industry.

Reference was made in the annual report for 1930 to a report to be made to the Fourth National Conference on the Merchant Marine by a committee appointed to study safety of marine workers. The

report submitted by the committee recommended that the subject be separated into three divisions for the purpose of a survey, viz., ship construction and repair, stevedoring, and ship operation, with studies applicable to each division upon the following topics: Selection and training of marine personnel; marine safety rules and operating standards; organization of marine accident prevention work; frequency, severity, and cause of marine accidents and cost of same.

#### Sea Service Section.

During the fiscal year 1931 the sea service section, through field offices located at the ports of Boston, New York, Philadelphia, Baltimore, Norfolk, Savannah, Mobile, Galveston, Houston, New Orleans, Portland (Oreg.), and Seattle, placed 39,407 men in the various ship ratings, from master to mess boy.

Due to the business depression and the consequent large number of idle ships, unemployment has been unusually severe among sea personnel. This abnormal condition accounts for the fact that while the total number of placements has fallen off, the number of applicants for positions has increased so greatly that the resources of the various sea service offices have been taxed to the utmost. Cooperating with charitable organizations and State employment offices, the section has succeeded in finding shore positions for many of the seamen who could not be placed aboard ship. Some have been given positions as riggers on construction work, others in engine rooms, hotels, restaurants, etc.

The deck-boy program, whereby in recent years thousands of young Americans were launched upon careers in the merchant service, was temporarily curtailed on December 4, 1930, in order to provide additional positions for experienced men who were out of work. As a result the sea-service section during the year was able to place only 522 deck boys, contrasted with 1,454 for the fiscal year ended June 30, 1930. With the return of normal conditions in shipping the deck-boy program, deemed to be of vital importance in the section's Americanization work, will be resumed along the lines originally mapped out.

While there is still much to be done in the way of Americanizing the crews of American merchant ships, the placements made by the section during the year show that steady progress in this direction is being made, 92.7 per cent of those placed being American citizens, in contrast to 89.6 per cent for the previous fiscal year. The provision contained in the merchant marine act of 1928 to the effect that an increasing proportion of the crews of American ships holding mail contracts must be American citizens makes it necessary for the sea-service section to pay special attention to this phase of its work.

Physical examinations conducted by medical officers of the sea-service section and by physicians of the United States Public Health Service have served to eliminate many applicants suffering from communicable diseases and other disqualifying physical ills, and in consequence have reduced the number of personal-injury claims filed against American ships.

The following table shows the total number of persons placed in positions aboard ship during the fiscal year ended June 30, 1931:





Mess men.....	141	344	0	372	6	0	11	71	0	2	5	161	1,133
Mess boys.....	22	1,041	384	59	192	699	323	34	203	176	120	15	3,208
Passengers.....	0	13	0	14	0	0	4	2	0	0	0	0	33
Miscellaneous.....	15	362	129	406	40	139	101	67	1	3	22	1	1,346
Total.....	1,174	12,811	2,960	4,384	1,704	4,854	4,213	1,685	1,459	1,873	1,371	1,429	30,407

92.7 per cent Americans.

**Investigations Division.**

The investigations division of the Bureau of Operations handles miscellaneous matters other than those handled by the industrial relations division and the port facilities division.

*Safety of life at sea.*—The international convention for safety of life at sea did not come into operation on July 14, 1931, as contemplated by the convention, for the reason that five ratifications had not been deposited with the Government of Great Britain and Northern Ireland. Ratification has been completed by two governments, and legislation has passed, or is pending, in other countries. Some of the countries owning relatively small merchant fleets are delaying final ratification pending ratification by other governments. Ratification is still pending in the United States, notwithstanding that practically all new construction embodies safety features in excess of the convention requirements.

*Load-line developments.*—Progress has been made toward ratification of the international convention respecting load lines signed by the delegations of 30 countries in London on July 5, 1930. It is probable that this convention will come into operation on July 1, 1932. Ratification has been completed by the United States and by Denmark. Legislation has passed, or is pending, in other countries. A number of countries have adopted and put into force certain parts of the convention in advance of the whole convention becoming operative. This refers to the deeper loading allowed tankers that comply with certain requirements and to the deeper loading permitted vessels carrying deck loads of timber corresponding with the convention regulations as to quantity and stowage.

The act of March 2, 1929, establishing load lines for merchant vessels of the United States of 250 gross tons and over, when engaged in foreign voyages by sea, became operative September 2, 1930. The regulations promulgated by the Secretary of Commerce follow very closely the recommendations of the United States Load Line Committee and the regulations of the international convention.

The operation of the law has been successful and has afforded general satisfaction to the great majority of owners. Some classes of vessels have sought more liberal allowances on drafts or have sought exemption. It is believed that a few years' experience will show the benefit of load-line regulation to shipping and will develop the necessary and suitable exceptions, if any, for special trades.

*Training of merchant marine officers.*—The committee appointed at the Third National Conference on the Merchant Marine to study the subject of training personnel to serve as merchant marine officers was actively engaged during the fiscal year in securing information and formulating ideas and recommendations.

Returns from a questionnaire sent by the committee to the maritime interests of the country, educational institutions, chambers of commerce, labor organizations, licensed officer personnel, War, Navy, and Commerce Departments, and others interested, indicated a general feeling that some national system of training should be established. The committee therefore recommended that the Shipping Board, in cooperation with the Department of Commerce and the maritime interests, take such steps looking toward the establishment of a national mercantile marine educational system as may be practicable.

Because of depressed conditions in shipping, numerous laid-up ships, unemployment among licensed personnel, and curtailment of Government expenditures, the matter of establishing a Federal system of training has been temporarily held in abeyance. It is quite generally believed that until economic conditions improve the training furnished by State school-ships is adequate to the needs of the merchant marine.

*National conferences on the merchant marine.*—These national conferences, held annually under Shipping Board auspices, have come to play an important part in the board's activities. The Fourth National Conference was more largely attended than any of those previously held, and an element of permanence was given to the gatherings by the appointment of a standing committee, charged with the duty of taking such preliminary steps as may be necessary to carry into effect the various resolutions and recommendations adopted by the conference.

The preparatory and editorial work incident to the Fourth National Conference on the Merchant Marine, as well as the work incident to the meetings of the standing committee, was handled in the investigations division of the bureau of operations.

*Study of operating differentials.*—Among the responsibilities assigned to the Shipping Board by the shipping act of 1916 was the investigation of the "relative cost, advantages, and disadvantages of operating in the foreign trade vessels under United States registry and under foreign registry." In fulfillment of this obligation the investigations division of the Bureau of Operations has during the year inaugurated a study of current operating differentials by which it is hoped to obtain more up-to-date information on the amount of the differential as it now exists.

The chief handicaps against American-flag ships, other than in first cost, have been in the wage scale, the number of crew carried, subsistence of crew, repairs, insurance, and the cost of supplies. Formerly there was a handicap in the matter of interest rates. It is believed that as respects some of these items American and foreign

vessels are now on a parity, at least in some trades. As respects others, notably wages, changed conditions at home and abroad have probably increased the differential over what it was a short time ago. A thorough investigation should throw light on these uncertain points.

In any consideration of operating differentials it should not be overlooked that, in addition to handicaps of the more tangible character suggested above, the American merchant marine has labored under heavy intangible handicaps growing out of the greater in-trenchment of foreign competitors and the various commercial relations and facilities which grow partly out of the longer experience and partly out of well-established national attitudes favorable to the national shipping. The measure of these intangible handicaps is, of course, difficult to determine.

The operating differentials against American ships vary considerably in different trades and as respects competition with different maritime countries. They also change more or less from year to year and in these unusual times from month to month. It is hoped, however, that during the fiscal year ending June 30, 1932, a reasonably comprehensive picture may be obtained of the more important differences in operating costs as they exist at this time.

*American Marine Standards Committee.*—Cooperation and support of the American Marine Standards Committee has been continued during the year. The work is resulting in a reduced number of sizes and types of marine fittings. Since those adopted are selected and approved by the builders, designers, manufacturers, and users, they can confidently be recommended to the marine industry as sufficient for all regular needs and as durable and economical.

*United States Load Line Committee (1928).*—This committee, organized by the Department of Commerce, has been continued to study any anomalies arising in the operation of the new load-line regulations for vessels on foreign voyages. It has also been engaged in a careful study of suitable rules to be recommended for the various types of vessels in the coasting trade, including the Great Lakes, and the varying conditions under which they operate. Full cooperation has been extended to the committee inasmuch as its work is viewed as very important to the marine industry.

*Fuel conservation.*—Its immediate work having been completed, the Fuel Conservation Committee, organized under the Merchant Fleet Corporation, was on April 15, 1931, discontinued. The committee was composed of experts who served without compensation. Its work extended over a number of years, including the early years of operation of the Government fleet.

The committee's guidance of the study to secure the greatest economy from the machinery installation on individual vessels, also its studies and recommendations as to improvements in machinery installations, and as to new types, resulted in a large saving of fuel. Acknowledgement of the valuable service rendered has been made to the chairman, Capt. C. A. McAllister, and the members of the committee.

During the year the investigations division prepared many articles on Shipping Board activities for the domestic and foreign press. It is also charged with editing the annual report of the Shipping Board and Merchant Fleet Corporation.

#### Port Facilities Division.

The work of the port facilities division of the bureau of operations is carried on in two sections, (1) the domestic port section and (2) the foreign port section.

*Domestic port section.*—The year just closed saw the completion by the domestic port section of six original volumes on as many of the chief ports of the Great Lakes, four revised volumes devoted to ocean ports, and one revised edition of port and terminal charges at United States ports, making a total of 11 volumes completed during the year. In addition to the foregoing, work was initiated on the preparation of second editions of two other volumes on ocean ports. This latter work was approximately 50 per cent completed at the close of the year.

The reports on lake ports will contain the results of investigations into the economic, commercial, and physical aspects of the principal ports of the Great Lakes, and in their published form will be called "Lake Series Reports." The first volumes will cover the ports of Buffalo, Cleveland, Detroit, Chicago, Milwaukee, and Duluth-Superior. Just as rapidly as time and printing funds permit, it is planned to issue volumes on other lake ports until all the important ones have been treated.

In pursuance of the policy of the Shipping Board and War Department to revise periodically the volumes of the Port Series as they become obsolete, the following revised editions were completed during the year: The port of Portland, Oreg.; the ports of Astoria, Oreg., and Vancouver, Wash., with original data on the port of Longview, Wash.; the port of Seattle, Wash.; and the port of Tacoma, Wash. During the same period progress was made in issuing revised editions of the following volumes: The Ports of Bellingham, Grays Harbor, and Everett, Wash.; the Ports of Philadelphia, Pa., and Trenton and Camden, N. J.; and the Ports of Wilmington, Del., and Chester, Pa. Work was also initiated on a new report covering the ports of Olympia and Port Angeles, Wash.

During the year the domestic port section instituted an investigation into the total investment in port terminal properties and facilities throughout the United States. It was felt that such a study would prove of interest and value in considering questions relating to the merchant marine and in assisting the American people to realize fully the importance of water transportation. The cooperation of local port bodies was sought and a number of such agencies were active at the close of the year in securing data for use in connection with the investigation. Final compilation and analysis of the data collected will be made by this section.

The following volumes were published and distributed during the fiscal year ended June 30, 1931:

#### PORT SERIES

- No. 3—Part 1, The Port of Mobile, Ala.
- No. 8—Part 2, The Ports of Miami and Tampa, Fla.
- No. 13—Part 1, The Ports of Los Angeles and Long Beach, Calif.
- No. 13—Part 2, The Ports of San Diego and San Luis Obispo, Calif.

#### TRANSPORTATION SERIES

- No. 1—Transportation on the Great Lakes.

#### MISCELLANEOUS SERIES

- No. 1—Port and Terminal Charges at United States Ports.

At the close of the fiscal year the following reports were at the Government Printing Office in process of publication:

#### PORT SERIES (REVISED)

- No. 7—Part 1, The Port of Seattle, Wash.
- No. 7—Part 2, The Port of Tacoma, Wash.
- No. 11—Part 1, The Port of Portland, Oreg.
- No. 11—Part 2, The Ports of Astoria, Oreg., and Longview and Vancouver, Wash.

#### LAKE SERIES (ORIGINAL REPORTS)

- No. 1—The Port of Buffalo, N. Y.
- No. 2—The Port of Detroit, Mich.
- No. 3—The Port of Milwaukee, Wis.
- No. 4—The Port of Chicago, Ill.
- No. 5—The Port of Cleveland, Ohio.
- No. 6—The Port of Duluth-Superior, Minn.-Wis.

The table below shows publications upon which work was in progress at the close of the fiscal year, with the percentage of the completion of each:

Serial No. of volume	Subject	Percentage of completion
<i>Port Series (Revised Editions)</i>		
4—Part 1.....	The Ports of Philadelphia, Pa., and Trenton and Camden, N. J.....	26
4—Part 2.....	The Ports of Wilmington, Del., and Chester, Pa.....	75
7—Part 1.....	The Port of Seattle, Wash.....	100
7—Part 2.....	The Port of Tacoma, Wash.....	100
11—Part 1.....	The Port of Portland, Oreg.....	100
11—Part 2.....	The Ports of Astoria, Oreg., and Longview and Vancouver, Wash.....	100
7—Part 3.....	The Ports of Bellingham, Grays Harbor, and Everett, Wash.....	80
<i>Port Series (Original Edition)</i>		
23.....	The Ports of Olympia and Port Angeles, Wash.....	80
24.....	The Ports of the Philippine Islands.....	45
<i>Lake Series (Original Volumes)</i>		
1.....	The Port of Buffalo, N. Y.....	100
2.....	The Port of Detroit, Mich.....	100
3.....	The Port of Milwaukee, Wis.....	100
4.....	The Port of Chicago, Ill.....	100
5.....	The Port of Cleveland, Ohio.....	100
6.....	The Port of Duluth-Superior, Minn.-Wis.....	100

In carrying out the work of this section it became necessary for representatives of the office to conduct field surveys of the following ports during the year: Buffalo, N. Y.; Cleveland, Ohio; Detroit, Mich.; Chicago, Ill.; Milwaukee, Wis.; Duluth-Superior, Minn.-Wis.; Portland and Astoria, Oreg.; Vancouver, Longview, Seattle, Tacoma, Everett, Grays Harbor, Bellingham, Port Angeles, and Olympia, Wash.; Philadelphia and Chester, Pa.; Camden, N. J.; and Wilmington, Del.

Numerous articles and special reports were prepared during the year in response to requests received from various individuals and shipping concerns.

It became necessary during the year to have a reprint made of the volume "Transportation in the Mississippi and Ohio Valleys." This work, first printed in 1928, proved so popular in commercial and shipping circles, as well as to engineers and economists interested in the future development of our inland waterways, that the demand for copies soon exhausted the available supply, whereupon Congress authorized a second printing so that the information contained in the volume would be accessible to all interested parties.

#### Foreign Port Section.

This section continued its cooperative work with the transportation division of the Bureau of Foreign and Domestic Commerce, compiling studies of principal world ports and other subjects on the joint program. During the year an additional mass of information relating to foreign ports, their ship and cargo facilities, charges, regulations, administration, and similar data, was accumulated and classified, with the result that this fund of information, assembled for the benefit of exporters, importers, and ship operators, has been of value



in supplying needed material to interested parties with a minimum of delay. Negotiating with the Department of State, the section initiated changes in the system of consular reports on shipping and port conditions abroad that will greatly improve the usefulness of these reports and tend to keep the section in closer touch with foreign port and shipping developments.

A field survey of ports on the west and east coasts of South America was completed during the year as a joint enterprise of the Shipping Board and Departments of State and Commerce in the interest of their work before the Pan American Commission on Customs Procedure and Port Formalities. During this survey material was gathered from which reports will be compiled on Buenos Aires, Rosario, Santa Fe, and other river and coastal ports of Argentina; Montevideo, Uruguay; and Rio de Janeiro, Santos, Pernambuco, Victoria, Rio Grande do Sul, Para, and other ports in Brazil.

These publications will describe the physical facilities of the ports, their regulations and charges applying to ships and cargoes, and particulars of port administration, communications, and commerce. As in the case of previous reports in the series, they will be illustrated with large-scale port maps, graphs, charts, and photographs. They are due to appear in the near future, the Brazilian ports as No. 4 and the River Plate ports as No. 5 of the Foreign Port Series.

Political and economic conditions in Argentina and Brazil have tended to impede the progress of this work to a considerable extent. The provisional governments of these countries are instituting port reforms which, when put in force, will have far-reaching effects on shipping and the handling of cargoes. The section awaits the disposition of these changes before publishing its reports. As a case in point, one prominent port in Argentina has been ordered to effect a downward revision of its entire rate structure, as yet unannounced as to detail, but to be effective in October, 1931.

A report on the Scandinavian and Baltic ports, work on which commenced during the year, progressed to a point where the manuscript on the port of Oslo, Norway, has been completed. This is being reviewed by the Oslo Harbor Board prior to its publication. Other ports to be included in the report are Copenhagen, Stockholm, Goteborg, Danzig, and Gdynia, together with some of the lesser ports of the area. Work on these latter ports was about 40 per cent completed at the close of the year.

In response to a widespread demand, work on a revised and enlarged edition of the directory of foreign bunkering stations was commenced during the year. On June 30 questionnaire replies had been submitted by most of the seaport consular agencies through the Department of State. These have been converted into manuscript

for the new directory, which will be completed and ready for distribution as soon as all reports have been received.

The publication will contain the names and code addresses of the owners and operators of more than a thousand foreign fueling stations; the storage capacities of the stations and kinds and quantities of fuel normally on hand; berthing capacity and depth of water alongside; methods and speeds of delivery; basis of price quotations and added costs for bunkering in stream. A section of the new directory will be devoted to port charges against vessels calling for fuel only and will contain information on charges at about 300 foreign ports.

Revision of the publication *Stowage of Ship Cargoes*, issued by the Department of Commerce in 1920, was taken in hand by the section toward the close of the fiscal year. This work will be reissued with up-to-date information on stowage factors of merchandise under present-day packing methods; recent developments in laws governing seaworthiness of vessels, carriage of grain, dangerous goods, and explosives; and other subjects of interest in connection with the transportation of goods by sea, such as refrigerated cargoes, deck loads, and the like.

The section has participated in the work preliminary to the meeting of the Fourth Pan American Commercial Conference, to be held in Washington October 5 to 12, 1931. The agenda of the conference contains several important items relating to shipping services between the American Republics, the possible establishment of free ports, and recommendations previously made to simplify consular procedure and port formalities. A representative of the section has been designated to attend as a member of the technical advisory committee to the American delegation.

During the year the unit conducted special investigations and reports on shipping, ports, and related subjects for other Government departments and for business concerns and individuals. An idea of the character of these special inquiries can be obtained from the following examples:

*Costs at 40 foreign ports for a specified vessel under consideration for world educational tour.*

*Water-front warehouses at prominent European ports, their ownership, and policy as to public and private competition.*

*The inland waterways and canals of Europe, their extent, and traffic.*

*Fueling facilities in various ports of the world, with price information.*

*Facilities at world ports for handling cargo coal from self-unloading vessels.*

## BUREAU OF CONSTRUCTION

During the fiscal year ended June 30, 1931, the duties of the Bureau of Construction embraced five distinct activities; i. e., (1) construction loan fund, (2) inspection of vessels receiving aid from

the construction loan fund, (3) engineering development program, (4) Dieselization program, and (5) determination of speed and tonnage of vessels for certification to the Post Office Department.

#### Construction Loan Fund.

During the fiscal year 1931 applications for loans in aid of the construction and reconditioning of vessels were received and action was taken thereon as follows:

#### Loans for Construction and Equipment of Vessels.

1. *Agwi Navigation Co.*—Two additional loans of \$159,681.90 and \$169,340 were made to this company to cover approximately three-quarters of the cost of hotel equipment and furnishings for the steamship *Morro Castle* and the steamship *Oriente*, respectively, the two vessels constructed under the loan agreements of May 29, 1929.

2. *Coamo Steamship Corporation.*—An additional loan of \$83,810 was made to this company to cover approximately three-quarters of the cost of hotel equipment and furnishings for the steamship *Borinquen*, the vessel built under loan agreement executed by this company January 28, 1930.

3. *Dollar Steamship Lines (Inc.) (Ltd.)*.—Additional loans amounting to three-quarters of the cost of hotel equipment and furnishings but not more than \$400,000 for each of the two vessels being constructed by this company and covered by loan agreements dated October 26, 1929, were authorized, but no advances were made on these hotel equipment loans before June 30, 1931.

4. *Eastern Steamship Lines.*—Two loan agreements were executed with this company February 25, 1931, providing for loans amounting to approximately three-quarters of the cost of construction and equipment, but not more than \$2,330,610 each, of two combination passenger and cargo vessels of approximately 5,500 gross tons each and 20 knots speed. These vessels are being constructed at the plant of the Newport News Shipbuilding & Dry Dock Co., but by June 30, 1931, work had not progressed to the point where advances were due on the construction loans.

5. *Grace Steamship Co.*—Two loan agreements were executed with this company January 7, 1931, providing for loans amounting to approximately three-quarters of the cost of construction and equipment, but not more than \$3,071,264 each, of two combination passenger and cargo vessels of approximately 11,500 gross tons each and 18.5 knots speed. These vessels are being constructed at the plant of the Federal Shipbuilding & Dry Dock Co., Kearney, N. J., but by June 30, 1931, work had not progressed to the point where advances were due on the construction loans.

6. *Panama Mail Steamship Co.*—Two loan agreements were executed with this company January 7, 1931, providing for loans

amounting to approximately three-quarters of the cost of construction and equipment, but not more than \$3,071,264 each, of two combination passenger and cargo vessels of approximately 11,500 gross tons each and 18.5 knots speed. These vessels are being constructed at the plant of the Federal Shipbuilding & Dry Dock Co., Kearney, N. J., but by June 30, 1931, work had not progressed to the point where advances were due on the construction loans.

7. *Oceanic Steamship Co.*—A loan in the amount of three-quarters of the cost of construction and equipment, but not more than \$5,887,500, of a combination passenger and cargo vessel of approximately 18,500 gross tons and 20 knots speed, has been authorized to this company, but the loan agreement has not yet been executed. Work on this vessel is under way at the plant of the Bethlehem Shipbuilding Co., Quincy, Mass.

#### Reconditioning, Remodeling, and Improvement Loans.

1. *Baltimore Mail Steamship Co.*—Five loan agreements were executed with this company September 11, 1930, providing for loans amounting to approximately three-quarters of the cost of remodeling and equipping, but not more than \$1,308,000 each, of five cargo vessels purchased from the Shipping Board. The work on these vessels is being done at the plant of the Federal Shipbuilding & Dry Dock Co., Kearney, N. J., and the remodeling of one vessel was completed in June, 1931. Work on the other four vessels is progressing rapidly and is expected to be completed in the first half of the fiscal year 1932. As at June 30, 1931, advances totaling \$1,081,600 had been made on the one vessel which had been completed, but no advances were outstanding on the other four vessels.

2. *Mississippi Shipping Co.*—Loans to this company for reconditioning two vessels have been authorized, each for approximately three-quarters of the cost of reconditioning, but not more than \$150,000 for each vessel. These loans were authorized in June, 1931, but at the close of the fiscal year 1931 loan agreements had not been executed, although work was under way at the Jahncke Dry Dock Co., New Orleans, La.

#### Pending Applications for Loans.

Applications from the following companies for construction or reconditioning loans were pending on June 30, 1931: General Motorship Corporation, Munson Steamship Line, and Colombian Steamship Co. (Inc.).

#### Status of Loans Previously Authorized.

The progress which has been made on new construction, reconditioning, etc., that was under way at the beginning of the fiscal year 1931 is indicated below:

1. *Agwi Navigation Co.*—The steamships *Morro Castle* and *Oriente*, covered by loan agreements executed May 29, 1929, were completed in August, 1930, and November, 1930, respectively. The total amount loaned for the construction of each of these vessels was \$3,262,500, and additional loans for hotel equipment for these vessels, amounting to \$159,681.90 for the *Morro Castle* and \$169,340 for the *Oriente*, were also made.

2. *American Tankers Corporation.*—Conversion of the collier *Ulysses* into a tanker, as provided in loan agreement executed January 30, 1930, was completed in August, 1930. The total amount loaned for this purpose was \$422,154.75, a little less than three-quarters of the cost of conversion.

3. *Bulk Transportation Corporation.*—The remodeling and equipping of the freighter *Bremerton* as a self-unloading bulk cargo carrier, as provided in loan agreement executed June 12, 1930, was completed in November, 1930, and the vessel was renamed the *H. F. Debardeleben*. The total amount loaned for this purpose was \$396,750, a little less than three-quarters of the cost of remodeling.

4. *Coamo Steamship Corporation.*—The steamship *Borinquen*, construction of which was provided for in loan agreement dated January 28, 1930, was completed in February, 1931. The total amount loaned for the construction of this vessel was \$1,896,000, and this amount was supplemented by a loan of \$83,810 for hotel equipment and furnishings.

5. *Dollar Steamship Lines (Inc.) (Ltd.)*.—The steamships *President Hoover* and *President Coolidge*, construction of which was provided for in loan agreements dated October 26, 1929, were nearing completion at the plant of the Newport News Shipbuilding & Dry Dock Co. at the close of the fiscal year 1931. The former vessel is to be completed during July, 1931, and the latter in September, 1931. The maximum loan for the construction of these two vessels, excluding hotel equipment, is \$10,575,000, and \$8,837,000 of this total had been advanced to the borrower by June 30, 1931.

6. *Export Steamship Corporation.*—Three of the four new combination passenger and cargo vessels, for which loans were provided in agreements executed by this company on August 31, 1929, were completed during the fiscal year 1931, and at the close of the fiscal year the fourth vessel was nearing completion. The amount loaned for each of the three completed vessels was \$1,725,000, and advances totaling \$1,478,750 had been made on the fourth vessel by June 30, 1931.

7. *Motor Tankship Corporation.*—The fifth and last tanker in the first series of five motor tankers constructed by this company and covered by loan agreement dated October 28, 1929, was completed in February, 1931, the total loan for this vessel being \$1,260,937.50,

the same amount loaned for the four tankers previously completed. A second series of five motor tankers are being constructed by this company at the plant of the Sun Shipbuilding Co., Chester, Pa., and the loan agreements for these vessels, executed August 15, 1930, provide for loans not to exceed three-quarters of the cost of construction, but not more than \$1,265,625 for each tanker. One of these tankers was completed in April, 1931, a second is nearing completion, and the other three are expected to be constructed during the latter part of the ensuing fiscal year. The amount loaned on the one completed tanker of the second series was \$1,265,625, the maximum amount authorized, and advances totaling \$252,187.50 had been made on the second tanker by June 30, 1931. No advances had been made to that date, however, on the other three tankers in the second series.

8. *Oceanic Steamship Co.*—Two combination passenger and cargo vessels covered by loan agreements dated October 25, 1929, and a third vessel of the same size and type for which a loan has been approved, but for which loan agreement has not yet been executed, are under construction at the plant of the Bethlehem Shipbuilding Co., Quincy, Mass. Construction of the two vessels covered by loan agreements already executed is approximately 60 per cent complete, but no advances on the loans for these vessels, totaling \$11,700,000, have been made, the borrower having elected to use his own funds for this purpose. It is expected that application for payment of each of these loans will be made by the borrower when the respective vessels covered thereby are completed.

9. *Tidewater Associated Transport Corporation.*—The motor tankers *Tide Water* and *Tide Water Associated*, covered by loan agreements executed January 22, 1930, were completed in August, 1930, and September, 1930, respectively. The total loan made on each of these vessels was \$1,301,025, the maximum amount authorized in the agreements.

10. *United Mail Steamship Co.*—Six loan agreements were executed with this company on August 5, 1930, providing for loans amounting to approximately three-quarters of the cost of construction and equipment, but not to exceed \$2,568,750 each, of six combination passenger and cargo vessels of approximately 7,500 gross tons each and 17.5 knots speed. Three of these vessels are under construction at the Newport News Shipbuilding & Dry Dock Co. and three are being built at the plant of the Bethlehem Shipbuilding Co., Quincy, Mass. At the end of June, 1931, advances had been made on two vessels only, in the amounts of \$1,466,250 and \$952,500. It is expected that five of the six vessels will be completed during the fiscal year 1932.

11. *United States Lines (Inc.)*.—The construction of two passenger vessels for subsidiaries of this company; i. e., the North Atlantic Steamship Corporation and the Transatlantic Steamship Corporation, covered by loan agreements executed May 24, 1930, is proceeding at the plant of the New York Shipbuilding Corporation, Camden, N. J. At the end of June, 1931, one of these vessels was approximately 48 per cent complete and the other about 24 per cent complete. Loans for these vessels total \$15,750,000, and \$4,055,000 of this amount was advanced before June 30, 1931.

#### Summary.

From the inception of the construction loan fund to June 30, 1931, inclusive, the Shipping Board has authorized loans to 25 steamship companies for the construction of 56 new vessels and for the conversion or reconditioning of 19 vessels. These authorized loans total \$145,131,165.15, of which \$71,755,676.65 had been advanced by June 30, 1931, leaving a balance of \$73,375,488.50 to be advanced on these loans in the future.

The financial activities of the construction loan fund during the fiscal year 1931 and the distribution of the total fund at the close of that year are shown in the following statements:

Cash and appropriation balances, June 30, 1930 (as shown in fourteenth annual report).....	\$59, 654, 642. 08
Deposits during fiscal year 1931:	
Sales receipts, fiscal year 1930, transferred after June 30, 1930.....	\$1, 603, 627. 84
Sales receipts, fiscal year 1931, transferred before June 30, 1931.....	5, 680, 839. 46
Loan repayments.....	2, 284, 961. 05
Total deposits.....	9, 569, 428. 35
Advances on loans during fiscal year 1931.....	69, 224, 070. 43
Cash and appropriation balances, June 30, 1931 (excluding 1931 sales receipts to be transferred after June 30, 1931).....	28, 704, 786. 65
Cash and appropriation balances, June 30, 1931 (excluding 1931 sales receipts to be transferred after June 30, 1931).....	40, 519, 283. 78

#### *Distribution of total fund at June 30, 1931*

Outstanding loans:	
Total amount advanced from inception of fund to June 30, 1931, inclusive.....	\$71, 755, 676. 65
Total repayments of loans to date.....	6, 835, 183. 40
Outstanding loans.....	\$64, 920, 493. 25
Advances to Diesel fund.....	9, 500, 000. 00
Cash and appropriation balance, as above.....	40, 519, 283. 78
Total construction loan fund.....	114, 939, 777. 03

#### Inspection of Vessels.

Under agreements between the Shipping Board and owners of vessels receiving the benefits of loans from the construction loan fund,

the total amount of each loan is divided into several advances or progress payments, depending upon the amount and relative value of work accomplished at time of application from the owner for advances. It is therefore necessary, before making such payments or advances, to determine if the progress and quality of the work performed justify such payment.

The Bureau of Construction maintains control over all payments or advances made on loans by actual inspection and appraisal of work performed. During the fiscal year inspections incident to progress payments on loans have been carried out on the following vessels, all of which were completed prior to June 30, 1931:

Name of vessel	Owner	Builder
Morro Castle.....	Agwi Navigation Co.....	Newport News Shipbuilding & Dry Dock Co.
Oriente.....	do.....	Do.
Tide Water.....	Tide Water Associated Transport Co.	Sun Shipbuilding & Dry Dock Co.
Tide Water Associated.....	do.....	Do.
Excalibur.....	Export Steamship Corporation.....	New York Shipbuilding Co.
Exochorda.....	do.....	Do.
Exeter.....	do.....	Do.
Northern Sun.....	Motor Tankship Corporation.....	Sun Shipbuilding Co.
Southern Sun.....	do.....	Do.
Borinquen.....	Coama Steamship Corporation.....	Newport News Shipbuilding & Dry Dock Co.
H. F. DeBardeleben <sup>1</sup> .....	Bulk Transportation Corporation.	Jahncke Drydock Co.
City of Baltimore <sup>1</sup> .....	Baltimore Mail Steamship Co.....	Federal Shipbuilding & Dry Dock Co.
Ulysses <sup>1</sup> .....	American Tankers Corporation.	United Dry Docks (Inc.).

<sup>1</sup> Reconditioned.

In addition, periodical inspections have been maintained on the following vessels, which were still under construction as of June 30, 1931:

Name	Owner	Builder
President Hoover.....	Dollar Steamship Lines (Inc.) (Ltd.)	Newport News Shipbuilding & Dry Dock Co.
President Coolidge.....	do.....	Do.
Mariposa.....	Oceanic Steamship Co.....	Bethlehem Shipbuilding Corporation.
Monterey.....	do.....	Do.
Excambion.....	Export Steamship Corporation.....	New York Shipbuilding Co.
Hull 405.....	North Atlantic Steamship Corporation.	Do.
Hull 406.....	Transatlantic Steamship Corporation.	Do.
Talamanca.....	United Mail Steamship Co.....	Newport News Shipbuilding & Dry Dock Co.
Segovia.....	do.....	Do.
Chiriqui.....	do.....	Do.
Antigua.....	do.....	Do.
Quirigua.....	do.....	Bethlehem Shipbuilding Corp.
Veragua.....	do.....	Do.
Hull 183.....	Motor Tankship Corporation.....	Sun Shipbuilding Co.
Hull 184 <sup>1</sup> .....	do.....	Do.
Hull 185 <sup>1</sup> .....	do.....	Do.
Hull 186 <sup>1</sup> .....	do.....	Do.
Hull 121.....	Panama Mail Steamship Co.....	Federal Shipbuilding & Dry Dock Co.
Hull 122.....	do.....	Do.
Hull 123 <sup>1</sup> .....	Grace Steamship Co.....	Do.
Hull 124 <sup>1</sup> .....	do.....	Do.
Hull 350 <sup>1</sup> .....	Eastern Steamship Lines.....	Newport News Shipbuilding & Dry Dock Co.
Hull 351 <sup>1</sup> .....	do.....	Do.
City of Norfolk.....	Baltimore Mail Steamship Co.....	Federal Shipbuilding & Dry Dock Co.
City of Hamburg.....	do.....	Do.
City of Havre.....	do.....	Do.
City of Newport News.....	do.....	Do.

<sup>1</sup>Plans and steelwork under way but keels not laid.



Periodical inspections are being maintained on all operating vessels previously constructed or reconditioned with the aid of construction loans and upon which the board still holds mortgages. There were, at the end of the fiscal year 1931, 32 vessels, which had been in commission one year or longer, receiving these inspections. This number is being constantly increased as new vessels are completed and placed in commission. Vessels thus inspected during the fiscal year ended June 30, 1931, are as follows:

Name of vessel	Owner	Builder
Boston.....	Eastern Steamship Lines.....	Bethlehem Shipbuilding & Dry Dock Co.
California.....	American Line Steamship Corporation.....	Newport News Shipbuilding & Dry Dock Co.
Chester Sun.....	Motor Tankship Corporation.....	Sun Shipbuilding Co.
Pacific Sun.....	do.....	Do.
Exarch.....	Export Steamship Corporation.....	United Drydocks (Inc.).
Excelsior.....	do.....	Do.
Erliona.....	do.....	Do.
Floridian.....	Strachan's Southern Steamship Co.....	Tietjen & Lang Dry Dock Co.
Georgian.....	do.....	Do.
Iroquois.....	New York & Miami Steamship Corporation.....	Newport News Shipbuilding & Dry Dock Co.
New York.....	Eastern Steamship Lines.....	Bethlehem Shipbuilding & Dry Dock Co.
President Fillmore.....	Dollar Steamship Lines (Inc.), (Ltd.).....	Newport News Shipbuilding & Dry Dock Co.
President Garfield.....	do.....	Do.
Robert E. Lee.....	Robert E. Lee Steamship Co.....	Do.
Santa Clara.....	Grace Steamship Co.....	New York Shipbuilding Co.
Virginia.....	American Line Steamship Corporation.....	Newport News Shipbuilding & Dry Dock Co.
Pennsylvania.....	do.....	Do.
City of New York.....	American South African Line.....	Sun Shipbuilding Co.
Coamo.....	Coamo Steamship Corporation.....	Newport News Shipbuilding & Dry Dock Co.

In accordance with provisions of section 23, merchant marine act, 1920, as amended, that the Shipping Board certify to the Treasury Department as to certain features of vessels receiving benefits of this act, this bureau made inspections and/or investigations, during the fiscal year of the following vessels:

Name of vessel	Owner
Clement C. Smith, ex-Fort McHenry.....	Calvert Navigation Co.
Steam tanker G. Harrison Smith.....	Standard Oil Co. of New Jersey.
Steam tanker W. I. Farrish.....	Do.

These vessels were subsequently certified by the Shipping Board to the Treasury Department as to type and kind.

#### Engineering Development Program.

1. *Model basin work.*—Research at the United States experimental model basin as regards questions of ship resistance and propulsion was continued during the year. The investigation of 15 models of various proportions and sizes representing the fast cargo liner type was completed. One of these models was tested self-propelled with

12 propellers, covering the practicable range of propeller sizes and revolutions for 400-foot vessels at 14 knots. Tests representing smooth-water conditions were repeated for 25 per cent increased resistance to deal in a way with rough-water conditions.

The bulbous bow research for fine, fast vessels was completed.

Propeller research investigations of the efficiency of the usual ogival propeller blade section as compared with five other types of section were completed. Four of the five other sections showed a slightly better efficiency than the standard type.

Results of all the above were published during the year in papers before technical societies.

Work in progress includes an extensive investigation into the question of form and proportion of vessels for block coefficient greater than 0.66 for which parallel middle body is indicated.

As regards propellers, work under way includes the effect upon efficiency of variations in shape of the backs of propeller sections, continuing the investigation of the shape of sections.

The tests for the Shipping Board in the model basin have now covered a complete series of 4-bladed models, and work is under way with a small series of 3-bladed model propellers, thus covering the whole field with up-to-date experiments. Models can now be tested for cavitation in the new variable-pressure water tunnel at the model basin, so that it will be possible to establish reasonable cavitation limits for both the three and four bladed series. Marine engineers dealing with high-speed vessels have been hampered for many years by lack of such information.

2. *Welding research.*—In cooperation with the Navy Department, Bureau of Construction and Repair, the Shipping Board is engaged in an extensive program of welding research which will cover quite generally the entire field of ship construction. The results of this work will be applicable to the design and fabrication of welded structures and parts in all types of vessels and will be made available to the industry in the form of a special publication.

3. *Boiler feed-water treatment.*—In cooperation with the Naval Engineering Experiment Station of the Navy Department, the Shipping Board is engaged in an extensive investigation into and study of the modern methods of boiler feed-water treatment. The results of this investigation and the probable improvements which are expected to be made in the care and preservation of marine boilers will be of benefit to shipowners and operators and to the American merchant marine in general.

Special bulletins on the investigation will be prepared and made available to the industry during the period of the investigation.

4. *Steel-castings research.*—In cooperation with the Naval Research Laboratory of the Navy Department, the Shipping Board is engaged in a program of research into steel castings. This work will be applicable to the design and production of steel castings in all types of vessels. It is expected that the program will be of direct benefit to the American merchant marine and that shipbuilders particularly will be the first to feel its effects, in that ways and means will be provided which will insure improvement in steel-foundry practices. Results accomplished will be available to the industry.

5. *Possible improvement in speed of existing vessels.*—Under the direction of Rear Admiral D. W. Taylor (C. C.), United States Navy, retired, a general investigation has been made into the possibilities of economically and efficiently increasing the speed of existing Shipping Board vessels. Particular attention has been given to the following: (1) Modification of bow and stern lines; (2) improvement in the propellers; (3) increase of power; (4) operation at lighter than designed displacement; and (5) modification or change of rudder. This investigation was made in view of the fact that several purchasers and prospective purchasers of Shipping Board vessels are interested in such modifications to vessels which they are operating. The results of the investigations are available to the industry.

6. *Trials of the steamship "Clairton."*—Arrangements have been practically completed for the third set of trials of the *Clairton*. The vessel will be fitted with a new propeller, with Sperry gyro and automatic steering device and with various special instruments. The trials will be conducted on the Rockland measured-mile course about October 1, 1931.

#### **Diesel Program.**

The only activities during the fiscal year 1931 in connection with the Diesel program were those of investigation and correction of defects developed in the continued operations of the engines of the various motor ships. This was carried out by a small staff of experts in cooperation with the builders of the engines. Much valuable data have been obtained thereby and will be made available to those interested in a complete report of the Diesel program being compiled. A preliminary technical report has already been made.

Of the original fund of \$25,000,000 authorized for this program the total sum of \$23,665,000 has been made available. Expenditures for the several Diesel programs have totaled \$23,291,675.83, leaving an unexpended balance of \$373,324.17 from the total amount made available for such purposes.

**Certification of Vessels as to Speed, Tonnage, and Construction to the Post Office Department.**

The Bureau of Construction conducted investigations and examinations during the fiscal year past to determine the speeds and tonnage of certain vessels operating in the performance of ocean-mail-contract service. It also made the necessary inspections of these vessels to determine whether or not they were constructed in accordance with plans and specifications approved by the Secretary of the Navy.

**BUREAU OF LAW**

As in the previous fiscal year, the work of the bureau of law has been carried on in three divisions as follows: Litigation and claims division; contracts and opinions division; and admiralty division. The work of these divisions may be summarized as follows:

**Litigation and Claims Division.**

The number of cases in litigation on June 30, 1930, was 920 and the amount involved was \$99,787,251.55. On June 30, 1931, the number of cases in litigation was 651 and the amount involved was \$81,993,242.44. These figures include all litigation other than that handled by the admiralty division. A summary of the changes which have occurred during the fiscal year shows that the number of cases disposed of was 378, amounting to \$19,646,301.78, and the number of cases added was 109, amounting to \$1,852,292.67.

Of the many cases handled by this division there were several decisions of various courts throughout the country which were of importance to the Government.

*Henry P. Talmadge v. United States Shipping Board Merchant Fleet Corporation.*—This was a suit brought by Henry P. Talmadge to recover moneys paid by the Government to the American Shipbuilding Co. of Brunswick, Ga., on account of their contract with the Government for the construction of wooden ships during the war. The amount sued for was \$479,000. The case was tried and won by the Government. An appeal has been taken by the plaintiff, which will probably be argued in the fall of 1931.

*William Drew, to the use of Vincent J. Girard v. United States Shipping Board Emergency Fleet Corporation, Third National Bank, garnishee.*—This was a garnishment suit against the Fleet Corporation to recover approximately \$21,000. This suit was commenced by a writ of foreign attachment involving the amount of a judgment obtained by William Drew in the suit against the Fleet Corporation, which judgment was assigned by Drew to Vincent J. Girard, but which the Government paid to Drew. Certain money of

the Government on deposit with the Third National Bank of Philadelphia was garnisheed and was held up pending the outcome of this suit. The case was tried in the United States District Court for the Eastern District of Pennsylvania, resulting in a decision for the Government, and the payment of the money by the bank to the Government.

*American Standard Ship Fittings Corporation v. United States.*—This was a suit brought in the Court of Claims alleging repudiation of purchase orders for surplus material, and the amount involved was approximately \$130,000. The case was tried and the petition dismissed, and an affirmative judgment was rendered in favor of the United States for about \$500.

*Atlantic Refining Co. v. United States.*—This was a suit for approximately \$171,000, brought for alleged breach of a contract for furnishing fuel oil. After trial, judgment was rendered in favor of the plaintiff for approximately \$40,000.

*A. D. Cummins & Co. v. United States.*—This was a suit brought in the Court of Claims to recover \$271,978.78 for the return of certain deposits made in connection with the purchase of the steamship *West Mount* and steamship *Cascade*, the Government setting up a substantial counterclaim. The case was tried and a judgment was given in favor of the United States for approximately \$90,000 on its counterclaim. A motion for a new trial, made on behalf of the plaintiff, was overruled.

*Gray's Harbor Motorship Corporation v. The United States.*—This suit was commenced to recover compensation for various wooden hulls contracted for by the Fleet Corporation. The amount sued for was approximately \$325,000. The Government filed a counterclaim for a very substantial sum, and after trial judgment was rendered for the United States on the counterclaim in the sum of approximately \$273,000. The counterclaim referred to was partially on behalf of the Fleet Corporation, but largely on behalf of the Treasury Department on its claim for taxes.

*Leslie Ravenscroft et al. v. The United States.*—This suit was brought to recover the sum of \$5,000 for alleged damage to shipment of cotton on the steamship *West Imboden*. On the outcome of this case depended the disposition of 27 other cases of a similar nature. The principal question involved in this and the other cases was whether the Court of Claims had jurisdiction to decide these maritime claims. The court held that it did not have jurisdiction, basing its decision on the decision of the Supreme Court of the United States in the case of *Johnson v. The Fleet Corporation*.

*P. Leroy Harwood, trustee in bankruptcy, Groton Iron Works, v. Fleet Corporation.*—This case was reported in the fourteenth annual

report of the Shipping Board. After the decision of the Supreme Court, the case was remanded to the district court for trial and accounting. Elaborate preparations were made to try the case, but before trial the case was settled by payment by the Government to the trustee in bankruptcy of the sum of \$31,000. The amount involved in this suit was approximately \$13,000.

*United States v. Bethlehem Shipbuilding Corporation.*—This litigation was held up owing to the necessity for a rehearing of the case as a result of the appointment of Hon. Owen J. Roberts to the Supreme Court of the United States. After extensive negotiations with the district court of the United States and with the Court of Appeals in endeavoring to have a judge assigned to hear the case, Mr. William C. Mason, a prominent member of the Philadelphia bar was appointed as master and special referee to hear the cases. The evidence has all been introduced, the briefs are in the hands of the printer and will be ready for delivery to the special master in the near future.

*Brooklawn, N. J., foreclosures.*—In addition to the 102 foreclosure proceedings commenced, the Shipping Board directed the foreclosure of 82 additional mortgages, 60 of which have been started and the balance are being prepared. Many sales have taken place. In the 82 properties being foreclosed, as soon as service has been completed on the many defendants involved in the 60 suits which have been started, the orders for decree pro confesso will be drawn and entered, or in cases where answers have been filed and the cases placed at issue, a trial will be had. This division has been entirely responsible for the preparation of all court papers and attending to the court proceedings therein. In cases where there has been a foreclosure and sale and a deficiency created by reason of the property selling for less than the amount of the Government's mortgage, suits against the makers of the bonds and extension agreements have been instituted in the jurisdiction where the respective individuals reside. Judgments for deficiencies have been entered against the makers of the bonds and extension agreements in cases where the defendants reside in the district of New Jersey.

*Italian Star Line v. United States Shipping Board Emergency Fleet Corporation.*—This case was decided in favor of the Government in the district court and an appeal was taken by the Italian Star Line to the Circuit Court of Appeals for the Second Circuit, where it was recently argued. Briefs have been filed and it is expected that a decision will be rendered by the court soon. The amount involved in this case is approximately \$500,000.

In addition to the foregoing, there were many other smaller cases handled by this division during the fiscal year.

**Contracts and Opinions Division.**

This division has been engaged during the year in the work incidental to loans made out of the construction loan fund authorized by Congress to assist private interests in the construction and reconditioning of ships. During the year there was a marked increase in the work, and the division was responsible for the preparation of the agreements and other documents necessary in approving all applications for advances, and in completing the transactions by drafting contracts, mortgages, notes, and conducting all the formalities of checking up title searches and the like. The division was also actively engaged in negotiating with the persons receiving the loans. In addition, the division prepared all documents relating to the sale of ships, including proposals of sale, notices of sale, and conditions of sale, contracts, bills of sale, preferred mortgages, bonds, notes, and other documents of a similar nature. The division was also responsible for the preparation of miscellaneous legal papers such as contracts for supplies, stevedoring, managing agents' contracts, leases, service contracts, and opinions required by the officials of the Shipping Board and Fleet Corporation for their guidance in the conduct of the business.

**Admiralty Division.**

During the fiscal year ended June 30, 1930, there were pending in the admiralty division of the Bureau of Law 369 cases, involving \$13,016,128.18, while 107 cases were closed during the year and 65 cases added. On June 30, 1931, there were pending 327 cases, involving \$12,991,323.19. On June 30, 1931, there were 180 admiralty cases not in litigation, involving \$4,298,088.65. These figures include admiralty litigation over the entire world, but do not include the so-called "public vessel" cases handled by our New York office for account of the various departments of the Government. In all controversies arising out of collisions or other accidents at sea in which the Shipping Board is concerned, this division conducts and oversees investigations, attends to the prosecution and defense of any suits that arise therefrom, and reviews all controversies arising out of hull insurance in the Shipping Board's insurance fund where the United States of America has an interest. All litigation arising out of protective and indemnity insurance is likewise supervised by this division.

**Miscellaneous.**

In addition to the foregoing, the Bureau of Law handles many claims not in litigation, as well as collection accounts and claims in favor of the board. The clerical force of the Bureau of Law maintains and operates a docket with appropriate correspondence

and pleadings, files of all cases in litigation, both past and present; maintains a chronological follow-up record of the progress of the cases; attends to the preparation of all reports and other data for information and guidance of the other departments of the board and Fleet Corporation; has custody of original contracts and other instruments and furnishes copies thereof to other departments of the board and Fleet Corporation for their guidance. Practically all settlements of the Shipping Board and Fleet Corporation are passed on by the Bureau of Law, and its attorneys take part in the negotiations and conferences leading up to final consummation of the settlement. It likewise acts in an advisory capacity to the officials of the board and Fleet Corporation. It also furnishes such reports and information as are required by Congress on various bills in which the Shipping Board or Fleet Corporation are interested.

The Bureau of Law desires to express its appreciation for the cooperation and consideration received from the Attorney General and the Department of Justice in all of the many legal problems in which the Shipping Board and Merchant Fleet Corporation are interested.

#### BUREAU OF FINANCE

During the fiscal year 1931 the Bureau of Finance made 14 special investigations for the committee on finance of the United States Shipping Board. These investigations related mostly to the financial conditions of shipping companies doing business with the United States Shipping Board and to financial affairs of managing agents or purchasers of Shipping Board lines.

##### Shipping Finance.

The bureau has inaugurated a broad survey of shipping finance in the United States with the purpose of submitting to the Shipping Board annually a report as to finances, control, and management of American shipping lines and services, especially those operating in ocean-going trades, the Great Lakes, and intercoastal services.

Acting under authority of a resolution adopted by the Shipping Board on January 20, 1931, the bureau designed and issued a form of "annual report and general financial statement" on which all corporations subject to the shipping act were required to submit a report for the calendar year 1930. The form was widely distributed, with instructions that report should be submitted by April 30, 1931. Upon request of the American Steamship Owners' Association, however, this date was extended to June 30. Also, upon request of the same association, certain modifications were made in the form.



The annual report form, as issued, is designed to secure essential and vital information as to finances of owners of American-flag ships, shipping lines and services, and such allied industries as are embraced in the shipping act, 1916. In making this survey the Bureau of Finance has been directed to make particular inquiry as to means employed by owners of established shipping lines in foreign trades for the perpetuation of such services through the establishment of replacement funds or other means; also to make a comprehensive study of shipping finance in the United States, with a view eventually to recommending to the Shipping Board a uniform method or system of finance reports, designed to form a reliable basis for a more general distribution of shipping securities to the public.

The Bureau of Finance is now engaged in analyzing and compiling reports submitted by shipping companies for the year 1930. Results will be included in the next annual report.

#### Marine Insurance Survey.

Following is the report of the Bureau of Finance on the annual survey of marine insurance written in the United States during the calendar year 1930:

1. Reports have been received from 64 American companies and 33 admitted foreign countries. These represent practically all companies writing ocean marine insurance in the United States. All American companies, with one exception, engage in fire and automobile insurance. Marine insurance constitutes only a small proportion of their total business. The marine departments of these companies are grouped together under various agencies, with reinsurance arrangements whereby risks are redistributed; this distribution of reinsurance appears to be about equally divided between American and foreign companies.

2. According to reports received by the Bureau of Finance, total premiums received by American and foreign companies in the United States for hull and cargo insurance amounted to \$50,740,000. This is \$10,000,000 less than reported last year. There had been a corresponding drop in cargo premiums as compared with last year, while total hull premiums remained about the same. Hull premiums received by American companies, however, increased by about \$1,000,000, whereas cargo premiums received by these companies dropped \$6,000,000.

3. *American insurance companies* reported \$40,315,000 as original premiums. Of this amount 52 per cent was for cargo insurance and 48 per cent for hull, a decrease in percentage of cargo insurance and an increase in percentage of hull insurance as against 60 per cent and 40 per cent, respectively, for previous year.

(a) Of the total hull insurance premiums of \$19,400,000, approximately \$11,000,000 was distributed as reinsurance with various American and foreign companies. Of the total cargo premiums \$21,000,000, there was distributed as reinsurance \$16,500,000. As indicated above, this reinsurance on hull and cargo business is about evenly divided between American and foreign companies. Details are shown in statistics attached.

(b) Out of a total of \$40,315,000 premiums received by American companies, 10 per cent was sent abroad for reinsurance, as compared with 12 per cent last year. This amount, however, represented only about one-sixth of all reinsurance by American companies. In other words, out of the total of \$27,500,000 reinsurance premiums \$4,400,000 went to foreign nonadmitted companies, \$9,400,000 to foreign admitted companies, and \$13,800,000 to American companies.

4. *Foreign insurance companies* admitted to do business in the United States reported total original premiums as \$10,425,000, of which 70 per cent was for cargo premiums and 30 per cent for hull. Cargo premiums were \$7,800,000 representing a decrease from previous year of about \$4,000,000. The hull premiums, \$3,000,000, were half a million dollars less than last year. (See statement of reinsurance attached.)

5. The attached table indicates comparative amounts of hull and cargo premiums as between American and foreign admitted companies, in the United States, during the calendar years 1929 and 1930. These figures may appear complicated by reason of difference in classes of reinsurance, and by way of clarification the figures are restated in another form, as follows:

6. Questionnaire reports from American companies indicated a total of \$60,069,000 premiums. As this sum included all premiums received by each company, the reinsurance as between these companies was duplicated. Accordingly, the amount of "American-to-American" reinsurance premium is deducted (\$13,663,000), indicating a total premium in American companies of \$46,406,000. From this amount there is a further deduction of premiums received by way of reinsurance from foreign admitted companies (\$6,091,000), leaving a total "original" premium by American companies of \$40,315,000.

7. On the other hand, foreign admitted companies reported a total premium of \$25,300,000 from which is deducted the duplicated "foreign-to-foreign" reinsurance of \$5,393,000 indicating a total premium for foreign admitted companies of \$19,907,000. From this figure there is a further deduction of \$9,482,000, representing reinsurance received from American companies, leaving a total "original" premium of \$10,425,000.

8. These figures do not include insurance on American ships placed directly abroad with foreign companies; an attempt is being made to ascertain the amount of this class of insurance from the annual reports of ship-owning companies, as submitted on the new Shipping Board annual report form.

9. It is noted that the American Marine Insurance Syndicates, which represent the American hull insurance market, and which includes both American and foreign admitted insurance companies, received a net amount of \$6,809,318 for ocean hull premiums, and \$1,249,603 for lake hull premiums, a total of approximately \$7,100,000. Total syndicate premium last year was approximately \$8,000,000.

10. The total net premiums remaining within the United States for hull and cargo insurance in 1930 were \$44,202,000, as compared with \$51,746,000 for 1929. (See following table.)

*Reinsurance and net insurance*

	1929	1930
<b>Insurance premiums reported:</b>		
By American companies.....	\$87,256,000	\$60,069,000
Reinsurance (deduct).....	21,477,000	19,754,000
<b>Total American premiums.....</b>	<b>45,779,000</b>	<b>40,315,000</b>
By foreign companies.....	30,537,000	25,300,000
Reinsurance (deduct).....	15,874,000	14,875,000
<b>Total foreign premiums.....</b>	<b>14,663,000</b>	<b>10,425,000</b>
<b>Total original premiums—American and foreign.....</b>	<b>60,442,000</b>	<b>50,740,000</b>
<b>Cargo premiums reported:</b>		
By American companies.....	41,803,000	33,468,000
Reinsurance (deduct).....	14,671,000	12,560,000
<b>Total American cargo premiums.....</b>	<b>27,132,000</b>	<b>20,908,000</b>
By foreign companies.....	22,209,000	16,770,000
Reinsurance (deduct).....	11,122,000	9,382,000
<b>Total foreign cargo premiums.....</b>	<b>11,087,000</b>	<b>7,388,000</b>
<b>Total cargo premiums.....</b>	<b>38,219,000</b>	<b>28,296,000</b>
<b>Hull premiums reported:</b>		
By American companies.....	25,453,000	26,601,000
Reinsurance (deduct).....	6,806,000	7,194,000
<b>Total American hull premiums.....</b>	<b>18,647,000</b>	<b>19,407,000</b>
By foreign companies.....	8,328,000	8,530,000
Reinsurance.....	4,752,000	5,493,000
<b>Total foreign hull premiums.....</b>	<b>3,576,000</b>	<b>3,037,000</b>
<b>Total hull premiums.....</b>	<b>22,223,000</b>	<b>22,444,000</b>
<b>Grand total cargo and hull premiums.....</b>	<b>60,442,000</b>	<b>50,740,000</b>
Reinsurance with foreign nonadmitted companies.....	8,696,000	6,538,000
<b>Net premiums within United States.....</b>	<b>51,746,000</b>	<b>44,202,000</b>

*Reinsurance*

	Premiums	
	1929	1930
<b>AMERICAN COMPANIES</b>		
Reinsurance on hull with—		
American companies.....	\$5,368,000	\$5,281,671
Foreign admitted companies.....	3,684,000	4,336,224
Foreign nonadmitted companies.....	1,075,000	1,847,656
Total hull.....	11,017,000	10,965,550
Reinsurance on cargo with—		
American companies.....	9,140,000	8,381,080
Foreign admitted companies.....	5,759,000	5,145,282
Foreign nonadmitted companies.....	3,610,000	3,060,660
Total cargo.....	18,509,000	16,587,022
<b>FOREIGN COMPANIES</b>		
Reinsurance on hull with—		
American companies.....	1,448,000	1,911,849
Foreign admitted companies.....	1,068,000	1,150,685
Foreign nonadmitted companies.....	839,000	735,808
Total hull.....	3,355,000	3,804,282
Reinsurance on cargo with—		
American companies.....	5,531,000	4,179,484
Foreign admitted companies.....	5,363,000	4,236,378
Foreign nonadmitted companies.....	2,272,000	1,593,803
Total cargo.....	13,166,000	9,809,665

**Insurance Fund.**

In the previous annual report reference was made to special investigations of marine insurance for the Shipping Board fund. The plan approved by the Shipping Board has been in effect for little more than a year and results are encouraging. A recent step, however, to safeguard the operation of this fund was the formation of a committee known as the insurance rate committee, consisting of representatives of the Bureau of Finance, Bureau of Construction, and Bureau of Law. All new rates or changes in rates are subject to approval by this committee.

As a further effort to safeguard the insurance fund, the bureau has undertaken a study of ways and means to provide reinsurance for ships and lines the fund has insured.

**Housing Mortgages.**

The situation as to housing mortgages has grown somewhat acute and the Bureau of Finance has been making strenuous efforts to solve the problem through the wholesale disposition of houses and mortgages on property at Brooklawn, N. J. The following is an extract from a report made by the committee on finance to Shipping Board on May 18, 1931:

All of these Brooklawn properties had originally been sold in 1923, at a time when prices for real estate were high. The houses were sold on terms and the Shipping Board took mortgages therefor, but when the mortgages became

due in 1926, an appeal was made to the board that by reason of the fall in the real-estate market an extension should be granted. The mortgages were extended for another period of three years and during this period there developed a large number of delinquents as to interest and taxes. It seemed that the situation was getting worse. The Shipping Board made a strenuous effort to secure payment of back interest, but without result. Purchasers were allowed a year's extension providing they would pay the interest due and 20 per cent of mortgage. A few house owners did this, but most of them allowed interest, taxes, and water rents to lapse. The Shipping Board then took steps toward foreclosure. (Foreclosures were authorized by the board in August, 1923.)

As soon as it became known that the board was to foreclose on these properties, there came an almost immediate drop in payment of taxes. The board has foreclosed on approximately 60 properties, and there are about 120 more on which proceedings are in process. The work involved in foreclosure has been tedious and exceedingly slow, and there appears no promise for speedy action on the remaining properties.

The Shipping Board authorized the commissioner in charge of the Bureau of Finance to take immediate steps toward advertising and sale of these houses and mortgages. Accordingly, advertisements were inserted for the sale, by competitive sealed bids, of the following groups:

*Group 1:* 72 properties located in the Borough of Brooklawn, Camden County, N. J.

*Group 2:* 101 bonds and mortgages, totaling the principal sum of \$283,715.84, at present involved in proceedings, brought to foreclose the mortgages, pending in the District Court of the United States for the District of New Jersey, all of which mortgages are past due.

*Group 3:* 161 bonds and mortgages, totaling the principal sum of \$402,103.92, all of which mortgages are past due, but not in process of foreclosure.

Bids for these properties had not been received at the time of preparation of this report.

#### BUREAU OF RESEARCH

The files of the bureau of research now contain complete records of the water-borne commerce of the United States for a period of 10 years, and cover transactions at 346 domestic ports, 416 ports in noncontiguous United States territory, and 2,750 foreign ports, a total of 3,512 ports, which have participated in our water-borne commerce during the decade 1921-1930. Commodities aggregating 2,049 world products are recorded as having been transported during the 10-year period. The total volume of these commodities was nearly 900,000,000 tons and their value exceeded \$74,000,000,000.

The records of the bureau also contain particulars of approximately 17,500 steam and motor vessels of 1,000 gross tons and over which constitute the world's merchant marine, together with historical files pertaining to important vessels of the world fleet. Rec-

ords are also available of the 80 American-flag liner services, with details of their itineraries in foreign services.

During the past fiscal year the scope and volume of the work of the bureau of research has substantially increased, notwithstanding the depression which has seriously affected the shipping industry. As the facilities of the bureau become more widely known there is an increasing demand for its publications both in the United States and abroad, as well as requests for special compilations.

The organization of the bureau has continued, as in the previous year, its duties being distributed among the three divisions—the maritime records division, the economic division, and the educational division.

As heretofore, the maritime records division is employed in the collection, recording, and compilation of data for use in the regular and special reports prepared by that division, as well as the furnishing of basic information utilized by the economic and educational divisions.

The economic division is engaged in the conduct of technical studies pertaining to vessel operation, construction cost, differentials, and other matters relating to water transportation. This division also cooperates with special committees and representatives of other bureaus and organizations in joint projects.

The educational division prepares studies, graphic presentations, informative data, and other educational material for use by the board, other governmental agencies, educational institutions, civic organizations, and others interested in the relations between shipping and the welfare and progress of the United States. This division also maintains exhibit material for use by the board and for loan to educational, commercial, and such other organizations as may serve the public interest in the development of information regarding the American merchant marine.

During the fiscal year the bureau compiled 312 special reports, among which were 50 special maps, 42 articles for publication, a survey of the Nation's freight bill, analysis of replies to questionnaires on the training of merchant-marine officers issued by the National Merchant Marine Conference, and studies on numerous other subjects. Of the total of 312 special reports prepared, 140 were for the use of the Shipping Board, 47 for other governmental departments, and the remainder were distributed among commercial and port organizations, transportation corporations, periodicals, and educational institutions.

The regular periodical reports of the bureau numbered 87, of which reports 50,000 copies were distributed among Government officials and organizations, transportation companies, port organizations, financial, commercial, civic, and educational institutions.

The records from which the reports of the bureau were compiled were formulated from 130,000 individual reports received from vessel operators, collectors of customs, and others. These reports showed in detail the 55,000 entrances and clearances at United States ports of the 4,700 vessels employed in our water-borne commerce during the year, as well as the ports of origin and destination of the 2,100,000 passengers and the 88,000,000 tons of cargo transported between the 182 domestic ports and the 1,366 foreign ports which participated in our foreign trade for the same period.

The formulation of the permanent records of the bureau for the year involved the writing of 16,000 letters and the making of 72,000,000 individual entries upon 1,600,000 perforated permanent record cards.

During the fiscal year the director of the bureau has acted as consultant and member of various committees, including the mail contract committee, the National Merchant Marine Conference, the Society of Naval Architects and Marine Engineers, and others.

#### SECRETARY

The office of the secretary is the central administrative office of the board, and the duties thereof during the past year were the same substantially as during the preceding year. They may be briefly outlined as follows:

Records all minutes of meetings of Shipping Board.

Prepares and presents to the board, by formal docket or otherwise, all cases which require the board's attention.

Acts as custodian of the files, records, and seal of the board.

Has supervision over the division of public information.

Prepares for use in litigation or otherwise certified copies of documents and records. Sometimes presents documentary evidence in court.

Conducts all investigations and correspondence under section 9 of the shipping act, 1916, as amended. Prepares recommendations for standing committee of board on such cases and issues formal orders thereunder.

Conducts all investigations and correspondence under section 30, subsection O (a), merchant marine act, 1920. Prepares recommendations for standing committee of board on such cases and issues formal orders thereunder.

Prepares, as Budget officer, for the consideration of the board and transmittal to Congress, estimates for appropriations required by the board and Merchant Fleet Corporation.

Examines and takes administrative actions on vouchers covering salaries and expenses of employees of the Shipping Board, by direction of the chairman.

Maintains jurisdiction over the service divisions of the board, such as library, mails, duplicating, files, chief clerk's division, personnel division, etc., and general office management.

Supervises communications, telegraph, cables, etc.

Under direction of the chairman, exercises supervision over the personnel of the Shipping Board.

Assists standing and special committees of the board in preparing data and holding hearings in connection with various matters which are under consideration by the board.

This office also serves in the performance of general secretarial and administrative duties for the Merchant Fleet Corporation.

#### Sales to Aliens and Transfer of Registry of Vessels.

All applications under section 9 of the shipping act, 1916, as amended, are routed to the office of the secretary for investigation, study, and recommendation on behalf of the standing committee of the board to which the administration of the provisions of this law has been assigned.

Under the provisions of section 9, it is unlawful to sell, transfer, or mortgage, or, except under regulations prescribed by the board, to charter any vessel purchased from the board or documented under the laws of the United States, to any person not a citizen of the United States, or to put the same under a foreign registry or flag, without first obtaining the board's approval.

In the administration of this section, it has been the policy of the board to carefully scrutinize each application, with a view to preventing the transfer to foreign ownership and registry of American vessels which are of a type required in the development and maintenance of a modern, efficient merchant marine, for service under the United States flag. Two paramount considerations are constantly controlling, to wit, the requirements of the merchant marine for United States foreign trade and the requirements as a naval or military auxiliary for the national defense.

The Treasury Department and the Department of Justice have requested the board to assist in the prevention of the transfer of small vessels to aliens where such vessels would probably engage in unlawful trade with United States ports. In cooperation with those departments, the board has, in granting its approval, imposed a condition where the vessel is of 2,500 deadweight tons and under that the vessel shall not be used in whole or in part in the transportation to or from any part of the United States of America, of any spirituous, vinous, malted, fermented, or intoxicating liquid of any kind, or of any liquid the transportation of which is forbidden by the Constitution or by any law of the United States.

In considering applications involving these small vessels, it is the practice to communicate the information contained in the application to the Treasury Department, Bureau of Customs and the United



States Coast Guard, for investigation. These offices maintain records of persons and vessels suspected of smuggling narcotics, liquor, and aliens and are in a position to inform the board whether the proposed purchaser is engaged in such unlawful trade. When an unfavorable report is received by the board, the applicant is informed thereof and given an opportunity to submit additional information to establish the bona fides of the proposed sale and transfer. The board does not look with favor and will not approve an application unless a satisfactory report is received concerning the proposed purchaser and the future business of the vessel. There are now pending a number of cases which can not be approved because of unsatisfactory reports received.

To obtain the board's approval under section 9 a formal application is not necessary, but it is required that sufficient information be given so that all details are available concerning the vessel's construction, age, present and contemplated trades, the business of the proposed purchaser, the reasons for requesting transfer of ownership or registry, and why it is not desirable or practicable to retain the vessel under American ownership for operation under the United States flag. With a view to protecting American lienors, the board requires that there be filed with each application a certificate of liens and encumbrances issued by the collector of customs at the vessel's home port. For convenience, there has been prepared an application form arranged to elicit the desired information as outlined above. Application forms are obtainable at the office of the secretary of the board or the office of any collector of customs.

Section 9 requires the board's approval to charter a vessel documented under the laws of the United States to aliens. The board, at a meeting on April 22, 1930, adopted the following resolution prescribing the regulations contemplated:

*Resolved*, As a regulation prescribed by this board under the provisions of section 9 of the shipping act, 1916, as amended, the approval contemplated by that section is hereby given that any vessel documented under the laws of the United States may be chartered, without further action by this board, to a person not a citizen of the United States, for a period not to exceed 12 months, or for a voyage or voyages, the probable duration of which will not exceed 12 months: *Provided, however*, neither this resolution, nor the resolution adopted October 14, 1921, shall be construed to apply to any vessel chartered from the Shipping Board, or upon which the board has a mortgage or in which the board has any monetary interest.

*Resolved further*, The resolutions adopted October 14, 1921, and July 3, 1929, promulgating a regulation on this subject, are hereby repealed, without prejudice, however, to any proper action heretofore taken thereunder.

Under section 41 of the shipping act, 1916, the board is authorized to grant its approval absolutely or upon conditions deemed necessary and advisable. Pursuant thereto the restrictions against smuggling outlined above are imposed and there is also imposed the condition

that there shall not be any liens or encumbrances against any vessel transferred to foreign registry of record in the vessel's last home port. In cases of larger vessels of approximately 3,000 deadweight tons and up, the condition is imposed that such vessels shall not, for a certain period of time, engage in trade with United States ports. Such a condition is imposed to prevent competition with established United States flag services by vessels with foreign crews and the possibility of fighting ship practices.

A violation of any condition imposed by the board constitutes a misdemeanor and is punishable by fine or imprisonment in the same manner, and subjects the vessel's stock, bonds, or other subject matter of the application conditionally approved to forfeiture in the same manner as though the act conditionally approved had been done without the approval of the board, but the offense is deemed to have been committed at the time of the violation of the condition. By section 41, it is also made unlawful for any person to make any false statement of material fact to the board or any member thereof, or any officer, agent, or attorney thereof, for the purpose of securing such approval, and a penalty of a fine or imprisonment or both is provided for in case of violation of this provision.

After favorable action has been taken by the board upon an application under section 9, the secretary of the board issues a formal order setting forth the board's approval and incorporating therein the conditions upon which such approval has been accorded. In certain cases the board may require the filing of a bond or collateral agreement guaranteeing the performance of the conditions imposed.

All violations of section 9 are carefully investigated by the office of the secretary through local and foreign representatives of the Government and if sufficient evidence proves conclusively a violation of the law, the matter is referred to the Department of Justice for appropriate action. It is customary for these cases to be referred to the proper United States district attorney for prosecution and the office of the secretary assists in the further handling of the case whenever called upon by furnishing additional evidence or in attendance at trials.

During the past year the board has acted favorably upon applications involving 41 vessels of 30,944 gross tons. There were also approved the charter of four vessels to aliens. There are at present pending, and under consideration, 42 applications awaiting results of investigation and further consultations with applicants. There are also pending seven cases referred to the Department of Justice for prosecution.

The following statement shows the favorable actions of the board on applications under section 9 of the shipping act, 1916, from July 1, 1930, to June 30, 1931, inclusive :

*Approvals by the United States Shipping Board under section 9 of the shipping act, 1916, of transfers of vessels to foreign registry and/or sale to aliens, July 1, 1930, to June 30, 1931*

Name	Official No.	Rig	Gross tons	Last home port under United States registry.	Owner or applicant	Purchaser	Foreign registry	Date of order	Order No.
John Ericsson	77226	St. s.	3,200	Cleveland, Ohio.	Bunce Transit Co.	T. O. 2263 canceled.	Canadian	July 9, 1930	2263A
Alexander Holley	107237	Brg	2,721	do.	do.	T. O. 2264 canceled.	do.	do.	2264A
John Ericsson	77226	St. s.	3,200	do.	Schneider Steamship Co.	Great Lakes Transit Corporation (Ltd.).	do.	do.	2263
Alexander Holley	107287	Brg	2,721	do.	do.	do.	do.	do.	2260
J. Oswald Boyd	223043	St. s.	1,868	New York, N. Y.	Columbia Marine Corporation.	T. O. 2265 canceled.	do.	July 11, 1930	2265A
Leonard P. King	223044	St. s.	587	do.	Byrd Arctic Expedition.	Marine Agencies (Ltd.)	British	July 16, 1930	2270
Elizabeth Bandt	216263	St. s.	587	Georgetown, Me.	Walter E. Reid.	Bernhard Kart.	British	July 23, 1930	2271
Ruth M. Martin	115632	Ol. s.	68	New York, N. Y.	Portland Wharfing Co.	Charles Frachshaw	Canadian	Aug. 6, 1930	2272
Takeport	210310	St. s.	1,284	Buffalo, N. Y.	Richard W. Eberly	James M. Ferguson	Canadian	Aug. 8, 1930	2273
Skawway	203314	Ca. s.	433	New York, N. Y.	Reid Towing & Wrecking Co.	Andre Poir.	French	Aug. 13, 1930	2274
Ralph Budd	202329	St. s.	4,671	Buffalo, N. Y.	Reid Towing & Wrecking Co.	North West Transportation Co. (U. S.).	Canadian	Sept. 3, 1930	2198A
Tiburon	214329	Ga. s.	35	Los Angeles, Calif.	Benjamin F. Johnston	United Sugar Companies.	Mexican	Sept. 10, 1930	2275
Bruis	221506	Sch	39	San Juan, P. R.	Antonio Perea Bermudez	Luis Britan Romero.	Venezuelan	Sept. 17, 1930	2276
Altagracia	219864	Slp	11	do.	Pablo Lavergne	Hungary Guzman.	Dominican	do.	2278
Amelia	215327	St. s.	1,287	Tampa, Fla.	N. Germal & Co.	(No sale)	Panaman	Sept. 20, 1930	2279
Commercial Courier	215017	St. s.	2,117	Wilmington, Del.	Moore & McCormack Co.	Chadio Sifalas	Grecian	Oct. 15, 1930	2280
Eocene	208852	St. s.	2,217	New York, N. Y.	Standard Oil Co. of New York	Richard Albert Dunderdale.	British	Oct. 24, 1930	2280
Delite	224637	Ol. s.	14	San Diego, Calif.	Mannal M. Cardoza	Fernando Salgado.	Mexican	do.	2281
Antietam	219229	St. s.	6,972	Philadelphia, Pa.	Pennsylvania Shipping Co.	Shell Eastern Petroleum Products (Inc.) (charter).	(No change of registry.)	Oct. 29, 1930	2282
Meton	220385	St. s.	7,311	do.	do.	(No sale)	Panaman	do.	2283
Myservy	204858	Ga. s.	169	New Orleans, La.	J. B. Boiden	(No sale)	Mexican	do.	2284
Lark	210394	Ol. s.	72	San Francisco, Calif.	Hunt-Hatch Transportation Co.	Lorenzo L. Rico.	do.	Oct. 30, 1930	2284
Helen B. Sterling	220032	Sch	2,592	Seattle, Wash.	Pacific Transport Co.	(No sale)	do.	Dec. 11, 1930	2285
Guardian	203008	St. s.	492	Port Huron, Mich.	James Thomas Reid.	Sin-Mac Lines (Ltd.)	Canadian	Jan. 12, 1931	2286
Hawk	225311	Ol. s.	43.57	Los Angeles, Calif.	Coast Fishing Co.	Shin Shubata.	Japanese	Feb. 11, 1931	2287
Shanadoah Second	210632	Yacht.	213	Newport, R. I.	Gibson Fahnestock	Paul Brunet.	French	do.	2288
Vesta	210632	Tnk.	3,663	New York, N. Y.	Standard Transportation Co.	Standard Transportation Co. (Ltd.).	British	do.	2289
Nonchalant	211094	Yacht.	33.21	Boston, Mass.	H. J. Dillon	James E. Hahn.	Canadian	Feb. 13, 1931	2290
Jennie Griffin	70492	Yacht.	17.74	Los Angeles, Calif.	E. E. Kubitschek	(No sale)	Panaman	Feb. 18, 1931	2291
Meton	220386	Tnk.	7,311	Philadelphia, Pa.	Pennsylvania Shipping Co.	Shell Eastern Petroleum Products (Inc.) (charter- ert).	(No change of registry.)	Mar. 11, 1931	2292
Tutterfield	218244	Tug	429	Milwaukee, Wis.	Newaygo Tug Line (Inc.)	Shell Eastern Petroleum Products (Inc.) (charter- ert).	Canadian	Mar. 18, 1931	2293
Hagan	219257	Tnk.	6,373	Philadelphia, Pa.	Pennsylvania Shipping Co.	Shell Eastern Petroleum Products (Inc.) (charter- ert).	(No change of registry.)	Mar. 25, 1931	2294



*Recapitulation, showing nationalities and tonnage*

Registry	Number	Gross tons	Registry	Number	Gross tons
British.....	7	7, 013	Japanese.....	1	44
Canadian.....	14	14, 260	Mexican.....	7	3, 220
Dominican.....	1	11	Panaman.....	3	1, 424
Finnish.....	1	767	Portuguese.....	1	1, 648
Foreign.....	1	11	Venezuelan.....	1	89
French.....	2	256	Total.....	41	30, 944
Greek.....	1	2, 111			
Honduran.....	1	140			

**Ship Mortgage Act, 1920—Surrender of Marine Documents.**

Section 30, subsection O (a), merchant marine act, 1920, cited as the ship mortgage act, provides that the documents of a vessel of the United States covered by a preferred mortgage, may not be surrendered (except in the case of the forfeiture of the vessel or its sale by the order of any court of the United States or any foreign country) without the approval of the board, and that the board shall refuse such approval unless the mortgagee consents to such surrender.

The administration of the provisions of this law has been delegated by the board to a standing committee on behalf of which the office of the secretary conducts all preliminary investigations and handles all correspondence in regard to applications filed, prepares appropriate recommendations for the committee to submit the case to the board and, if favorable action is taken, issues a formal order thereunder.

The board does not prescribe a formal application under this section but requires the applicant to submit full details showing the name of the vessel, reason for requesting surrender of the marine document, the names of all preferred mortgages, the date and the amount of the mortgage held by each and requires the application to be supported by a certificate of liens and encumbrances issued by the collector of customs at the home port of the vessel. The board may also require additional information concerning the transaction, depending upon the nature thereof.

Among the purposes upon which applications are predicated are change of name of vessel, change of name of owning company, transfer of ownership, change of home port, etc.

As required by law, the preferred mortgagee must file with the board written consent to the surrender of the document as requested. If the purpose of the surrender is the transfer of title of a vessel, in whole or in part, the purchaser or transferee must show its citizenship and citizenship of the stockholders and stock ownership to determine whether an alien is involved.

In granting its approval, the board requires that the vessel be redocumented under the laws of the United States concurrently with the surrender of the outstanding marine document. The board also requires that all indorsements necessary to preserve the preferred status of all preferred mortgages must be made upon the new document when issued. The board may impose other conditions for the protection of the rights and interests of the preferred mortgagee.

During the past year, the board considered and approved applications for the surrender of the marine documents involving 32 vessels of the United States.



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PART II

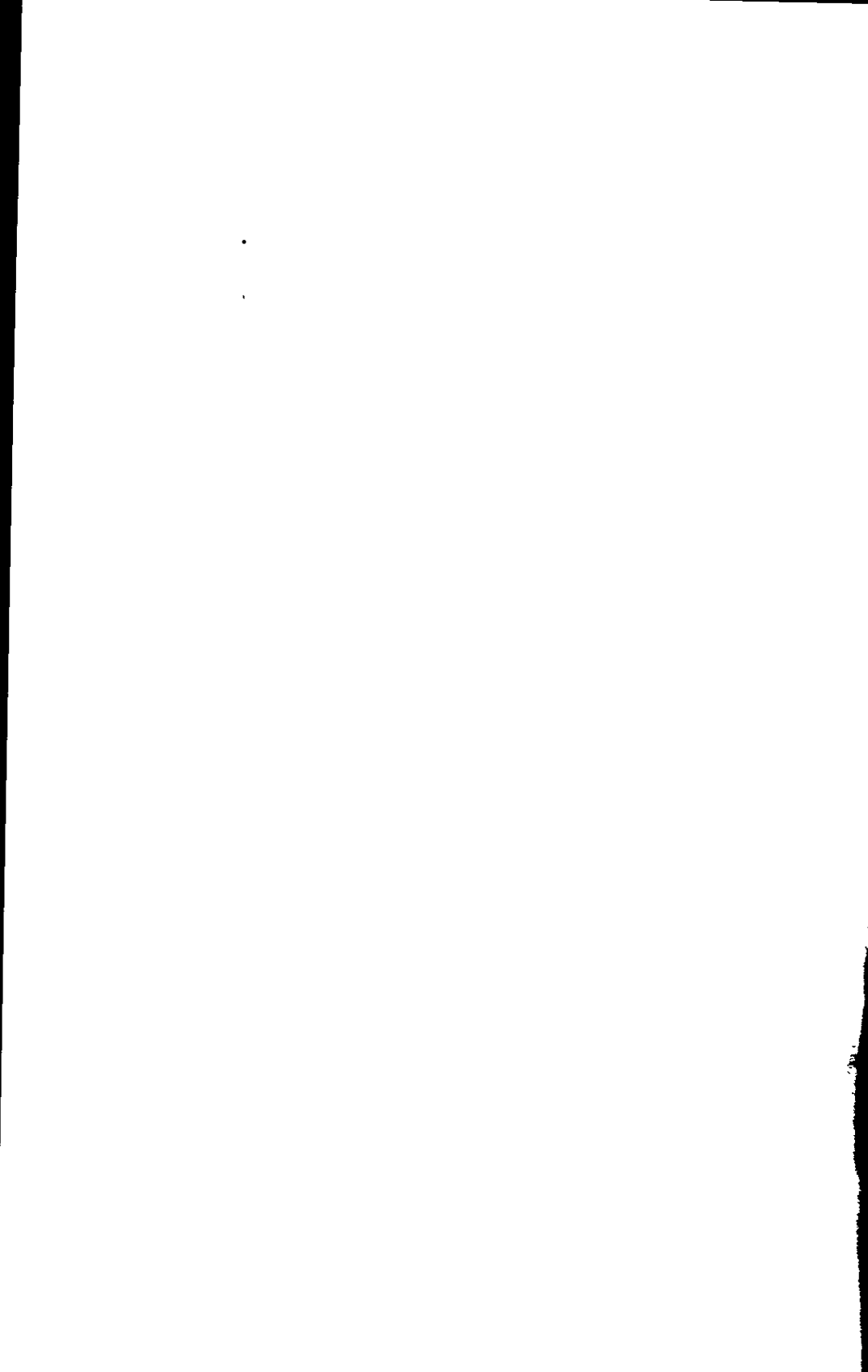
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UNITED STATES SHIPPING BOARD  
MERCHANT FLEET CORPORATION

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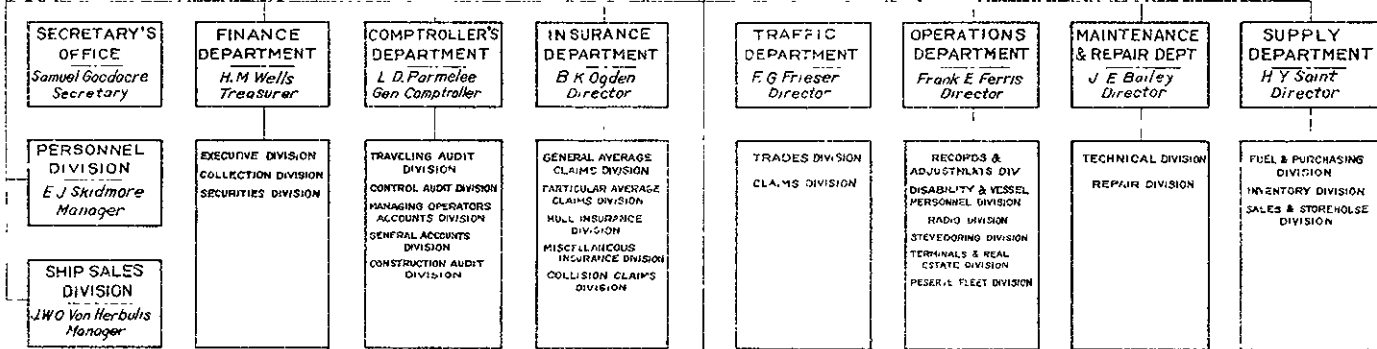




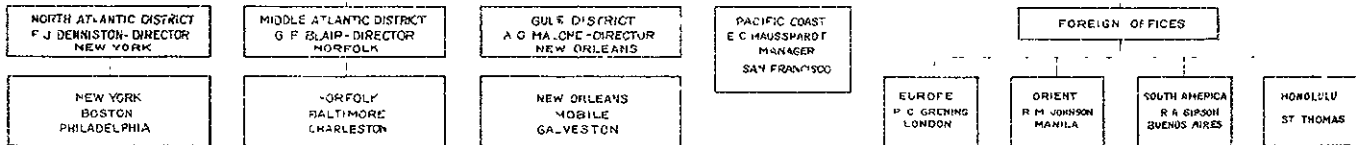
**ORGANIZATION CHART**  
**UNITED STATES SHIPPING BOARD MERCHANT FLEET CORP.**  
 JUNE 30, 1931

**BOARD OF TRUSTEES**  
 PRESIDENT ..... ELMER E. CROWLEY  
 VICE PRESIDENT..... S. S. SANDBERG  
 TRUSTEE ..... E. C. PLUMMER  
 TRUSTEE..... R. K. SMITH  
 TRUSTEE ..... A. H. DENTON  
 TRUSTEE..... JEFFERSON MYERS  
 TRUSTEE..... H. I. CONE  
 SAMUEL GOODACRE— SECRETARY

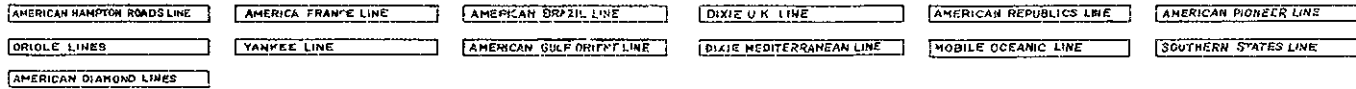
**PRESIDENT**  
 ELMER E. CROWLEY  
 EXECUTIVE ASSISTANT  
 ULRIC J. GENDRON



**DISTRICT DIRECTORS**



*LINES OPERATED BY MANAGING OPERATORS FOR ACCOUNT OF UNITED STATES SHIPPING BOARD*



# MERCHANT FLEET CORPORATION

## ORGANIZATION

At the beginning of the fiscal year 1931 the board of trustees of the Merchant Fleet Corporation consisted of John R. Gordon, president of the corporation, and Shipping Board Commissioners Cone, Denton, Myers, Plummer, Sandberg, and Smith. Mr. Gordon died August 26, 1930, and the offices of president and trustee were unfilled until March 26, 1931, when Elmer E. Crowley was elected to both offices. No other change in the personnel of the board of trustees was made during the fiscal year 1931.

At the annual meeting of the board of trustees, held April 17, 1931, all officers of the Merchant Fleet Corporation were reelected except Vice President J. Caldwell Jenkins, so at the close of the fiscal year the officers of the corporation were the following:

President.....	Elmer E. Crowley.
Vice president.....	S. S. Sandberg.
Secretary.....	Samuel Goodacre.
Treasurer.....	Heber M. Wells.
General comptroller.....	Lewis D. Parmelee.

Immediately after his election President Crowley assumed active supervision over the organization of the Merchant Fleet Corporation, and when the former vice president failed to be reelected and no successor was appointed, the duties of vice president, other than those exercised by Commissioner Sandberg, were absorbed by the president and his assistants. Other organization changes during the year included the absorption of the statistical division by the operations department and certain changes in district offices, which are explained later in this report. Aside from these changes, the organization of the Merchant Fleet Corporation followed the general plan in effect during the preceding fiscal year, and on June 30, 1931, was in accordance with the chart displayed on the opposite page.

The accompanying chart shows the 13 lines of cargo vessels that were being operated by managing operators under the general supervision of the Merchant Fleet Corporation on June 30, 1931. This is five lines less than were shown on the chart included in the 1930 annual report, one being excluded by reason of its sale and delivery to a purchaser, and four as the result of consolidation of services from Gulf ports. As stated elsewhere in this report, 3 of the remaining 13 lines were in process of sale as of June 30, 1931.

## SPECIAL FEATURES OF THE YEAR'S ACTIVITIES

## Sales of Vessels.

During the fiscal year 71 cargo ships, 1 launch, and 1 lifeboat were sold, a total of 73 vessels aggregating approximately 591,000 deadweight tons and 384,000 gross tons. The total sales price of these vessels was \$1,088,680, but a number of the sales carried intangible considerations in addition to the price, such as agreements to operate vessels in restricted services, conversion contracts, and undertakings to dismantle and scrap vessels.

Included in the total of 71 cargo vessels sold were the following: 3 for unrestricted operation, 2 of which were in damaged condition; 6 for restricted operation in specified trade routes; 1 for conversion to a barge; 1 for conversion to a self-propelled dredge, and 60 for dismantling and scrapping.

The sale of the Baltimore and Hampton Roads to Hamburg route, established by the Shipping Board in April, 1930, was closed during the year. The purchaser, the Baltimore Mail Steamship Co., is obligated to convert the five cargo ships purchased for the line into combination passenger and cargo ships, the last conversion to be completed not later than December 31, 1931, and to maintain the service for five years from the time the first converted ship is placed in service, maintaining 45 voyages per annum.

One vessel was sold for guaranteed operation to augment the service of the Pacific Argentine Brazil Line, a service which was sold by the Shipping Board in January, 1926, on a guaranteed operation basis.

Sale of the Mobile Oceanic Line with 14 vessels to the Waterman Steamship Corporation, sale of the American Diamond Lines with 12 vessels to the Black Diamond Steamship Corporation, and sale of the American Hampton Roads Line with 5 vessels to the Southgate Nelson Corporation have been authorized by the Shipping Board, but these sales were not consummated by June 30, 1931, so these vessels are not included in the above-mentioned sales totals. The purchaser of each of these three services is the present managing operator of the line for the Shipping Board.

During the fiscal year the Shipping Board acquired title to several vessels. A cargo vessel of 12,850 deadweight tons, which with two other cargo ships was sold to one company in 1929, was reacquired in a settlement with the purchaser, and another cargo vessel of 7,323 deadweight tons on which the board had a mortgage was bought in at a court sale. A wooden launch was transferred from the Commerce Department and later sold and a submarine and an Eagle boat were transferred from the Navy Department and chartered by the Shipping Board to private operators for scientific development.

A statement showing the various classes of tonnage sold and acquired, names of vessels, names of purchasers, sales prices, conditions governing sales, etc., is given in Table I of the appendix.

#### **Proposed Sale of Hoboken Terminal.**

Pursuant to act of Congress, Public, No. 146, Seventy-first Congress, approved April 19, 1930, the Hoboken terminal property was advertised for sale by sealed bids to be opened July 23, 1930. Only one bid was received for the property, this in the amount of \$4,282,000 submitted by Paul W. Chapman. This bid was not considered adequate, and subsequent negotiations with the bidder, with the city of Hoboken authorities, and with the Port of New York Authority, extending over a period of several months, failed to culminate in a satisfactory arrangement for the disposition of this property. The Chapman bid was subsequently withdrawn.

As a result of these negotiations a bill was introduced in the final session of the Seventy-first Congress to authorize the Shipping Board to sell the property to the Port of New York Authority for \$4,282,000, payable 30 per cent in cash and the balance covered by bond and mortgage of the Port of New York Authority running for a period of 15 years. This bill, however, failed to pass before the adjournment of Congress.

In June, 1931, the Shipping Board authorized readvertisement for bids for the Hoboken property and directed that the specifications and invitation to bidders contain an upset price of \$4,282,000. Before the advertisement was published, however, the board was informed that the Port of New York Authority in all probability would not submit a bid under terms including such an upset price, as the result of which the Shipping Board decided to postpone action for the disposition of the property at this time.

#### **Proposed Sale of 45 Broadway.**

As related in the fourteenth annual report, the Shipping Board decided to offer for sale the office building located at 45 Broadway in New York City, so an invitation for sealed bids to be received and opened on August 26, 1930, was advertised.

Although invitations to bid were sent to about 100 parties who had shown a past or current interest in the purchase of this property, only one bid was received on August 26, 1930, and this bid was subsequently rejected as being inadequate in price and not in conformance with the terms of sale prescribed by the board. After rejection of this bid, the Shipping Board directed the Merchant Fleet Corporation to continue every effort to obtain a reasonable price for this property, but after several months effort no satisfactory offers were obtained, so the board decided to postpone the sale of this property indefinitely.

**Operating Agreement, 1930.**

This agreement, which was described in some detail in preceding annual reports and is sometimes referred to as the lump-sum contract, has been put to increased use during the past year. At the close of the fiscal year, 1930, there was but one service operating under the 1930 agreement, but by June 30, 1931, new agreements had been executed for all but four lines and three of these were subject to sales negotiations.

The operation of lines under the 1930 agreement in the fiscal year 1931 had a mutually beneficial effect to the parties thereto; first, by reducing the cost to the Merchant Fleet Corporation for maintaining these services, and second, by payment to the managing operators of lump-sum fees which with one exception have been sufficient to cover their operating expenses and provide a reasonable profit as well. In fact, the operating results for several lines under the new agreement were such that greater profits were realized by the managing operators than were originally anticipated, so in accordance with its rights under these contracts, the Merchant Fleet Corporation made appropriate reductions in the compensation allowances. On the other hand, it was necessary to increase the lump-sum fee for one operator, due to unusually adverse conditions that developed in the trades in which the operations of this line were conducted.

As was anticipated, this form of agreement has provided managing operators with incentives to reduce operating costs and to develop business through more intensive solicitation; and the results obtained have proven the soundness of the principles upon which this new agreement is based. Handicapped by the severe falling off of exports and imports, the lines under 1930 operating agreements have curtailed sailings commensurate with trade requirements, and this has been done without jeopardizing the position of the American merchant marine in the various trades. With the shrinkage in freight revenues, the operators effected economies which greatly reduced operating costs, such as shortening of the turnarounds with a resultant decrease in vessel operating costs; reduction in cargo handling charges, etc.

**Extent of Vessel Operations.**

The decreased demand for vessel tonnage which resulted from the general business depression caused cargo vessel operations of the Merchant Fleet Corporation to be less extensive in the fiscal year 1931 than they were in 1930 or in preceding fiscal years.

On June 30, 1931, there were 138 active cargo ships, whereas on the same date in the preceding year there were 149 active vessels assigned to the same cargo services. This reduction of 11 active vessels, as well as a reduction in the number of inactive vessels in the custody of managing operators from 14 to 8, resulted partly

from the shipping depression, partly from the consolidation of several services operating from the Gulf, and partly from the more efficient use of the vessels under the 1930 agreements.

During 1931, 668 cargo voyages were completed, compared with 876 in 1930, a reduction of 208 voyages. Of this total reduction, 33 resulted from consummation of the sale of the Gulf West Mediterranean Line, which was in process of delivery at the beginning of the fiscal year 1931. The balance of the reduction, or 175 voyages, is attributable to restricted sailing schedules, resulting largely from depressed business conditions.

The plan for consolidating Gulf services, which was mentioned in the fourteenth annual report, was approved by the Shipping Board and was put into effect early in the fiscal year 1931. The execution of this plan resulted in the establishment of three services—one from New Orleans and Texas to United Kingdom ports; one from New Orleans and Texas to the European continent including ports in France, Belgium, Holland, and Germany; and one from Gulf and South Atlantic ports to the French Mediterranean, Italy, and the Adriatic Sea; territories that formerly were served by seven separate lines. The consolidated services cover the same trades, but eliminate duplication of effort with resulting economies in operating costs and general improvement in operating results, which should ultimately enhance the possibility of sale of the new services to private operators.

A list of cargo services in operation on June 30, 1931, showing names of managing operators and the number of vessels assigned to each, is included as Table IV of the appendix.

#### **Total Results of Operations During 1931.**

The total operating loss of the Merchant Fleet Corporation in the fiscal year 1931 was approximately \$9,295,000, excluding coal trade charges. This total is \$1,000,000 below the 1930 loss and is less than the losses for several preceding years, notwithstanding the depressed shipping conditions existing during the year, it being the lowest point in a gradual scale of reductions from the total loss of \$41,000,000 reported in the fiscal year 1924.

A profit-and-loss statement for the fiscal year 1931, showing operating results for various activities of the Merchant Fleet Corporation, is given in Table X of the appendix.

#### **Cost of Cargo Services.**

For cargo voyages and inactive vessels assigned to managing operators the net cost, excluding administrative expenses of the Merchant Fleet Corporation, was \$7,325,000 in the fiscal year 1931. This total is \$166,000 greater than the corresponding amount for 1930.

Three cargo services which operated under the 1924 agreement and one which operated under the profit-sharing agreement throughout the fiscal year 1931 completed a total of 209 voyages with losses and inactive expenses totaling \$1,733,000, which exceeds the losses for 248 voyages and inactive expenses of the same lines in 1930 by \$772,000. Comparison of total revenues for these lines clearly indicates the serious effect of depressed conditions, the 1931 revenue being \$2,941,000 below the 1930 total. As the result of strict economy, however, the effect of reduced revenues was overcome to a great extent by decreased expenses.

Other cargo services that were active during all or part of 1931 had voyages under the 1924 and the 1930 operating agreements. Losses for 455 voyages and inactive vessel expenses in the fiscal year 1931 totaled \$5,567,000 for these lines, which is \$432,000 below the 1930 total of \$5,999,000 for 594 voyages and inactive expenses for the same lines. Reduced revenues materially affected 1931 results even for voyages under the 1930 agreement, since operators' fees in most cases were determined after revenues began to drop, and were higher, therefore, than they would have been under normal conditions. The reduced number of voyages and economies resulting from the use of the 1930 operating agreement, however, did much to offset the effects of the revenue decline.

#### **Other Operating Results.**

Charter-hire earnings in 1931 totaled \$97,000, or a little less than half the amount reported in 1930. This reduction was principally caused by gradual redelivery to the Merchant Fleet Corporation of 16 vessels chartered by the Export Steamship Corporation in 1930 to handle an unusually heavy cargo movement to Russian ports.

Another economy resulting from the use of the 1930 operating agreement is evident when the total cost of repairs and other expenses incident to the maintenance of vessels in spot condition in 1931 is compared with similar costs in 1930. When a managing operator takes over a line on a 1930 contract, he takes delivery of a sufficient number of vessels to maintain the service and assumes the responsibility for keeping them in operating condition. For this reason the number of spot vessels which the Merchant Fleet Corporation must keep available as replacements or to supplement services may be reduced to a minimum. Accordingly, spot vessel expenses in 1931 were \$743,000 less than in the preceding year.

Miscellaneous income amounted to \$790,000 in 1931, or about \$300,000 less than the 1930 total. About \$107,000 of this decrease was in the net earnings of terminals, which like many other activities keenly felt the effect of poor business conditions. There was a decrease of \$129,000 in interest earnings, which fell off very materially



for two reasons: First, withdrawal of funds from banks; and second, reduction in interest rates on bank balances. Reduced slop chest earnings and elimination of foreign exchange profits also contributed to the decline in net miscellaneous income in 1931 as compared with the preceding year.

#### **Coal Trade.**

The activities of the Merchant Fleet Corporation in the coal trade were almost negligible in the fiscal year 1931. Only two voyages were completed, one to South America and one to France, handling a total of 12,124 tons of coal. Voyage losses and inactive expenses totaled \$41,343, reducing to \$938,877 the balance of amounts made available for the coal trade by appropriation acts for the fiscal years 1929, 1930, and 1931.

The 1932 appropriation act extends the availability of this balance through the ensuing fiscal year for the purpose of reconditioning and operating ships for carrying coal to foreign ports. Until present conditions show a decided change, however, it is unlikely that the Merchant Fleet Corporation will be active in this service, since current ocean rates for coal shipments by private carriers are below the minimum rates established by the Shipping Board for its vessels, and are likely to remain so as long as there are a large number of privately owned vessels in idle status.

#### **Changes in District Offices.**

With the transfer of cargo services to operation under the 1930 agreement, which requires managing operators to assume complete responsibility for the services, the need for Merchant Fleet Corporation representation in various ports in the United States and abroad is gradually reduced. During the past fiscal year it was possible, therefore, to reduce the personnel at practically all district offices, and the following branch offices were closed entirely: Houston, Tex.; Santos and Pernambuco, Brazil; Sydney, Australia; Liverpool, England; Antwerp, Belgium; and Barcelona, Spain. As additional lines are transferred to the new agreement it is expected that further reductions in district and branch offices will be promptly effected.

For purposes of economy and in the interests of increased efficiency the district offices along the Atlantic coast of the United States were regrouped during the fiscal year. The five districts which existed in this territory at the beginning of the year were consolidated into two districts, as follows: The New England, New York, and Philadelphia districts were combined to form the North Atlantic district, with headquarters at New York; and the Baltimore and South Atlantic districts were combined to form the Middle Atlantic district, with headquarters at Norfolk.

**Reduction of Pay Rolls and Administrative Expenses.**

During the fiscal year a gratifying reduction in the personnel of the Merchant Fleet Corporation was accomplished. Comparison of the total pay rolls of the Merchant Fleet Corporation at the end of the fiscal years 1930 and 1931 shows that a net reduction of 164 employees with annual salaries totaling \$334,081 was made during 1931, a pay-roll reduction of about 11 per cent.

Comparison of pay rolls as at July 1, 1928, and June 30, 1931, indicates the total accomplishment of the Merchant Fleet Corporation since the inauguration of its present personnel-reduction program at the beginning of the fiscal year 1929. Since that time 1,471 employees with annual salaries and wages totaling \$2,108,911 have been removed from the pay rolls of the Merchant Fleet Corporation, a decrease amounting to 44.6 per cent of the July 1, 1928, pay roll.

Particular attention has also been given to reducing administrative expenses other than salaries and wages as much as practicable. These expenses include rent, telephone, telegraph, and cable charges, traveling expenses and transportation, legal and witness fees, cost of supplies and stationery, and other miscellaneous items, which, during the fiscal year 1931 were reduced to a total that was about \$155,000 below the 1930 total, a saving of approximately 29 per cent.

**SUPPLY AND OPERATING ACTIVITIES****Centralized Purchasing.**

As a result of the transfer of lines to operation under 1930 agreements, the majority of managing operators are now purchasing for their private accounts, so the volume of purchases on contracts negotiated by the supply department in 1931 materially decreased in comparison with preceding years.

The total value of purchases made directly by supply department offices at home and abroad, exclusive of bunker fuel, approximated \$645,000.

Purchases made by managing operators on contracts negotiated by the Washington office for lubricating oils, paints, packing, rope, dunnage, yeast, ammonia, etc., as well as on contracts negotiated by district offices for miscellaneous stores and equipment, approximated \$1,100,000. The prices obtained under these home office and district office contracts were, respectively, about 35 per cent and 10 per cent lower than current wholesale prices.

**Fuel Purchases and Issues.**

The volume of fuel purchases and issues and the cost thereof also decreased materially in 1931 compared with preceding years. Fuel oil purchased for vessels or issued from bunker stations operated by the Merchant Fleet Corporation totaled 4,416,000 barrels in 1931, compared with 6,184,000 in 1930, and the average purchase and issue

price dropped from \$0.902 to \$0.876 per barrel. Diesel oil purchases and issues decreased from 379,000 barrels in 1930 to 160,000 barrels in 1931 and the average price from \$1.305 to \$1.115. Coal purchases decreased from 162,000 tons to 37,000 tons, and the price average dropped from \$4.77 to \$4.51 per ton.

Since operators of lines under 1930 operating agreements handle their own fuel purchases, it has been decided that the Merchant Fleet Corporation will dispose of its directly operated fuel-oil storage stations as rapidly as possible. In pursuance of this policy the Honolulu station has been sold to the Oahu Railway & Land Co., and arrangements were being made at the close of the fiscal year 1931 for the transfer of the Manila station to the War Department and transfer of the Mobile station to the Inland Waterways Corporation of the War Department. Disposition of the Craney Island fuel station, at Norfolk, Va., had not been determined at that time, but it is expected that activities at that station will be discontinued early in the fiscal year 1932.

#### **Storekeeping Activities.**

Throughout the year, as in several preceding years, it has been the policy to reduce stocks of materials at various warehouses to the lowest practicable point. This has been accomplished by making periodical surveys of stocks and promptly disposing of all materials declared to be surplus, obsolete, or scrap. The total book value of warehouse material, voyage scrap, etc., sold during the fiscal year was \$406,000, including materials valued at \$56,000 which were transferred to other Government departments.

On June 30, 1931, the inventory value of supplies and equipment in storehouses in United States and foreign ports totaled \$1,633,000, whereas on the same date in 1930 warehouse inventories totaled \$2,059,000, a reduction of about 21 per cent. Reductions were made at practically all the principal warehouses, varying from large amounts at New York, Norfolk, and New Orleans, to smaller amounts in the storehouses where relatively small inventories are carried. The stocks at Baltimore, Md., and at Genoa, Italy, were entirely disposed of during the year.

#### **Stevedoring.**

A number of new contracts for loading and discharging vessels at various ports were awarded after competitive bids had been received, at considerable reductions from previous costs.

In view of the general economic situation at home and abroad, but little trouble was experienced during the year with the water-front labor situation. There were labor strikes at Havre, France, and at New Orleans, but they were of comparatively short duration.

**Care of Reserve Fleet.**

At the beginning of the fiscal year 1931, 270 vessels were laid up, but by the end of the year this total was reduced to 242, including 7 vessels sold for scrapping but not delivered at that time, and 7 vessels assigned to managing operators but temporarily in the custody of the reserve fleet. On June 30, 1931, the 242 laid-up vessels were distributed to various fleets, as indicated below:

District	Fleet	Number of vessels
New York	Staten Island	71
Hog Island	Hog Island	28
James River	James River	97
Do.	Patuxent River	2
Gulf	Mobile	5
Do.	New Orleans	44
Total		242

The number of vessels in lay up was reduced about 10.4 per cent and by reduction of personnel, consolidation of fleets, improvements in preservation methods, etc., the total expense of maintaining laid-up vessels was reduced \$379,000 below the cost for the preceding year.

In the interest of economy, Jones Point, Caldwell, N. Y., was eliminated as a lay-up point in June, 1931, and an annual saving of approximately \$43,000 is expected to result from this action. The elimination of the Caldwell fleet also permitted a tug, a barge, and two launches to be released and made available for sale or other disposition.

**Terminals.**

The pier facilities controlled by the Shipping Board on June 30, 1931, included the terminals at Hoboken, Norfolk, and Charleston, which are owned by the Shipping Board, and the terminals at Boston, Brooklyn, and Philadelphia, licensed to the board by the War Department. On that date the Boston and Hoboken terminals were being operated by the Merchant Fleet Corporation, but the other pier facilities were leased for private operation.

The terms of the several leases and the financial results to the Merchant Fleet Corporation of terminal operations during the fiscal year 1931 are outlined below.

*Boston.*—During part of the fiscal year this terminal was operated by the Bay State Shipping Co. under a lease running until January 1, 1934, and requiring rental payments amounting to 37½ per cent of the gross revenue, with a guaranteed minimum of \$70,000 per annum. In February, 1931, however, the lessee defaulted in rental payments, so the property was taken over for operation by the

Merchant Fleet Corporation. During the fiscal year 1931 rental revenue received from the lessee and revenue from operations by the Merchant Fleet Corporation totaled \$82,100, while repair and operating expenses charged to the Fleet Corporation amounted to \$84,800.

*Hoboken.*—This terminal, which consists of five piers, has been operated continuously by the Merchant Fleet Corporation for several years with profitable results. In the fiscal year 1931 revenues totaled \$523,600, while operating and maintenance expenses totaled \$230,900, leaving a net profit of \$292,700 for this activity.

*Brooklyn.*—This terminal, comprising Piers Nos. 3 and 4 of the Brooklyn Army supply base, is leased to the Atlantic Tidewater Terminals for a period of five years, commencing December 1, 1928. The lease provides for rental amounting to 55 per cent of the gross receipts, with a guaranteed minimum of \$160,000 per annum. During the fiscal year 1931 approximately \$207,000 accrued to the Fleet Corporation under this lease, while repair and other expenses for the corporation's account totaled \$36,000.

*Philadelphia.*—This terminal, consisting of three piers and 25 acres of land adjacent thereto, is leased to the Merchants Warehouse Co. until August 15, 1936. This lease replaced one with the same lessee with an expiration date of August 15, 1932. The terms of the new lease in so far as the piers are concerned are practically identical with the old one, both providing for rental amounting to 25 per cent of the gross revenue received from the piers, with a guaranteed minimum of \$125,000 per annum. With reference to the land and facilities used as a lumber concentration yard, however, the provisions of the two leases differ. The old lease provided for payment to the Fleet Corporation of the gross revenue derived from the operation of this yard, provided such payments equaled or exceeded \$10,000 per annum, until the corporation was fully reimbursed for expenditures totaling \$50,000 which it made in connection with the establishment of the lumberyard. The final payment to apply on this total was made by the lessee in June, 1931. The new lease, effective in June, 1931, provides that the lessee shall make certain permanent improvements in the yard not later than January 1, 1932, subject to approval by the Shipping Board, and at a cost not to exceed \$50,000, and shall reimburse himself for this expenditure and for an expenditure of \$8,000 for work previously authorized by applying the gross revenues derived from the operation of the lumberyard only. After reimbursement has been completed 25 per cent of the gross revenue from the operation of the lumberyard is payable to the Fleet Corporation. During the fiscal year 1931 approximately \$121,200 accrued to the Fleet Corporation from the operation of this

terminal, while reconditioning and other expenses for the corporation's account totaled \$45,800.

*Norfolk.*—The two piers, eight major fireproof warehouses, and three frame warehouses which comprise this terminal are leased to Norfolk Tidewater Terminals (Inc.) for a period of seven years commencing August 31, 1930. Prior to that date the terminal was leased to the same company under terms somewhat less favorable to the Shipping Board. The present lease provides that the Fleet Corporation receive 18 per cent of the gross revenue, with a guaranteed minimum of \$75,000 per annum, and also provides that the corporation be reimbursed to the extent of \$83,333.33, at the rate of \$10,000 per annum, for improvements previously made to the property. During 1931 approximately \$112,000 accrued to the Fleet Corporation under the two leases, while reconditioning and other expenses charged to the corporation amounted to \$38,300.

*Charleston.*—This terminal is leased to the Port Utilities Commission of Charleston for a term of five years commencing March 1, 1931. Prior to that date the terminal had been leased for five years to the same organization under exactly similar terms. Both leases provide that the Fleet Corporation receive all net profits from the operation of the terminal up to an amount equivalent to  $4\frac{1}{4}$  per cent per annum on the total cost of reconditioning the property. If the net profit in any year exceeds this amount, a sum not exceeding  $2\frac{1}{8}$  per cent of the reconditioning cost accrues to the lessee, and if the net profit in a year should exceed both these amounts it is divided, two-thirds to the Fleet Corporation and one-third to the lessee. During 1931 about \$48,000 accrued to the Fleet Corporation from the operation of this terminal, while reconditioning costs assumed by the corporation amounted to \$22,900.

*All terminals.*—The operation of the above-mentioned six terminals during the fiscal year 1931 resulted in a net profit of approximately \$635,000 to the Merchant Fleet Corporation.

## PROGRESS ALONG SPECIAL TECHNICAL LINES

### Fuel Conservation.

The work of fuel conservation which has been described in preceding annual reports was continued until April 15, 1931, at which time activities in this connection were discontinued for the reason that a majority of vessels had been turned over to operators under 1930 contracts, and the matter of fuel conservation appeared to be more properly the function of the operators under such agreements than that of the Merchant Fleet Corporation.

During the nine months in which fuel conservation work was performed, physical inspection was made of all active vessels, voyage reports were analyzed, and fuel and engine efficiency determined.

The compilation of reports for the first half of the calendar year 1930 covered 195 vessels and showed that there was a considerable saving in fuel cost in this period compared with the preceding half year, in spite of the reduced prices of fuel oil and the increased age of the vessels.

#### Tests with Pulverized Coal.

The steamship *Lorain*, equipped with pulverized coal equipment furnished and installed by the Todd Dry Dock & Repair Corporation, completed four voyages in the North Atlantic during the fiscal year, traveling approximately 29,000 miles. This vessel has been running continuously since its conversion with only minor repairs to the pulverizing equipment, which has proved to be a very satisfactory installation.

#### Radio.

The radio-service contract referred to in the fourteenth annual report was renewed for the period of one year, beginning January 1, 1931.

Representatives of the Merchant Fleet Corporation participated in the preparation of proposals for presentation by the United States at international radio conferences held in Copenhagen in the spring of 1931 and to be held in Madrid in 1932. The Fleet Corporation was also represented at various meetings of the interdepartmental radio advisory committee and at other conferences held during the year.

A large amount of research work was done in the radio and radio-acoustic fields, and the maintenance of radio apparatus on both active and inactive vessels of the Merchant Fleet Corporation was supervised.

Arrangements were made for Merchant Fleet Corporation vessels to use a special Government radio-frequency which can not be used by privately owned ships under any circumstances for the purpose of contacting Navy radio stations. This arrangement proved of decided value in the Pacific, where in some cases vessels were not able to otherwise maintain radio communication with shore stations.

### TRAFFIC

#### General Conditions.

The economic depression in business, which began well over a year ago, has struck international commerce and trading with full force, and shipping has suffered accordingly in an increasing degree during the past fiscal year. The volume of cargo in most trades has declined, with a tendency likewise toward reduction in rates. This has affected steamship revenues adversely, with the result that sailing schedules of regular lines have been materially reduced and tramp tonnage has been laid up in increasing volume. The lines in regular services

have suffered in many instances, however, from competition of tramps in distress for cargo, but this competition abated somewhat toward the end of the fiscal year, as increasing numbers of tramp-vessel owners were forced to lay up their ships for lack of cargo.

A noteworthy exception to the lowering trend in the cargo movement was the heavy increase in shipments of apples from North Atlantic ports to the European Continent during the fall of 1930, which, together with an increase in the grain movement, materially benefited the lines in these trades. On the whole, however, exports of agricultural as well as manufactured commodities showed a persistent decline. There has also been an increasing tendency on the part of foreign countries to raise their import duties, resulting in more restricted trading and reduced ocean transportation.

#### Steamship Conferences and Pooling Agreements.

Largely as a result of unsatisfactory trade conditions and the consequent unrest that has developed among the steamship lines in regular services, the stability of several conferences has been threatened. More and more the Merchant Fleet Corporation has been called upon to cooperate with operators in solving conference difficulties. While several important conferences have been disrupted in a number of instances serious disturbances have been prevented and in two cases lines have been influenced to re-form conferences on a sounder basis. The serious effects which conference disturbances have had in certain trades is illustrated by the reduction in rates from North Atlantic ports to the Far East, which on automobiles dropped from \$12 to \$2.50 per ton, on structural steel from \$8 to \$3.50, and on general cargo from \$20 to \$5 per ton. Rates to India have been reduced from an average of \$12 to \$5 per ton.

Fundamentally at the root of conference difficulties is the excess of vessel tonnage in most trades and the difficulty of arriving at a means of restricting each carrier's participation so as to balance vessel tonnages with the available cargo movement. There is a general realization that conferences in the future, besides having rate control, must also assume control over available vessel tonnage of all lines in any particular trade. Recognition is also given in increasing measure to pooling agreements which effectively do away with the incentive to overtonnage the service, and which furnish perhaps the most effective means of maintaining order in the conduct of competitive steamship services without detriment to our commerce.

In June, 1931, the Italian lines, which have been in a pooling agreement with the Shipping Board service from the Gulf to the west coast of Italy since September, 1929, served notice of their intention to withdraw from this agreement, effective December 31, 1931. At the same time they announced their willingness to consider



the formation of a new agreement with certain modifications, and negotiations to this end were under way at the close of the fiscal year.

#### **Egyptian Cotton Contract.**

The Export Steamship Corporation, operating American-flag tonnage purchased from the Shipping Board, requested and received the assistance of the Merchant Fleet Corporation in renewing the annual contract for the carriage of Egyptian cotton, which was complicated this year by the entrance of a new Egyptian steamship company into the Alexandria-United Kingdom trade. As a result of our participation in the negotiations at Alexandria, an amicable adjustment of the entire situation was ultimately reached, resulting in renewal of the contract with rates and conditions for the United States movement unchanged from the previous year.

### **INSURANCE**

Pursuant to the authority conferred by the merchant marine act, 1928, the Merchant Fleet Corporation maintains a marine insurance fund, in which it insures privately owned vessels in which the Shipping Board has an equitable interest and vessels to which the board holds title. When the fund was established in the fiscal year 1929, \$3,500,000 of sales receipts was deposited therein and on January 1, 1930, the fund was increased by the deposit of \$5,245,196.55, this amount being the balance of the marine insurance reserve formerly used for settlement of claims arising from the operation of Shipping Board vessels. These deposits have been supplemented by premiums collected from policyholders, and disbursements have been made in settlement of claims and for administrative expenses, so at the close of the fiscal year the marine insurance fund had an unexpended cash balance of about \$8,600,000, of which \$3,800,000 applied to privately owned vessels and \$4,800,000 to Shipping Board tonnage.

On privately owned vessels, including those sold by the Shipping Board and those on which construction loans have been made, marine insurance carried in this fund and in force on June 30, 1931, totaled \$60,724,307 on 216 vessels. From the time the first policy of this kind attached in August, 1929, to June 30, 1931, inclusive, earned premiums on these policies totaled about \$3,200,000, against which claims and administrative expenses totaling \$3,000,000 have been charged. Unsettled claims estimated at \$1,650,000 were pending on June 30, 1931, but this amount will undoubtedly be reduced through recoveries from third parties, as in collision cases.

The Shipping Board vessels covered in the marine insurance fund comprise two general classes—first, vessels operated under the 1930 agreement with insurance premiums payable by managing oper-

ators, and, second, all other operating vessels, including those under the 1924 and the profit-sharing agreements, vessels covered by bareboat charters and in spot status, and tugs operated in connection with reserve fleet activities, for all of which insurance premiums are charged to the operating activities of the Merchant Fleet Corporation.

On June 30, 1931, marine insurance policies were in effect for 107 vessels operated under the 1930 agreement, the total coverage being \$41,361,640. The first coverage for vessels under the 1930 or the similar form of agreement which immediately preceded it was for the American Hampton Roads Line and attached in September, 1929. From that date to June 30, 1931, inclusive, earned premiums on vessels under lump-sum agreements totaled \$634,000, against which claims amounting to \$285,000 were charged. Unsettled claims estimated to total about \$430,000 were pending for this class of tonnage at the close of the fiscal year.

On all other Shipping Board vessels 56 marine insurance policies, with a total coverage of \$14,540,590, were in effect on June 30, 1931. Coverage of such vessels in the marine insurance fund commenced January 1, 1930, and from that date to June 30, 1931, inclusive, earned premiums on such policies totaled nearly \$1,400,000, against which claims and administrative expenses amounting to about \$512,000 have been charged. On June 30, 1931, pending unsettled claims for vessels of this class were estimated at \$929,000.

Experience has proved that premium rates charged for the policies written during the early life of the marine insurance fund were too low, so the rates subsequently used have been adjusted in each case so as to be more consistent with the loss experience of the various companies or vessels for which new policies have been written.

Insurance policies totaling \$528,000,000, covering hull, disbursements, and protection and indemnity risks, submitted by purchasers of Shipping Board tonnage and by borrowers from the construction loan fund, were examined and approved during the fiscal year. Policies for fire insurance, workmen's compensation, public liability, automobile, and other types of insurance totaling \$12,800,000 were also examined and approved.

A total of 450 personal-injury cases for ship's crews and for other employees of the Merchant Fleet Corporation were handled with the United States Employees' Compensation Commission.

## FINANCE

### Cash Accounts.

During the fiscal year 49 of the cash accounts that were maintained by the Merchant Fleet Corporation at the beginning of the

year were discontinued. On June 30, 1931, 69 cash accounts remained, of which 14 were carried in the United States Treasury, 14 were subagency accounts, and 41 were miscellaneous accounts in commercial banking institutions throughout the world.

This large reduction in the number of bank accounts resulted from two principal causes—first, placing the majority of managing operators under the 1930 operating agreement, under which they finance their vessel operating activities from private funds, thereby permitting the closing of bank accounts formerly maintained by the Merchant Fleet Corporation for this purpose; and, second, continuation of the policy of transferring from commercial bank accounts to the United States Treasury all moneys on deposit in banks not immediately essential to the operating activities of the Merchant Fleet Corporation. In pursuance of this policy, approximately \$11,900,000 was transferred to the United States Treasury during the fiscal year.

#### **Cash Discounts.**

Advantage of the cash discount privilege was taken wherever possible during the year, with the result that earnings therefrom totaled approximately \$30,000. This amount is less than the cash discount totals reported in preceding years by reason of the great shrinkage in the volume of Merchant Fleet Corporation purchases, due to sales of lines and transfers to 1930 contracts, under which managing operators make purchases for their private accounts.

#### **Interest Earned on Bank Balances.**

The previously mentioned reduction in the number of bank accounts, together with the marked decreases which have been made by banking institutions in rates of interest allowed on balances during the existing business depression, resulted in a much smaller interest total for 1931 than was reported in 1930 or preceding years. The total interest earned on bank balances for the fiscal year 1931 amounted to approximately \$130,000, whereas in the preceding fiscal year interest totaled \$260,000.

#### **Collection of Accounts.**

During the fiscal year 5,811 current invoices totaling \$8,400,000 and insurance premiums amounting to about \$3,900,000 were collected. Furthermore, 124 past-due accounts amounting to \$1,182,000 were collected, settled, or adjusted, and at the end of the year there remained 208 past-due accounts totaling \$28,398,000. Additions to the past-due list during the year totaled 111 accounts amounting to \$787,000, so the net reduction for the year was 13 past-due accounts totaling \$395,000.

**Credit Investigations.**

At the request of various offices of the Shipping Board and the Merchant Fleet Corporation 220 credit investigations were made during the year. This total included 15 credit reports on prospective borrowers from the construction loan fund.

**Housing Properties.**

At the close of the fiscal year the Shipping Board still held title to 12 properties in Camden, N. J., which with one exception were under contracts of sale but could not be conveyed because of uninsurable titles. Continued effort is being made to arrange to secure these titles to the satisfaction of the title company in order that the disposition of the properties may be effected. Title to two vacant lots in Groton, Conn., is also held by the Shipping Board.

As the result of mortgage foreclosure proceedings the Shipping Board reacquired 64 improved and 4 unimproved properties at Brooklawn, N. J., and 2 unimproved properties in Portsmouth, N. H. The improved properties are being repaired and rented, and all reacquired properties will be sold as soon as acceptable offers can be obtained.

Certain utilities, park spaces, etc., at Brooklawn, N. J., continued to be held by the Shipping Board pending conveyance to the municipality.

**Securities.**

Due principally to the large number of construction loans or advances made during the year, but also to some extent as a result of ship sales, the face value of notes and other securities held by the Merchant Fleet Corporation increased to \$108,800,000, or nearly \$25,000,000 more than the total at the beginning of the fiscal year.

Collections of principal payments on securities during the year totaled \$9,727,761, of which \$3,776,351 applied to construction loan notes and \$4,267,010 to ship sales securities. The sum of \$3,665,789 was collected as interest, this being the largest amount of interest ever collected in any one year and exceeding the 1930 total by nearly \$500,000. Of the total interest collected, \$2,051,098 applied to loans or advances made from the construction loan fund.

**Consolidated Cash Statement.**

A cash statement summarizing the financial activities of the United States Shipping Board and the Merchant Fleet Corporation during the fiscal year ended June 30, 1931, is given in Table VII of the appendix.

## ACCOUNTING AND AUDITING

Increasing vessel operations under the 1930 operating agreement have reduced the volume of voyage-account auditing, but the full effect of this change will not be evident until complete accountings have been rendered and accepted for all voyages under old forms of agreements. The change of operating agreement has made necessary an increase in traveling audit activities, offsetting to some extent the decrease in voyage-account auditing.

Heavy demands have been made upon the general comptroller's department of the Merchant Fleet Corporation in closing the accounts covering the period of governmental operation of the United States Lines and in connection with special audits and other problems arising from the present financial condition of purchasers of several lines formerly operated by the Merchant Fleet Corporation. There has also been considerable activity in the development, assertion, and/or defense of claims involving the Fleet Corporation.

The balance sheet as of June 30, 1931, and the profit and loss statement for the fiscal year 1931 are included in the appendix as Tables VIII and X, respectively.



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## APPENDIX

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## APPENDIX

**TABLE I.—Vessels sold and vessels disposed of otherwise than by sale during the fiscal year ended June 30, 1931**

Name	Dead-weight tons	Gross tons	Sale price	Purchaser
<b>STEEL CARGO VESSELS</b>				
<i>Vessels sold for unrestricted operation</i>				
Scantic (damaged).....	7,825	5,106	\$67,000.00	American Scantic Line (Inc.). Jersey-American Steamship Co. Universal Steamship Line (Inc.).
Hopatcong.....	9,469	6,216	122,500.00	
Contocook (damaged).....	3,630	2,344	16,000.00	
Total (3).....	20,924	13,666	205,500.00	
<i>Vessels sold for restricted operation on trade routes</i>				
<b>Baltimore-Hamburg Route:</b>				
Archer.....	11,773	7,610	30,000.00	Baltimore Mail Steamship Co.
Eclipse.....	11,773	7,589	30,000.00	
Independence.....	11,773	7,597	30,000.00	
Steadfast.....	11,773	7,588	30,000.00	
Victorious.....	11,773	7,597	30,000.00	
Pacific Argentine-Brazil Line (vessel to augment service sold in 1926):				
Emergency aid.....	8,727	5,477	87,270.00	Pacific Argentine-Brazil Line (Inc.).
Total (6).....	67,592	43,453	237,270.00	
<i>Vessels sold under special conditions</i>				
<b>For conversion to a self-propelled barge:</b>				
Brookline.....	8,550	5,527	12,500.00	O'Brien Bros. Dredging Corporation.
<b>For conversion to barge:</b>				
Lake Girth.....	4,155	2,606	10,000.00	Schuykill Transportation Co.
Total (2).....	12,705	8,133	22,500.00	
<i>Vessels sold for scrapping</i>				
Accomac.....	8,341	5,274	15,814.00	Union Shipbuilding Co.
Cansumset.....	9,046	5,996	16,160.00	
Henry Steers.....	8,736	5,980	15,679.00	
Honnedaga.....	9,469	6,216	16,160.00	
John Roach.....	8,736	5,980	15,679.00	
Manham.....	9,491	6,030	16,160.00	
Natagus.....	9,432	6,037	16,163.00	
Neshaminy.....	8,736	6,126	15,679.00	
Wakulla.....	8,435	5,435	15,814.00	
Wampum.....	8,430	5,451	15,814.00	
Watonswan.....	8,736	5,467	15,679.00	
West Galoc.....	8,503	5,392	15,814.00	
West Grove.....	8,680	5,633	15,814.00	
Wyoche.....	8,736	6,065	15,679.00	
Yaklok.....	9,516	6,046	15,842.00	

104 FIFTEENTH ANNUAL REPORT UNITED STATES SHIPPING BOARD

TABLE I.—Vessels sold and vessels disposed of otherwise than by sale during the fiscal year ended June 30, 1931—Continued

Name	Dead-weight tons	Gross tons	Sale price	Purchaser	
<b>STEEL CARGO VESSELS—cont.</b>					
<i>Vessels sold for scrapping—con.</i>					
Cold Spring.....	8,822	6,075	\$9,954.00	Union Shipbuilding Co.	
Firthcliffe.....	8,822	6,075	9,954.00		
Newburgh.....	8,822	5,501	9,250.00		
Peekskill.....	8,822	5,590	9,954.00		
Cabegon.....	8,756	6,107	8,250.00		
Intan.....	8,756	5,490	9,250.00		
Kaysseka.....	8,756	5,989	9,454.00		
Lycoming.....	8,756	5,989	9,250.00		
Waubesa.....	8,756	6,107	9,454.00		
Winyah.....	8,756	5,492	9,250.00		
City of Sherman.....	8,705	5,401	9,954.00		
City of Vernon.....	8,672	5,401	9,954.00		
Cushnoc.....	8,605	5,405	9,954.00		
Escambia.....	8,605	5,444	9,954.00		
Nochalula.....	8,605	5,411	9,954.00		
Red Mountain.....	8,605	5,395	9,954.00		
Derañof.....	7,630	5,227	7,020.00		
Western Pride.....	8,842	5,685	9,536.00		
Ossineko.....	8,850	5,577	9,250.00		
Western Cross.....	8,752	5,754	9,400.00		
Wassaic.....	8,474	5,529	9,250.00		
Norumbega.....	8,630	5,582	8,250.00		
Portsmouth.....	8,630	5,881	9,783.00		
Osaqumsick.....	9,498	6,034	8,250.00		
Chicomico.....	9,511	6,032	9,783.00		
John Englis.....	8,747	5,975	9,783.00		
John Stevens.....	8,747	5,975	9,954.00		
Iceland.....	8,736	5,460	9,954.00		
Lansdowne.....	8,736	5,479	9,954.00		
Wm. H. Webb.....	8,736	5,980	9,454.00		
Tevarkana.....	8,736	5,498	9,954.00		
Chester Kiwanis.....	8,736	5,502	9,250.00		
Greenland.....	8,736	5,502	9,454.00		
Loretta.....	8,736	5,493	9,474.00		
Ancross.....	8,736	5,980	9,783.00		
Donald McKay.....	8,736	5,535	9,454.00		
Western Sea.....	8,556	5,813	9,783.00		
Lake Elmont.....	4,278	2,674	4,140.00		
Lake Gilta.....	4,155	2,664	4,670.00		
McCreary County.....	4,155	2,606	4,140.00		
Franklin County.....	4,155	2,592	4,670.00		
Lake Fagundus.....	4,155	2,606	4,670.00		
Lake Farabee.....	4,155	2,642	4,140.00		
Lake Geyser.....	4,155	2,592	4,140.00		
Lake Fighting.....	4,040	2,559	4,140.00		
Total (66).....	490,043	318,486	622,910.00		
<b>MISCELLANEOUS</b>					
Mareco, wooden launch.....			500.00		Charles E. Shambaugh.
Emergency, metal lifeboat.....					
Grand total (73).....	591,264	383,743	1,088,680.00		

DISPOSITION OF VESSELS OTHER THAN BY SALE

Name	Dead-weight tons	Gross tons	Sale price	Transferee
<i>Transferred to other Government departments</i>				
Cargo: Mount Shasta.....	7,242	4,729	Without exchange of funds.	War Department.
Launches:				
Arrow, 61 feet, wood construction.			do.	Treasury Department.
Cozy, 40 feet, wood construction.			do.	War Department.

TABLE I.—Vessels sold and vessels disposed of otherwise than by sale during the fiscal year ended June 30, 1931—Continued

ADDITIONS TO SHIPPING BOARD FLEET

Name	Dead-weight tons	Gross tons	Price	From whom acquired
<i>Transferred from other Government departments</i>				
Mareco, wooden launch.....	-----	-----	Without exchange of funds.	Commerce Department.
Submarine O-12.....	-----	-----	do.....	Navy Department.
Eagle Boat No. 46.....	-----	-----	do.....	Do.
<i>Other acquisitions</i>				
James Otis, cargo.....	12,850	8,292	( <sup>1</sup> )	American Steamship Corporation.
Englewood, cargo.....	7,323	4,746	\$27,000.00	Court sale.

<sup>1</sup> Title to vessel vested in U. S. Shipping Board as result of settlement of sales contract with American Steamship Corporation.

TABLE II.—Vessel property controlled by the United States Shipping Board Merchant Fleet Corporation as of June 30, 1931

[This report is based on information received through July 2, 1931, affecting status of vessels as of June 30, 1931]

	Total		Contract		Requisitioned	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
<b>Steel vessels:</b>						
Passenger and cargo.....	2	17,000				
Cargo.....	375	3,237,652	303	2,577,068	80	555,861
Refrigerators.....	10	70,277	5	41,967	5	28,310
Tugs.....	3					
Unfinished cargo.....	1	9,400	1	9,400		
<b>Total steel.....</b>	<b>391</b>	<b>3,334,329</b>	<b>309</b>	<b>2,628,435</b>	<b>85</b>	<b>584,171</b>
Concrete vessels: Tankers.....	1	7,500	1	7,500		
Wood vessels: Tugs.....	6		6			
<b>Total.....</b>	<b>398</b>	<b>3,341,829</b>	<b>316</b>	<b>2,635,935</b>	<b>85</b>	<b>584,171</b>

	Purchased		Seized		Acquired from other departments	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
<b>Steel vessels:</b>						
Passenger and cargo.....			2	17,000		
Cargo.....	11	92,798	1	11,925		
Refrigerators.....						
Tugs.....					3	
Unfinished cargo.....						
<b>Total.....</b>	<b>11</b>	<b>92,798</b>	<b>3</b>	<b>28,925</b>	<b>3</b>	

NOTE.—Excludes launches, barges, subchaser, submarine, and minor auxiliary floating equipment.

TABLE III.—*Status of vessels controlled by United States Shipping Board Merchant Fleet Corporation as of June 30, 1931*

[This report is based on information received through July 2, 1931, affecting status of vessels June 30, 1931]

	Number	Dead-weight tons
<b>Vessels in hands of operators or charterers:</b>		
Cargo—		
Operating in specified services.....	138	1, 227, 462
Idle status with managing operators.....	8	79, 311
U. S. Army service.....	2	20, 690
Under bareboat charter.....	6	50, 050
Tugs—		
Steel (bareboat).....	3	
Wood (in service with reserve fleet).....	6	
<b>Total in hands of operators or charterers.....</b>	<b>163</b>	<b>1, 377, 513</b>
<b>Vessels inactive with Merchant Fleet Corporation:</b>		
Cargo, tied up.....	222	1, 869, 539
Passenger, tied up.....	2	17, 000
Refrigerators, tied up.....	10	70, 277
Tankers, concrete, tied up.....	1	7, 500
<b>Total inactive fleet.....</b>	<b>233</b>	<b>1, 964, 316</b>
<b>Total fleet.....</b>	<b>398</b>	<b>3, 341, 829</b>

SUMMARY OF TOTAL FLEET

	Active		Inactive		Total	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Cargo.....	154	1, 377, 513	222	1, 869, 539	376	3, 247, 052
Passenger.....			2	17, 000	2	17, 000
Refrigerators.....			10	70, 277	10	70, 277
Tanker, concrete.....			1	7, 500	1	7, 500
Tugs.....	9				9	
<b>Total.....</b>	<b>163</b>	<b>1, 377, 513</b>	<b>235</b>	<b>1, 964, 316</b>	<b>398</b>	<b>3, 341, 829</b>

TABLE IV.—Managing operators and charterers of Shipping Board vessels as of June 30, 1931

Name of line (and operator)	Address	Num-ber of ves-sels	Dead-weight tons	Form of agreement
America France Line (Cosmopolitan Shipping Co. (inc.))	42 Broadway, New York City	10	87,739	Operating agreement, 1924.
American Brazil Line (Colombian Steamship Co. (inc.))	17 Battery Place, New York City	3	23,014	D.O.
American Diamond Lines (Black Diamond Steamship Corporation)	39 Broadway, New York City	12	102,105	D.O.
American Graham Orient Line (Tampa Intercean Steamship Co.)	Whitney Central Building, New Orleans, La.	7	73,868	D.O.
Do.	do.	2	27,368	Operating agreement, 1930.
American Hampton Roads Line (Southgate-Nelson Corporation)	Law Building, Norfolk, Va.	4	51,388	D.O.
American Pioneer Line (Roosevelt Steamship Co. (inc.))	1 Broadway, New York City	17	102,593	D.O.
American Republics Line (C. H. Sprague & Son (inc.))	33 Broad Street, Boston, Mass.	12	9,578	D.O.
American West African Line (Inc.) (Barber Steamship Lines (inc.))	17 Battery Place, New York City	1	87,429	Bareboat charter.
Dixie Mediterranean Line (Dixie Steamship Co. (inc.))	Whitney Central Building, New Orleans, La.	6	61,414	Operating agreement, 1924.
Do.	do.	11	130,135	Operating agreement, 1930.
Export Steamship Corporation	New Cunard Building, 25 Broadway, New York City	9	17,454	Bareboat charter.
Merrill, Chapman & Scott Corporation	17 Battery Place, New York City	12	Do.	D.O.
Mobile Oceanic Line (Waterman Steamship Corporation)	Merchants National Bank Building, Mobile, Ala.	13	102,099	Profit-sharing agreement.
Orleto Lines (Consolidated Navigation Co.)	100 National Bank Building, Baltimore, Md.	10	84,883	Operating agreement, 1930.
Pacific South African Line (South African Dispatch Line)	203 Pine Street, San Francisco, Calif.	3	24,018	Bareboat charter.
Southern States Line (Lykes-Bros.-Ripley Steamship Co. (inc.))	208 Whitney General Building, New Orleans, La.	29	267,319	Operating agreement, 1930.
War Department	Washington, D. C.	2	20,690	Lean basis.
Yankee Line (Rogers & Webb)	110 State Street, Boston, Mass.	4	33,200	Operating agreement, 1930.
Total		157	1,377,513	

<sup>1</sup> Tugs.

NOTE.—Does not include 6 tugs and 11 barges operated by the reserve fleet, 1 submatine and 1 patrol boat under bareboat charters.

TABLE V.—Services maintained by the United States Shipping Board Merchant Fleet Corporation as of June 30, 1931

	Number of services	Number of vessels
European.....	21	97
Mediterranean.....	1	8
South American.....	4	15
Far East and long voyage.....	4	26
Grand total.....	30	146

EUROPEAN TRADES

Line and operator	From —	To—	Frequency of sailings	Number of vessels
Orleat Lines (Consolidated Navigation Co.).....	Baltimore, Hampton Roads, New York	Glasgow, Londonderry, Belfast, Dublin, Avonmouth, Liverpool, Manchester, and Cork.	2 per month.....	10
Do.....	Baltimore, Hampton Roads, New York, Boston	do.....	do.....	
American Diamond Lines (Black Diamond Steamship Corporation).....	Boston, Philadelphia, Baltimore, Norfolk, New York	Rotterdam	Monthly.....	12
Do.....	Boston, Philadelphia, Baltimore, Hampton Roads, New York	Antwerp	Every 14 days.....	
Do.....	Philadelphia, Baltimore, Hampton Roads, Boston	do.....	Every 12 days.....	
Do.....	Philadelphia, Baltimore, Hampton Roads, Boston, Portland	London, Leith, Dundee	Monthly.....	4
America France Line (Cosmopolitan Shipping Co. (Inc.)).....	Baltimore, Philadelphia, New York	London, Hull	do.....	
Do.....	Philadelphia, New York	Havre, Dunkirk	Weekly.....	10
Yankee Line (Rogers & Webb).....	Baltimore, Hampton Roads, Boston, Philadelphia, Boston	Bordeaux, St. Nazaire	Every 21 days.....	
Do.....	Philadelphia, Boston	Hamburg, Bremen	Monthly.....	4
Dixie U. K. Line (Dixie Steamship Co. (Inc.)).....	New Orleans and Texas ports	do.....	do.....	
Do.....	do.....	London, Hull, Leith	Every 12 days.....	
Do.....	do.....	Liverpool, Manchester	3 per month.....	16
Do.....	do.....	Glasgow, Belfast, Dublin, Avonmouth	Every 8 weeks.....	
Mobile Oceanic Line (Waterman Steamship Corporation).....	Mobile, Pensacola, Gulfport	London (also Antwerp or Rotterdam)	2 per month.....	12
Do.....	do.....	Liverpool, Manchester	do.....	
Do.....	Pensacola, Tampa, Gulfport, Mobile	Hamburg, Bremen (Rotterdam)	Monthly.....	

Southern States Line (Lykes Bros.-Ripley Steamship Co. (Inc.))	New Orleans	Bremen, Hamburg, Rotterdam (Antwerp)	2 per month	23
Do	Texas ports (Lake Charles and Tampa)	do	4 per month	
Do	New Orleans	Havre, Antwerp, Rotterdam	2 per month	
Do	Texas ports	do	4 per month	
Total				97

MEDITERRANEAN TRADES

Dixie Mediterranean Line (Dixie Steamship Co. (Inc.))	Gulf & South Atlantic	French Mediterranean, West Coast Italy, and Adriatic	2 per month	8
Total				8

SOUTH AMERICAN TRADES

American Republics Line (C. H. Sprague & Son (Inc.))	Boston, Philadelphia, New York, North and South Atlantic ports (except New York)	River Plate ports, Brazil and River Plate	2 per month	12
Do	do	do	Monthly	
American Brazil Line	Philadelphia, New York, South Atlantic ports	Rio de Janeiro, Santos, and River Plate, Para-Victoria range	Monthly	8
Total				16

FAR EAST AND LONG-VOYAGE TRADES

American Pioneer Line (Roosevelt Steamship Co. (Inc.))	North Atlantic ports	Far East	Monthly	17
Do	New York	Australia	do	
American Gulf Orient Line	Gulf ports	Far East	Monthly, every 60 days	
Total				9

1 Steamers in this service call at Avonmouth and Cardiff monthly and at Londonderry when cargo warrants.  
 2 Steamers also call at Philadelphia, Baltimore, and Hampton Roads twice a month and at Boston once a month.





<b>Barges:</b>																
Steel	9	22,456	0	22,200	7	7,290				2	15,000					
Wood	103	277,000	103	277,000	88	273,850	1	3,500								11
<b>Total</b>	112	299,456	112	299,200	95	280,700	1	3,500		4	15,000					11
<b>Sailing vessels:</b>																
Steel	7	24,264	7	24,264	6	22,050	1	2,214								
Wood	12	34,500	12	34,500	10	34,500										
<b>Total</b>	19	58,764	19	58,764	16	56,550	1	2,214		2						
<b>Finished hulls:</b>																
Wood (cargo)	115	447,700	115	447,700	114	443,850				1	3,850					
Wood (tugs)	6	447,700	6	447,700	6	443,850										
<b>Total</b>	121	447,700	121	447,700	120	443,850				1	3,850					
<b>Grand total</b>	2,546	14,703,717	2,546	14,671,520	1,929	10,295,030	89	464,167	18	65,409	101	505,085	409	3,341,829		

11 barge lost due to obsolescence.

NOTE.—Excludes 1 subchaser and 1 submarine.

TABLE VI.—An analysis of the total vessel property acquired by the United States Shipping Board, showing disposition of same as of June 30, 1931—Continued

VESSELS CONSTRUCTED BY THE UNITED STATES SHIPPING BOARD MERCHANT FLEET CORPORATION

Type	Vessels originally constructed		Conversion in type		Total vessels after conversion effected		Vessels sold		Vessels lost		Vessels transferred to other Government departments		Vessels scrapped		Vessels owned as of June 30, 1931	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Cargo steamers:																
Steel	1,419	9,499,834			1,415	9,509,815	993	6,000,260	43	256,013	16	120,613			363	3,132,929
				--7 cargo converted to tankers.												
				-3 cargo converted to coolie carriers.												
				-5 cargo converted to passenger.												
				+11 transports converted to cargo.												
Steel (uncompleted)	1	9,400			1	9,400									1	9,400
Wood	304	1,120,600			304	1,135,160	262	980,753	22	82,910	2	6,088	18	65,409		
Composite	18	63,750			18	63,750	18	63,750								
Concrete	4	18,500			4	12,656	2	6,078	2	6,578						
Total	1,746	10,707,984			1,742	10,730,731	1,275	7,050,841	67	345,501	18	126,701	18	65,409	364	3,142,329
Tankers:																
Steel	138	1,365,030			145	1,416,349	133	1,284,669								
Wood	1	4,700			1	4,700	1	4,700								
Concrete	8	60,000			8	56,282	3	19,969	1	7,500	3	21,313			1	7,500
Total	147	1,427,730			154	1,477,331	137	1,309,338	1	7,500	15	152,993			1	7,500
Passenger steamers: Steel	25	308,972			30	324,488	30	324,488								
Refrigerator steamers: Steel	19	181,400			19	141,465	5	40,380	1	5,524	3	25,314			10	70,277
Transports: Steel	22	179,775			11	75,721	3	20,740			8	54,981				
Colliers: Steel	9	70,350			9	71,674	9	71,674								
Coolie carriers					3	11,395	3	11,395								
				+3 cargo converted to coolie carriers.												
Tugs:																
Steel	54				54		48					6				
Wood	70				70		59				5					
Wood (uncompleted)	1				1		1									
Total	125				125		108				11				6	



TABLE VI.—An analysis of the total vessel property acquired by the United States Shipping Board, showing disposition of same as of June 30, 1931.—Continued

VESSELS PURCHASED BY UNITED STATES SHIPPING BOARD

	Total vessels acquired by purchase		Vessels sold		Vessels lost		Vessels transferred		Vessels owned as of June 30, 1931		Total distributed	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Cargo:												
Steel.....	49	286,277	28	142,155	8	42,669	2	8,965	11	92,798	49	286,487
Wood.....	1	2,800	1	2,800							1	2,800
Total.....	50	289,077	29	144,955	8	42,669	2	8,965	11	92,798	50	289,387
Tankers: Steel.....	5	31,193	5	31,193							5	31,193
Passenger:												
Steel.....	1	8,200	1	8,200							1	8,200
Iron.....	1	4,000	1	4,000							1	4,000
Total.....	2	12,200	2	12,200							2	12,200
Colliers: Steel.....	10	33,378	10	33,118							10	33,118
Tugs:												
Steel.....	24		8				16				24	
Wood.....	4		3		1						4	
Total.....	28		11		1		16				28	
Barges: Wood.....	8		5		11				2		8	
Grand total.....	103	365,805	62	221,466	10	42,669	18	8,965	13	92,798	103	365,805

† Due to obsolescence.

VESSELS TRANSFERRED FROM OTHER GOVERNMENT DEPARTMENTS TO U. S. SHIPPING BOARD

	Total vessels acquired by transfer		Vessels sold		Vessels lost		Vessels transferred		Vessels owned as of June 30, 1931		Total distributed	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Cargo: Steel.....	1	3,500	1	3,500							1	3,500
Passenger: Steel.....	2	7,504	2	7,504							2	7,504
Transports: Steel.....	2	14,500	2	13,000							2	13,000
Tugs: Steel.....	6		2				1		3		6	
Wood.....	2		1				1				2	
Total.....	8		3				2		3		8	
Barges: Wood.....	9						2		7		9	
Grand total.....	22	25,504	8	24,004			4		10		22	24,004

EX-ENEMY VESSELS SEIZED

	Total vessels seized		Vessels sold		Vessels lost		Vessels transferred		Vessels owned as of June 30, 1931		Total distributed	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Cargo: Steel.....	52	309,257	40	229,531	6	37,349	5	40,165	1	11,925	52	318,970
Wood.....	2										2	
Total.....	54	309,257	40	229,531	6	37,349	7	40,165	1	11,925	54	318,970
Passenger: Steel.....	29	302,291	22	210,013	2	19,910	3	38,377	2	17,000	29	285,300
Transports: Steel.....	9	30,629	1				9	38,789			9	38,789
Tugs: Wood.....	1		1								1	
Barges: Steel.....	3		3								3	
Sailing vessels: Steel.....	7	24,264	6	22,050	1	2,214					7	24,264
Wood.....	2						2				2	
Total.....	9	24,264	6	22,050	1	2,214	2				9	24,264
Grand total.....	105	675,441	72	461,594	9	59,473	21	117,293	3	28,925	105	667,273

TABLE VII.—Summarized consolidated cash statement, by appropriations, for the fiscal year ended June 30, 1931

Code	Caption	Total	U. S. Shipping Board		
			Salaries and expenses, 1929	Salaries and expenses, 1930	Salaries and expenses, 1931
	Unexpended balance as at June 30, 1930.	\$108,672,938.27	\$1,336.21	\$46,638.64	\$61,286,269.92
	Receipts:				
	Appropriations.....	6,346,000.00		\$396,000.00	
RA	Sales—				
RB	Sales of vessels, tugs, and/or barges.....	6,063,859.52			
RC	Sales of assets other than vessels, tugs, and/or barges.....	731,156.95			
	Total sales.....	6,795,016.47			
RF	Operation of vessels revenue.....	14,254,132.40			
RH	Real estate operation and rental revenue.....	899,656.22			
	Other receipts—				
RJ	Interest earned.....	1,759,538.41			
RL	Miscellaneous receipts.....	2,639,504.84		9.65	2,051,272.55
RM	Insurance premiums.....	2,994,822.51			
	Total other receipts.....	7,393,865.76		9.65	2,051,272.55
	Recovered disbursements—				
	Real estate and equipment.....	50.00			
RDC	Operation of vessels expense.....	1,482,190.72			
RDE	Vessel repairs and betterments.....	32,318.11			
RDE	Protection and indemnity insurance expense and losses.....	228,627.08			
RDE	Marine insurance expense and losses.....	287,012.63			
RDI	Marine insurance premiums.....	100,926.06			
RDI	Laid-up vessels expense.....	61,451.89			
RDK	Protection and indemnity insurance premiums.....	78,411.99			
RDL	Real estate operation and rental expense.....	50,729.37			
RDM	Fuel purchased for storage and issue to vessels.....	418,094.20			
RDO	Warehouse stores.....	12,426.81			
RDT	Miscellaneous disbursements.....	6,037,194.59			3,776,351.34
RDU	Administrative salaries.....	92,994.34			
RDU	Other general expense.....	133,581.07		3,620.57	9,016.08
RDX	Deseizal expense.....	176.75			
	Total recovered disbursements.....	9,017,085.41		3,620.57	3,776,351.34
	Total receipts.....	44,705,806.26		3,620.57	5,827,623.89
	Transfer of funds.....	9,720,550.15			7,313,945.19
	Total.....	158,099,294.05	1,336.21	50,259.21	74,999,839.00

DA	Construction, repairs, and/or betterments—						
DB	Vessels	27,005.00					
DC	Real estate and/or equipment	18,975.78					
DX	Demolition expense	3,919.84					
	Total construction, repairs and/or betterments	49,900.62					
DD	Operations out-go, vessels—						
DE	Operation of vessel expense	18,882,883.85					
DF	Vessel repairs	2,908,276.77					
DG	Protection and indemnity insurance expense and losses	625,205.84					
DH	Marine insurance expense and losses	2,418,554.46					
DI	Marine insurance premiums	210,022.80					
DK	Protection and indemnity insurance premiums	595,568.05					
	Total operations out-go, vessels	25,608,492.36					
DJ	Laid-up vessels expense	519,279.85					
DL	Real estate operation and rental expense	623,266.73					
DM	Other disbursements—						
DO	Fuel purchased for storage and issue to vessels	243,203.84					
DP	Warehouse stores	189,121.19					
DS	Appropriations returned to United States Treasury	1,336.21	1,336.21				
DT	Miscellaneous disbursements	32,373,850.67					30,196,176.04
	Total other disbursements	32,807,511.90	1,336.21				30,196,176.04
DU	General administrative expense—						
DV	Administrative salaries	3,108,195.47		9,629.60		342,428.71	
	Other general expense	523,638.75				45,236.67	
	Total general administrative expense	3,631,834.23		9,629.60		387,665.38	
DRB	Refunded receipts—						
DRC	Sales of vessels, tugs, and/or barges	6,028.00					
DRD	Sales of assets other than vessels, tugs, and/or barges	15,556.84					
DRF	Operation of vessels revenue	417,402.62					
DRH	Real estate operation and rental revenue	128.00					
DRJ	Interest earned	1,912.28					
DRK	Miscellaneous receipts	2,603,486.98					2,051,272.55
DRM	Insurance premiums	194,431.25					
	Total refunded receipts	3,228,937.47					2,051,272.55
	Total disbursements	66,379,822.17	1,336.21	9,629.60		387,665.38	32,247,449.49
	Transfer of funds	9,720,550.15					
	Unexpended balance as at June 30, 1931	81,969,822.36		40,629.61		17,360.35	42,152,889.51
	Total	158,069,294.68	1,336.21	50,259.21		405,025.73	74,399,839.00

TABLE VII.—Summarized consolidated cash statement, by appropriations, for the fiscal year ended June 30, 1931—Continued

Code	Caption	U. S. Shipping Board Merchant Fleet Corporation						
		Operating fund	1923 claims appropriation	Liquidation fund, 1923-1930	Liquidation fund, 1931	In suspense	Repossessed ships and trade routes	Insurance fund
	Unexpended balance as at June 30, 1930	\$29,078,134.19	\$1,602,512.18	\$186,351.52			\$234,760.94	\$9,314,934.67
	Receipts:							
RA	Appropriation	5,950,000.00						
RB	Sales—							
RC	Sales of vessels, tugs and/or barges	259,920.97	473,993.84	\$4,616,544.28	\$1,447,315.24			
	Sales of assets other than vessels, tugs, and/or barges				257,163.11			
	Total sales	14,254,182.40	1,921,308.08	4,873,707.39				
RF	Operation of vessels revenue							
RH	Real estate operation and rental revenue	950,500.63						
RJ	Interest earned	388,222.64			78,702.91			18,429.08
RI	Miscellaneous receipts							2,994,822.51
RM	Insurance premiums							
	Total other receipts	838,813.27	78,702.91		1,411,815.19			3,013,252.19
	Recovered disbursements:							
RDC	Real estate and equipment	50.00						
RDD	Operation of vessels expense	1,482,190.72						
RDE	Vessel repairs and betterments	32,318.11						
RDF	Protection and indemnity insurance expense and losses	228,627.08						27,861.96
RDH	Marine insurance expense and losses	259,920.97						
RDI	Marine insurance premiums	100,926.06						
RDJ	Legal expenses	61,451.80						
RDK	Protection and indemnity insurance premiums	78,411.99						
RDL	Fuel purchased for storage and rental expense	50,729.37						
RDM	Fuel purchased for storage and issue to vessels	418,094.20						
RDO	Warehouses stores	12,426.31						
RDP	Miscellaneous disbursements	2,260,843.25						
RDU	Administrative salaries	92,984.34						
RDV	Other general expense	120,944.42						
RDX	Dieselsation expense	176,176.75						
	Total recovered disbursements	5,200,115.46						27,991.96
	Total receipts	27,142,767.35			2,000,011.99			3,041,234.15
	Transfer of funds	2,241,172.96					165,000.00	432.00
	Total	\$5,462,074.50	\$1,602,512.18	\$186,351.52	\$2,000,011.99		\$399,760.94	\$12,356,000.82



DA	Disbursements—								
DC	Construction, repairs, and/or betterments—								
DD	Vessels.....	27,005.00							
DE	Real estate and/or equipment.....	18,975.78						2,767.09	
DX	Dieselization expense.....	1,152.75							
	Total construction, repairs, and/or betterments.....	47,133.53						2,767.09	
DD	Operations out-go, vessels—								
DE	Operation of vessel expense.....	18,892,883.85							
DG	Vessel repairs.....	2,968,276.77							
DH	Protection and indemnity insurance expense and losses.....	525,205.84							1,917,781.91
DH	Marine insurance expense and losses.....	500,753.04							
DI	Marine insurance premiums.....	210,022.90							
DK	Protection and indemnity insurance premiums.....	598,568.05							
	Total operations out-go, vessels.....	23,690,710.45							1,917,781.91
DJ	Laid-up vessels expense.....	519,379.86							
DL	Real estate operation and rental expense.....	523,265.73							
	Other disbursements—								
DM	Fuel purchased for storage and issue to vessels.....	243,203.84							
DO	Warehouse stores.....	189,121.18							
DT	Miscellaneous disbursements.....	2,177,673.73							
	Total other disbursements.....	2,609,998.75							
DU	General administrative expense—	2,674,833.55							90,913.21
DV	Administrative salaries.....	466,104.36							2,668.13
	Other general expense.....	3,140,957.91							98,581.34
	Total general administrative expense.....								
DEB	Refunded receipts—								
DRC	Sales of vessels, tugs, and/or barges.....						6,025.00		
	Sales of assets other than vessels, tugs, and/or barges.....			11.99			15,544.35		
DRF	Operation of vessels revenue.....	417,402.62							
DRH	Real estate operation and rental revenue.....	123.00							
DRJ	Interest earned.....	1,004.24					8.01		
DRL	Miscellaneous receipts.....	552,214.43							194,431.25
DRM	Insurance premiums.....								
	Total refunded receipts.....	971,644.29						21,577.39	194,431.25
	Total disbursements.....	31,403,090.52						21,577.39	2,205,794.50
	Transfer of funds.....	165,432.00						25,669.68	1,310,840.50
	Unexpended balance as at June 30, 1931.....	23,793,551.98						373,824.17	8,839,965.82
	Total.....	55,462,074.50						399,760.94	12,356,600.82

TABLE VIII—Balance Sheet as at June 30, 1931

ASSETS		
Cash and unrequitioned appropriations available for general purposes		\$23, 973, 240. 72
Cash and unrequitioned appropriations available for operation of vessels taken back from purchasers		5, 000, 000. 00
Cash, insurance fund merchant marine act, 1923		8, 839, 965. 82
Cash and unrequitioned appropriations available for settlement of claims appropriation act, fiscal year 1923		1, 602, 512. 18
Cash and unrequitioned appropriations, U. S. Shipping Board		57, 989. 96
Construction loan and Dieselization funds		107, 446, 206. 93
Accounts receivable		\$30, 086, 680. 40
Less—		
Payable offsets	\$1, 320, 032. 35	
Claim offsets	17, 755, 359. 15	
Reserve for doubtful or uncollectible accounts	8, 467, 027. 07	
	27, 542, 418. 57	
Accounts receivable due insurance fund, merchant marine act, 1923		2, 544, 261. 83
Accounts receivable of managing operators		730, 213. 61
Notes receivable		345, 865. 19
Less—		
Claim offsets	60, 277. 13	
Reserve for doubtful or uncollectible notes	15, 584. 50	
	75, 861. 63	
Operating supplies		1, 323, 758. 48
Ground rent estate		1, 804, 118. 52
Land, structures and equipment for sale		2, 550, 000. 00
Mortgages receivable and securities		116, 050. 00
Less—		
Claim offsets	1, 709, 460. 00	
Reserve for estimated value	1, 616, 764. 75	
	3, 326, 233. 75	
Accounts and notes receivable for ship sales		867, 461. 86
Less—		
Payable offsets	151, 791. 74	
Reserve for uncollectible accounts and notes	1, 112, 480. 41	
	1, 264, 272. 15	
Real estate and equipment used in operations		35, 774, 022. 73
Estimated recoverable value of claims in favor of U. S. Shipping Board		11, 984, 400. 90
Fleet (at appraised value)		448, 840. 80
Deferred accounts and commitment charges		67, 229, 049. 00
		6, 278, 311. 47
<b>Total</b>		<b>278, 925, 329. 90</b>
LIABILITIES		
Accounts payable and unclaimed wages		3, 406, 764. 85
Less receivable offsets		1, 277, 824. 09
Accounts payable of managing operators		2, 128, 940. 76
Deposits on sales and other contracts not consummated		1, 415, 809. 47
Less receivable offsets		187, 519. 74
		150, 000. 00
Suspense credits (receipts from ship sales contracts not fulfilled by purchasers)		37, 519. 74
Less receivable offsets		53, 538. 56
		44, 000. 00
Commitments (other than Dieselization)		14, 538. 56
Reserve for protection and indemnity insurance claims and losses		5, 228, 673. 99
Reserve for operating claims		3, 452, 849. 23
Dieselization commitments and accounts payable		3, 945, 220. 48
Reserve for claims settlements		49, 950. 75
Reserve, insurance fund merchant marine act, 1923		1, 602, 512. 18
Accounts payable, insurance fund merchant marine act, 1923		3, 916, 265. 49
Unearned premiums, insurance fund merchant marine act, 1923		1, 164, 538. 55
Reserve for operation of vessels taken back from purchasers		998, 375. 29
		5, 000, 000. 00
Net worth as at June 30, 1931		249, 970, 135. 41
<b>Total</b>		<b>278, 925, 329. 90</b>

FIFTEENTH ANNUAL REPORT UNITED STATES SHIPPING BOARD 121

**SCHEDULE 1.—Cash and unrequisioned appropriations available for general purposes as at June 30, 1931**

Cash available for general purposes—Before adjustment, cash in U. S. Treasury, in bank, in hands of managing operators, and in transit to depositories.....	\$25, 602, 515. 97
Plus amount to be transferred from Dieselization funds subsequent to June 30, 1931, representing reimbursement of net Dieselization charges disbursed from operating fund.....	3, 637. 28
	<u>25, 606, 153. 25</u>
Less amount to be transferred from operating fund, subsequent to June 30, 1931, representing excess of sales receipts over liquidation expense requirements:	
Total excess sales receipts, fiscal year 1931.....	\$7, 032, 912. 53
Less amount transferred to "Unrequisioned funds U. S. Treasury, construction loan fund," June 20, 1931.....	5, 400, 000. 00
	<u>1, 632, 912. 53</u>
Total cash and unrequisioned appropriations available for general purposes as at June 30, 1931.....	23, 973, 240. 72

**SCHEDULE 2.—Reconciliation of cash and unrequisioned appropriation balances as shown by the balance sheet with treasurer's cash and appropriation statement as at June 30, 1931**

Total cash and unrequisioned appropriation balances per treasurer's statement, June 30, 1931.....	\$81, 999, 422. 36
Balance-sheet application of the above total:	
Cash and unrequisioned appropriations available for general purposes.....	\$23, 973, 240. 72
Cash, operating contingencies fund.....	5, 000, 000. 00
Insurance fund, merchant marine act 1928.....	8, 839, 965. 82
Claims fund—	
Cash and appropriation fund established by Fleet Corporation appropriation act for the fiscal year 1928.....	1, 602, 512. 18
U. S. Shipping Board, 1930 cash and appropriation balance.....	40, 629. 61
U. S. Shipping Board, 1931 cash and appropriation balance.....	17, 350. 70
Special deposit, symbol account 92669.....	9. 65
Amount set aside for construction loan fund as authorized by section 11 of the merchant marine act of 1920, and amendment thereto approved Mar. 4, 1927.....	42, 152, 389. 51
Amount established as a fund for the Dieselization of vessels.....	373, 324. 17
Total cash and unrequisioned appropriations per balance sheet of June 30, 1931.....	81, 999, 422. 36

**SCHEDULE 3.—Cash and unrequisioned appropriations available for expenses of United States Shipping Board as at June 30, 1931**

Cash:	
Available for salaries and expenses, fiscal year 1931.....	\$12, 077. 80
Available for printing and binding, fiscal year 1931.....	4, 257. 32
Special deposits, symbol 92669.....	9. 65
Total cash.....	<u>\$16, 344. 27</u>
Unrequisioned appropriations:	
Salaries and expenses, fiscal year 1930.....	40, 599. 70
Printing and binding, fiscal year 1930.....	29. 91
Salaries and expenses, fiscal year 1931.....	1, 016. 08
Total unrequisioned appropriations.....	<u>41, 645. 69</u>
Total cash and unrequisioned appropriations U. S. Shipping Board.....	57, 989. 96

TABLE IX.—Gross appropriations and allotments from inception to July 1, 1931

	Original appropriation	Returned to U. S. Treasury surplus or reapportioned	Net appropriation	U. S. Shipping Board	U. S. Shipping Board Merchant Fleet Corporation
For fiscal years ended prior to July 1, 1930:					
U. S. Shipping Board—					
Acts of Sept. 7, 1916; June 12, 1917; July 1, 1918; July 19, 1919; June 5, 1920; Mar. 4, 1921; June 16, 1921; June 12, 1922; Feb. 13, 1923; June 4, 1924; Mar. 3, 1925; Apr. 22, 1926; Feb. 11, 1927; May 16, 1928; and Feb. 20, 1929	\$6,010,116.41	\$689,449.16	\$5,320,667.25	\$5,320,667.25	
U. S. Shipping Board Merchant Fleet Corporation—					
Act of Sept. 7, 1916, permanent fund	50,000,000.00		50,000,000.00		
Acts of June 15, 1917, to June 12, 1922, emergency shipping fund	3,363,658,000.00	37,689,497.61	3,325,968,502.39		
Acts of Feb. 13, 1923; June 7, 1924; Mar. 3, 1925; Apr. 22, 1926; Feb. 11, 1927; May 16, 1928; and Feb. 20, 1929, current maintenance and operations	159,434,950.00		159,434,950.00		
Act of June 12, 1922, claims, damage charges, and miscellaneous adjustments	30,000,000.00	11,745,815.10	38,234,184.90		
Acts of Apr. 17, 1917, and July 1, 1918, national security and defense (presidential allotments)	29,512,426.27	4,524,107.72	24,988,318.55		
Acts of Apr. 22, 1926; Feb. 11, 1927; May 16, 1928; and Feb. 20, 1929; operation of trade lines ex-purchasers (expenditures on approval of President of the United States)	25,000,000.00	25,000,000.00			
Total U. S. Shipping Board Merchant Fleet Corporation	3,677,499,876.27	78,959,420.43	3,598,540,255.84		\$3,598,540,255.84
Total for fiscal year ended prior to July 1, 1930	3,683,509,792.68	79,648,869.59	3,603,860,923.09		
For fiscal year ended June 30, 1931:					
U. S. Shipping Board—					
Act of Apr. 19, 1930—	84,000.00		84,000.00		
Commissioners	12,000.00		12,000.00		
Printing and binding	399,000.00		399,000.00		
All other expenses	396,000.00		396,000.00		
Total U. S. Shipping Board	896,000.00		896,000.00		
U. S. Shipping Board Merchant Fleet Corporation—					
Act of Apr. 19, 1930—	5,950,000.00		5,950,000.00		
Current maintenance and operations	5,000,000.00	5,000,000.00			
Operation of trade lines, ex-purchasers (expenditures on approval of President of the United States)	10,950,000.00	5,000,000.00	5,950,000.00		5,950,000.00
Total U. S. Shipping Board Merchant Fleet Corporation	11,346,000.00	5,000,000.00	6,346,000.00		5,950,000.00
Total for fiscal year ended June 30, 1931				896,000.00	5,950,000.00

For fiscal year ending June 30, 1932:

U. S. Shipping Board— Act of Feb. 23, 1931—																				
Commissioners.....	84,000.00																			
Funding and fundings.....	12,000.00																			
Construction loan fund.....	35,000,000.00																			
All other expenses.....	340,000.00																			
<b>Total U. S. Shipping Board.....</b>	<b>35,436,000.00</b>																			
U. S. Shipping Board Merchant Fleet Corporation— Act of Feb. 23, 1931—																				
Current maintenance and operations.....	1,970,000.00																			
Operation of trade lines, expurchasers (expenditures on approval of President of the United States).....	5,000,000.00																			
<b>Total U. S. Shipping Board Merchant Fleet Corporation.....</b>	<b>6,970,000.00</b>																			
<b>Total for fiscal year ending June 30, 1932.....</b>	<b>42,406,000.00</b>																			
Gross appropriations and allotments.....	3,737,261,792.68																			
	84,648,869.59																			
	3,652,612,923.09																			
	41,152,667.25																			
	3,611,460,255.84																			

TABLE X.—Estimated operating profit and loss, fiscal year 1931  
[Amounts shown in italics represent losses]

	Number of voyages	Cargo tons	Estimated revenue	Estimated voyage expense	Adjustment	Repairs		Insurance	Advertising	Total expense	Profit or loss
						Maintenance	Betterments				
Freighters.....	668	2,734,702	\$15,933,686.35	\$19,719,084.47	\$119,724.05	\$292,545.96	\$28,133.66	\$1,087,085.10	\$51,994.50	\$28,808,238.34	\$7,841.99
Coal trade.....	2	12,502	41,760.48	71,201.30	849.11	7,872.85		4,378.77		83,103.81	41,545.53
Chartered vessels.....	18		177,370.71			257.70		80,369.13		80,666.83	96,803.88
Inactive vessels (custody Merchant Fleet Corporation):											
Operating.....	678	2,747,604	16,202,817.54	19,790,235.77	119,375.64	2,300,676.51	28,133.66	1,181,733.00	51,994.50	23,472,198.98	7,269,381.44
Administrative expense.....	12		39,732.63							400,355.32	360,625.19
Miscellaneous revenue and expense.....			2,235,302.01							2,495,975.00	4,486,976.00
<b>Total.....</b>	<b>680</b>	<b>2,747,604</b>	<b>18,477,852.18</b>							<b>27,813,424.94</b>	<b>9,535,572.76</b>

1 Number of vessels at end of fiscal year.

TABLE XI.—Names and compensation of employees of the United States Shipping Board in the service on June 30, 1931

Name	Designation	Legal residence	Rate per annum
James L. Ackerson.....	Technical expert.....	Ohio.....	\$10,000
E. H. Adamitz.....	Examiner.....	Pennsylvania.....	2,300
Hazel Aiken.....	Clerk to commissioner.....	do.....	2,600
C. O. Arthur.....	Director, Bureau of Regulation.....	Indiana.....	6,500
Kathleen Baker.....	Senior clerk.....	District of Columbia.....	1,920
Edward J. Barnes.....	Assistant clerk.....	do.....	1,280
J. W. Barnett.....	Special expert.....	Ohio.....	6,000
Juanita Berry.....	Junior stenographer.....	South Carolina.....	1,680
Grace S. Bertrand.....	Senior typist.....	District of Columbia.....	1,560
Zelda Blank.....	do.....	do.....	1,560
Ruth Bowsman.....	Junior clerk.....	Missouri.....	1,560
Robert L. Boyd.....	Laborer.....	District of Columbia.....	1,140
Minerva Bradley.....	Clerk.....	Michigan.....	2,000
Harry S. Brown.....	Examiner.....	Massachusetts.....	3,200
Olive Brownell.....	Senior typist.....	District of Columbia.....	1,440
Mabel G. Carragher.....	File clerk.....	Massachusetts.....	1,620
Lora S. Cass.....	Senior stenographer.....	Oklahoma.....	2,100
Walter B. Castonguay.....	Director, Bureau of Finance.....	Connecticut.....	6,000
Lethie B. Chapman.....	Clerk.....	District of Columbia.....	1,740
Jean Colwell.....	Junior clerk.....	Michigan.....	1,740
Hutch I. Cone.....	Commissioner.....	Florida.....	12,000
Emma E. Cornes.....	Clerk.....	Ohio.....	1,440
Edward P. Cotter.....	Head, foreign port surveys.....	Connecticut.....	4,000
Blanche M. Curry.....	Senior stenographer.....	District of Columbia.....	1,680
Maude Darracott.....	do.....	South Carolina.....	1,740
Albert D. Davis.....	Cabinetmaker.....	Virginia.....	2,200
Maude S. Dawson.....	Clerk.....	Nebraska.....	1,800
Thomas H. Deckelman.....	Assistant examiner.....	Maryland.....	2,600
Albert H. Denton.....	Commissioner.....	Kansas.....	12,000
Ernest M. Dew.....	Senior clerk.....	Ohio.....	3,200
Margaret E. Dowden.....	Clerk.....	District of Columbia.....	2,200
Miriam G. Eggen.....	Senior typist.....	Minnesota.....	1,440
Dan P. Eldridge.....	Clerk to commissioner.....	District of Columbia.....	3,200
Daniel W. Eskridge.....	Head porter.....	do.....	1,380
Margaret E. Evans.....	Junior clerk.....	Ohio.....	1,500
Caroline D. Flanner.....	Senior clerk.....	District of Columbia.....	2,600
Frederick H. Flinn.....	Assistant chief clerk.....	New Jersey.....	2,900
Maybelle Fry.....	Telephone operator.....	District of Columbia.....	1,500
Evelyn M. Gliem.....	Clerk to commissioner.....	Massachusetts.....	3,000
Samuel Goodacre.....	Secretary.....	District of Columbia.....	7,000
Charles B. Gray.....	Examiner.....	Pennsylvania.....	3,200
Alfred H. Haag.....	Special expert.....	Maryland.....	8,000
Olive M. Henderson.....	Clerk.....	Virginia.....	1,560
Lillian M. Hildebrand.....	Senior Stenographer.....	Maryland.....	2,040
Nettie J. Hipple.....	do.....	Pennsylvania.....	1,920
Francis J. Horan.....	Senior clerk.....	District of Columbia.....	2,600
Samuel R. Howell.....	Head, domestic port surveys.....	Tennessee.....	4,000
Mina G. Irvine.....	Administrative assistant to the chair- man.....	New York.....	5,200
James Jackson.....	Unskilled laborer.....	Virginia.....	1,320
Marjorie L. Kincheloe.....	Junior tabulator.....	District of Columbia.....	1,440
Larkin C. King.....	Laborer.....	do.....	1,260
Lottie P. King.....	Assistant section chief.....	Maryland.....	1,800
Olive V. King.....	Clerk.....	District of Columbia.....	2,100
William H. Knox.....	Junior clerk.....	do.....	1,440
Edward J. Kohlbrenner.....	Clerk-sorter.....	Virginia.....	1,440
A. L. Lansdale.....	Examiner.....	District of Columbia.....	6,000
Joseph P. Lanigan.....	Clerk.....	New York.....	1,800
Leon A. Le Buffet.....	do.....	South Carolina.....	1,980
Irene Lewis.....	Clerk to commissioner.....	Kansas.....	3,000
Thomas Lisi.....	Junior statistical clerk.....	Rhode Island.....	1,440
Henry C. Littlefield.....	Division chief.....	Alabama.....	3,900
James J. Lucey.....	Examiner.....	Massachusetts.....	2,800
Marguerite T. McDonough.....	Clerk to commissioner.....	District of Columbia.....	3,000
William S. Maginnis.....	Special expert.....	Pennsylvania.....	4,800
Bessie C. Mallicote.....	Stenographer.....	District of Columbia.....	1,800
Julius Manns.....	Laborer.....	do.....	1,140
Lucy A. Marsac.....	Stenographer.....	Washington.....	1,620
Jefferson Myers.....	Commissioner.....	Oregon.....	12,000
Alf W. Nelson.....	Port examiner.....	Minnesota.....	2,600
Margaret E. Nolan.....	Senior typist.....	New Mexico.....	1,440
Alice F. Nollner.....	Senior stenographer.....	District of Columbia.....	1,680
T. V. O'Connor.....	Chairman.....	New York.....	12,000
Frances E. Petrie.....	Junior statistical clerk.....	Michigan.....	1,440
Maurice J. Pierce.....	Chief clerk.....	Tennessee.....	3,800
Edward C. Plummer.....	Commissioner.....	Maine.....	12,000
Logan Presler.....	Clerk.....	Ohio.....	2,000
Fred A. Quinn.....	Examiner.....	Pennsylvania.....	3,300
Lee E. Rauck.....	Clerk.....	do.....	2,100

TABLE XI.—Names and compensation of employees of the United States Shipping Board in the service on June 30, 1931—Continued

Name	Designation	Legal residence	Rate per annum
John G. Reckert.....	Assistant purchasing agent.....	District of Columbia.....	2,700
Manella A. Redd.....	Secretary to director, Bureau Research.....	Virginia.....	1,020
Katherine C. Renz.....	Telephone operator.....	District of Columbia.....	1,600
Joseph H. Rhoderick.....	Clerk.....	do.....	1,740
George M. Rice.....	Examiner.....	do.....	1,800
Lloyd R. Roberts.....	Chief, filing section.....	Iowa.....	2,900
Vera O. Rogers.....	Junior statistical clerk.....	do.....	1,440
Blanche E. Rudd.....	Assistant clerk.....	Virginia.....	1,440
Frank Rusk.....	Examiner.....	District of Columbia.....	3,600
John A. Russell.....	do.....	Michigan.....	4,000
Evelyn M. Sackett.....	Senior stenographer.....	New York.....	1,920
Samuel S. Sandberg.....	Commissioner.....	California.....	12,000
Samuel D. Schell.....	Assistant secretary.....	Maryland.....	4,800
Ralph I. Schneider.....	Examiner.....	Wisconsin.....	3,500
Marcella R. Schuler.....	Stenographer.....	Ohio.....	1,560
Douglas W. Seitzinger.....	Examiner.....	Pennsylvania.....	2,400
Donald W. Shannon.....	Multigraph operator.....	District of Columbia.....	1,620
Edward M. Sheehan.....	Examiner.....	Maine.....	2,300
Audra F. Shoemaker.....	Senior typist.....	Nebraska.....	1,440
Irma P. Simonton.....	Junior clerk.....	District of Columbia.....	1,440
E. J. Skidmore.....	Chief personnel officer.....	Michigan.....	4,800
Gertrude H. Smith.....	Junior clerk.....	do.....	1,440
Roland K. Smith.....	Commissioner.....	Louisiana.....	12,000
F. Arlene Snure.....	Junior statistical clerk.....	Minnesota.....	1,440
Mary E. Soucy.....	Secretary to secretary.....	New Hampshire.....	2,000
Marietta A. Stevens.....	File clerk.....	Indiana.....	1,500
Elizabeth Sullivan.....	Junior office draftsman.....	Pennsylvania.....	1,440
Walter R. Swank.....	Reporter.....	Nevada.....	2,300
Anna Tiede.....	Clerk to commissioner.....	California.....	3,200
Charles W. Towle.....	Junior tabulating machine operator.....	Nebraska.....	1,440
Thelma E. Trusch.....	Senior typist.....	District of Columbia.....	1,440
Ella S. Underwood.....	Junior statistical clerk.....	Massachusetts.....	1,440
Alexis M. Uzefovich.....	Senior topographic draftsman.....	Illinois.....	2,000
Florence Van Acker.....	Junior library assistant.....	California.....	1,620
Marie C. Van Arnum.....	Telephone operator.....	District of Columbia.....	1,500
Emma Von Toerne.....	Senior stenographer.....	Wisconsin.....	2,100
Margaret H. Wagner.....	Stenographer.....	New York.....	1,680
May Wagner.....	Senior typist.....	District of Columbia.....	1,560
Hext P. Ware.....	Examiner.....	Maryland.....	3,200
George West.....	Under clerk.....	California.....	1,320
Cornelia M. Wilfong.....	Senior stenographer.....	New York.....	1,650
William M. Woods.....	Accountant.....	Massachusetts.....	2,800
Virginia E. Woodward.....	Clerk.....	Maryland.....	1,740
Evelyn H. Young.....	Junior statistical clerk.....	Florida.....	1,440
Walter Ziwn.....	Senior typist.....	Pennsylvania.....	1,740

Names and compensation of employees of the United States Shipping Board who were separated during the fiscal year ended June 30, 1931

Name	Designation	Legal residence	Rate per annum	Date of separation
Frances M. Davison.....	Clerk.....	Oklahoma.....	\$1,800	Sept. 8, 1930
Amelia E. Hauser.....	Junior statistical clerk.....	District of Columbia.....	1,440	Oct. 15, 1930
Dora F. Imbler.....	do.....	Oregon.....	1,440	July 22, 1930
Anna Ruth Ryan.....	Senior typist.....	Michigan.....	1,440	Nov. 5, 1930
Virginia Stetson.....	Junior library assistant.....	Virginia.....	1,620	Mar. 31, 1931





# INDEX

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	Page
Accounting and auditing.....	99
Accounts, cash.....	96, 97
Accounts, past-due, collection of.....	97
Administrative expense, reduction of.....	88
Admiralty division, report.....	62
Agreements, carriers' filed.....	34
Agreements, section 15.....	33-35
Agreement, operating, new.....	3, 84
Agwi Navigation Co.:	
Loan.....	50
Progress on new construction.....	52
Aid to cargo vessels, recommendations regarding.....	9
American Brazil Line, sale canceled.....	26
American Diamond Line, sale of.....	4, 27
American Hampton Roads Line, sale of.....	4, 26, 27
American Marine Standards committee.....	44
Americanizing crews.....	38, 39
American Tankers Corporation, progress on conversion.....	52
American Standard Ship Fittings Corporation, litigation.....	60
Appendix.....	101-125
Apple imports to South America.....	20
Applications, loan, pending.....	51
Appropriations and allotments, Table IX.....	122, 123
Atlantic Refining Co., litigation.....	60
Australian tariff regulations.....	19
Balance sheet, Table VIII.....	120, 121
Baltimore Mail Steamship Co.:	
Loan agreements.....	51
New trade route.....	25
Purchase of vessels.....	4
Belgium, traffic item concerning.....	12
Bethlehem litigation.....	61
Black Diamond Steamship Corporation, purchase of vessels.....	4
Boiler feed water tests.....	57
Boston, Shipping Board piers at.....	90, 91
Brazil, traffic item concerning.....	12, 13
Broadway, 45, proposed sale of.....	4, 83
Brooklawn, N. J., mortgage foreclosures.....	61
Brooklyn, Shipping Board piers at.....	91
Bulk Transportation Corporation, progress on remodeling.....	52
Bunker stations, disposition of.....	89
Bureau of construction, report.....	49-59
Bureau of finance, report.....	63-88

	Page
Bureau of law, report.....	59-63
Bureau of operations, report.....	36-49
Bureau of regulation, report.....	31-36
Bureau of research, report.....	68-70
Bureau of traffic, report.....	11-31
Canadian preferential tariff.....	19, 20
Care of reserve fleet.....	90
Cargo services, cost of maintaining.....	85, 86
Cargo vessels, recommendations regarding aid to.....	9
Cash accounts.....	96, 97
Cash discount and interest.....	97
Cash statement, consolidated.....	98
Cash statement, consolidated, Table VII.....	116-119
Castings, steel, research.....	58
Centralized purchasing.....	88
Certification of vessels, speed, tonnage, and construction.....	59
Charleston, S. C., Shipping Board terminals at.....	92
Chart, organizations:	
United States Shipping Board.....	Facing 1
United States Shipping Board Merchant Fleet Corporation.....	Facing 81
Charterers of Shipping Board vessels, Table IV.....	107
Chile, traffic item concerning.....	13, 14
Clairton, steamship, trials of.....	58
Coal:	
Pulverized, tests with.....	98
Trade.....	87
Coamo Steamship Corporation (New York & Porto Rico Steamship Co.):	
Loan.....	50
Progress on construction.....	52
Coastwise laws:	
Philippine Islands, extension to.....	21, 22
Possible violations of.....	22-24
Recommendation regarding.....	10
Virgin Islands, exclusion of.....	21
Collection of past-due accounts.....	97
Collisions, division of damages, recommendations regarding.....	10
Commissioners.....	3
Common carriers regulation, recommendation regarding.....	10
Competition, unfair foreign.....	20
Competitive discrimination.....	19
Complaints:	
Formal.....	32, 33
Informal.....	33
Comptroller's department, work of.....	99
Cone, H. I., commissioner.....	1
Conference on Merchant Marine, Fourth National.....	8, 43
Conferences, steamship.....	7, 94, 95
Conservation, fuel.....	44, 45, 92, 93
Consolidated cash statement.....	98
Consolidated cash statement, Table VII.....	116-119
Construction, bureau of, report.....	49-59
Construction loan fund.....	50

	Page
Construction loans.....	5, 50
Applications pending.....	51
Financial activities.....	54
Recommendations regarding.....	9
Previously authorized, status of.....	51-54
Construction of vessels.....	5
Contracts and opinions division, report.....	62
Contracts, mail.....	5
Conversion program, Diesel.....	58
Cost of maintaining cargo services.....	85, 86
Cotton contract, Egyptian.....	95
Credit investigations.....	98
Crews, Americanization of.....	38, 39
Cuba, traffic item concerning.....	14, 15
Cuban passenger trade, competition in.....	21
Cummins, A. D. & Co., litigation.....	60
Deck boys.....	38
Delta Line (Mississippi Shipping Co.):	
Loan.....	51
Mail contract.....	5, 6
Privilege of West Indian calls.....	26
Denton, Albert H., commissioner.....	1
Depression in shipping.....	10, 11
Development of ports.....	29-31
Diesel conversion program.....	58
Differentials, operating, study of.....	43, 44
Discrimination, competitive.....	19
District offices, changes in.....	87
Dollar Steamship Line:	
Loan.....	50
New trade route.....	24, 25
Progress on construction.....	52
Drew, William, litigation.....	59, 60
Eastern Steamship Lines:	
Loan agreements.....	50
Mail contract.....	6
Economic division, report.....	69
Educational division, report.....	69
Egyptian cotton contract.....	95
Employees, Shipping Board, list of, Table XI.....	124, 125
Engineering development program.....	56-58
Exemption, tax on American vessels, recommendation regarding.....	9
Ex-enemy vessels seized, Table VI.....	115
Expenses, administrative, reduction of.....	88
Export Steamship Corporation, progress on construction.....	52
Extent of vessel operations.....	84, 85
Finance, Bureau of, report.....	63-68
Finance department, work of.....	96-98
Finance, shipping, survey of.....	7, 63, 64
Foreign bunkering stations, directory of.....	48, 49
Foreign competition, unfair.....	20
Foreign ports, study of.....	47

	Page
Foreign registry, transfer of vessels to, table.....	74-76
Foreign vessels, temporary operation to Cuba.....	21
Formal complaint investigations.....	32, 33
Fourth national conference on merchant marine.....	8, 43
Fourth section applications, Interstate Commerce Commission.....	29-31
France, traffic, item concerning.....	15
Free ports, recommendation regarding.....	9
Fuel conservation program.....	44, 45, 92, 93
Fuel oil:	
Purchases and issues.....	88, 89
Storage stations, disposition of.....	89
Fund, construction loan.....	50
Fund, Shipping Board insurance.....	7, 67
General comptroller's department, work of.....	99
General statement.....	2
Grace Steamship Co., loan agreements.....	50
Grays Harbor Motorship Corporation, litigation.....	60
Groton Iron Works, litigation.....	60, 61
Hague rules.....	28, 29
Recommendations regarding.....	10
Harwood, P. Leroy, trustee Groton Iron Works, litigation.....	60, 61
Hoboken, N. J., Shipping Board piers at.....	91
Hoboken Terminals, proposed sale of.....	4, 83
Housing mortgages.....	67, 68
Housing properties.....	98
Industrial relations division, report.....	36-38
Informal complaint proceedings.....	33
Inquiries, special administrative.....	36
Inspection of vessels receiving benefit of loans.....	54-56
Insurance:	
Department, work of.....	95, 96
Fund.....	7, 67
Ocean marine, survey of.....	64-67
Intercoastal carriers' conference.....	7
Intercoastal rates, control of minimum.....	27, 28
International items, bureau of traffic.....	12-19
Interstate carriers, tariffs of.....	35, 36
Investigations:	
Credit.....	98
Special administrative.....	36
Investigations division, report.....	42-45
Irish Free State, traffic item concerning.....	12
Italian Star Line, litigation.....	61
Italy, traffic item concerning.....	15, 16
Jones-White Act.....	5
Laid-up fleet.....	90
Lake series reports.....	45
Law, bureau of, report.....	59-63
Laws, coastwise:	
Philippine Islands, extension to.....	21, 22
Possible violations of.....	22-24
Recommendation regarding.....	10
Virgin Islands, exclusion of.....	21

	Page
Litigation and claims division, report.....	59-61
Load-line developments.....	7, 8, 42, 44
<b>Loans:</b>	
Applications pending.....	51
Construction.....	5, 50
Construction, recommendation regarding.....	9, 10
Reconditioning, remodeling, and improvement.....	51
Status of previously authorized.....	51-54
Losses, operating, Table X.....	123
Lump sum operating agreement.....	3, 84
Mail contracts.....	5
Recommendations regarding.....	9
Mail routes certified by Postmaster General.....	6
Managing operators of Shipping Board vessels, Table IV.....	107
Marine insurance, survey of.....	64-67
Maritime records division, work of.....	69
<b>Merchant Fleet Corporation:</b>	
Organization.....	2, 81
Organization chart.....	Facing 81
Report.....	81-99
<b>Mississippi Shipping Co. (Delta Line):</b>	
Loan authorized.....	51
Mail contract.....	5, 6
Privilege of West Indies calls.....	26
Mobile Oceanic Line, sale of.....	4, 27
Model basin work.....	56, 57
Mortgages, housing.....	67, 68
Motor Tankship Corporation, progress on construction.....	52, 53
Myers, Jefferson, commissioner.....	1
Naval Reserve, recommendations regarding.....	9
<b>New York &amp; Porto Rico Steamship Co. (Coamo Steamship Corporation):</b>	
Loan.....	50
Progress on construction.....	52
Norfolk, Shipping Board piers at.....	92
<b>Oceanic Steamship Co.:</b>	
Loan agreement.....	51
Progress on construction.....	53
O'Connor, T. V., chairman.....	1
Officers, merchant marine, training of.....	42, 43
Operating agreement, 1930.....	3, 84
Operating differentials, study of.....	43, 44
Operations, bureau of, report.....	36-49
Operations, total results of.....	85-87
<b>Organization:</b>	
United States Shipping Board.....	1
United States Shipping Board Merchant Fleet Corporation.....	81
Pacific-Atlantic Line, formation of.....	25
Pacific South African Line, additional charters.....	26
Panama Mail Steamship Co., loan agreement.....	50, 51
Panama Railroad Steamship Co., recommendation regarding.....	9
Pan American Commercial Conference.....	49
Pan American Commission on Customs Procedure and Port Formalities.....	48
Patronage for American ships.....	11

	Page
Pay roll, reduction of.....	88
Philadelphia, Shipping Board piers at.....	91, 92
Philippine Islands, coastwise laws.....	21, 22
Piers, Shipping Board, operation of.....	90, 92
Placements, sea-service section, table.....	40, 41
Plummer, E. C., vice chairman.....	1
Poland, traffic item concerning.....	16, 17
Pooling agreements, steamship.....	94, 95
Port facilities division, report:	
Domestic port section.....	45-47
Foreign port section.....	47-49
Port series reports.....	45, 46
Ports, development of.....	29-31
Portugal, traffic item concerning.....	17
Post Office Department, certification of vessels to.....	59
President Coolidge, steamship, constructed.....	52
President Hoover, steamship, constructed.....	52
Profit and loss, operating, Table X.....	123
Properties, housing.....	98
Pulverized coal tests.....	93
Purchases and issues, fuel.....	88, 89
Purchasing, centralized.....	88
Radio experiments.....	93
Ravenscroft, Leslie, et al., litigation.....	60
Recommendations to Congress.....	9
Reconditioning, remodeling, and improvement loans.....	51
Reduction of pay roll and administrative expenses.....	88
Registry, transfers to foreign, table.....	74-76
Regulation, bureau of, report.....	31-36
Regulation of common carrier, recommendations regarding.....	10
Research, bureau of, report.....	68-70
Reserve fleet, care of.....	90
Retrenchment in operating expenses.....	3
Routes, mail, certified by Postmaster General.....	6
Rules, Hague.....	28, 29
Recommendations regarding.....	10
Rumania, traffic item concerning.....	18
Safety of life at sea:	
International convention.....	7, 8, 42
Recommendations regarding.....	10
Sales:	
Of lines.....	26, 27
Of ships.....	3, 4, 82, 83
Other property.....	4, 83
To aliens and transfer of registry.....	71-76
Sandberg, S. S., commissioner.....	1
Sea-service section, work of.....	38-41
Secretary, report of.....	70-77
Section 15 agreements.....	33-35
Securities held by Merchant Fleet Corporation.....	98
Services maintained by Shipping Board, Table V.....	108, 109
Ship mortgage act, surrender of documents.....	76, 77
Shipbuilding in the United States.....	5

Shipping Board:	Page
Organization.....	1
Organization chart.....	Facing 1
Report.....	1-77
Smith, R. K., commissioner.....	1
Southern Pacific Transcontinental cases, Interstate Commerce Commission.....	29, 30
Southgate-Nelson Corporation, purchase of vessels.....	4, 26, 27
Special administrative investigations.....	36
Speed, possible improvement in existing vessels.....	58
Status of carriers by water.....	31, 32
Status of construction loans.....	51-54
Stevedoring.....	89
Storekeeping activities.....	89
Stowage of ship cargoes, revision of publication.....	49
Supply and operating activities.....	88-92
Survey, ocean marine insurance.....	64-67
Survey, shipping finance.....	7, 63, 64
Sweden, traffic item concerning.....	18, 19
Talmadge, Henry P., litigation.....	59
Tariffs of carriers filed.....	35, 36
Tax exemption for American vessels, recommendations regarding.....	9
Terminals, Shipping Board, operation of.....	90-92
Tests with pulverized coal.....	93
Tide Water Associated Transport Co., progress on construction.....	53
Tonnage of ships in private hands.....	4
Trade routes, interest in.....	24
Traffic, bureau of, report.....	11-31
Traffic department, report.....	93-95
Training of merchant marine officers.....	42, 43
Transfers to foreign registry.....	71-73
Table.....	74-76
Transports, Army and Navy, recommendations regarding.....	9
Unfair foreign competition.....	20
United Mail Steamship Co., progress on construction.....	53
United States Lines, progress on construction.....	54
Vessels:	
Acquired by Shipping Board, Table VI.....	110, 115
Certification as to speed, tonnage, and construction.....	59
Constructed, Table VI.....	112, 113
Controlled, Tables II and III.....	105, 106
Disposed of, Table I.....	104-105
Ex-enemy, seized, Table VI.....	115
Inspection of, receiving benefit of loans.....	54-56
Operation, extent of.....	84, 85
Purchased, Table VI.....	114
Sold, Table I.....	103-105
Transferred from other Government departments, Table VI.....	115
Transfers to foreign registry, table.....	74-76
Virgin Islands, coastwise laws.....	21
Waterman Steamship Corporation, purchase of vessels.....	4
Welding research.....	57

