

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



Fiscal Year Ended
June 30
1933



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UNITED STATES SHIPPING BOARD

Rear Admiral H. I. CONE, *Chairman.*

Capt. DAVID W. TODD, *Vice Chairman.*

Capt. GATEWOOD S. LINCOLN, *Commissioner.*

SAMUEL GOODACRE, *Secretary.*

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LETTER OF TRANSMITTAL

UNITED STATES SHIPPING BOARD,
Washington, D.C., December 1, 1933.

To the Congress:

In compliance with Section 12 of the Shipping Act, 1916, we have the honor to transmit herewith the seventeenth annual report of the United States Shipping Board and the United States Shipping Board Merchant Fleet Corporation covering the fiscal year ended June 30, 1933.

H. I. CONE, *Chairman.*

DAVID W. TODD, *Vice Chairman.*

GATEWOOD S. LINCOLN, *Commissioner.*

PART I
UNITED STATES SHIPPING BOARD

THE UNITED STATES SHIPPING BOARD

ORGANIZATION

On July 1, 1932, the United States Shipping Board was composed of the following members: T. V. O'Connor, chairman; S. S. Sandberg, vice chairman; and Commissioners H. I. Cone, Albert H. Denton, Jefferson Myers, and R. K. Smith, there being one vacancy on the Board.

T. V. O'Connor, Great Lakes, was appointed a member June 9, 1921, term 5 years; reappointed June 15, 1926, for a term of 6 years from June 9, 1926; nominated June 20, 1932, for a term to expire June 8, 1938, confirmed on June 20, 1932. Mr. O'Connor was elected vice chairman of the Board on June 16, 1921, and on February 5, 1924, was designated chairman. S. S. Sandberg, Pacific coast, was appointed for a term of 6 years from June 9, 1928, succeeding P. S. Teller; term to expire June 8, 1934. On April 6, 1932, Mr. Sandberg was elected vice chairman of the Board, succeeding E. C. Plummer, deceased. Admiral H. I. Cone (United States Navy, retired), Atlantic coast, was appointed for a term of 6 years from June 9, 1928, succeeding Admiral W. S. Benson (United States Navy, retired); term to expire June 8, 1934. Albert H. Denton, interior, was appointed January 4, 1928, to serve the unexpired term of 6 years from June 9, 1927, succeeding W. S. Hill, resigned; term to expire June 8, 1933. Jefferson Myers, Pacific coast, was appointed June 15, 1926, succeeding B. E. Haney, resigned, for the term expiring June 8, 1931; reappointed on June 3, 1931, during recess of Congress, for a term of 6 years from June 9, 1931, which reappointment was confirmed December 18, 1931; term to expire June 8, 1937. 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 6 years from June 9, 1929; term to expire June 8, 1935.

On July 1, 1932, Public No. 212, Seventy-second Congress, cited as the "Economy Act", became law. This act reorganized the Shipping Board, reducing the membership from 7 to 3, 1 commissioner to be appointed from the States touching the Atlantic Ocean or a navigable river directly tributary thereto, 1 from the States touching the Pacific Ocean and 1 from the States touching the Gulf of Mexico. The act also fixed the term of office at 3 years instead of 6 as under the Merchant Marine Act, 1920; the terms of the first commissioners

appointed under Public No. 212, Seventy-second Congress, to be for 1, 2, and 3 years respectively, the commissioners appointed thereunder to hold office until their successors should be appointed and qualified. The act also provided that the Shipping Board as constituted on the date of its enactment should continue to function until the date or reorganization of the Board pursuant to the provisions of the act; consequently the Shipping Board as outlined above, T. V. O'Connor, chairman, S. S. Sandberg, vice chairman, and Commissioners Cone, Denton, Myers, and Smith, continued to function until August 1, 1932.

On July 30, 1932, the President of the United States reorganized the Shipping Board in accordance with the provisions of Public No. 212, Seventy-second Congress. The Shipping Board, as reorganized, was composed of the following members: T. V. O'Connor, Atlantic coast, chairman, for a term of 3 years from June 30, 1932; S. S. Sandberg, Pacific coast, for a term of 2 years from June 30, 1932, and Rear Admiral H. I. Cone (U.S. Navy, retired), Gulf coast, for a term of 1 year from June 30, 1932. The newly appointed members of the Shipping Board, as reorganized, took the oath of office on August 1, 1932. Commissioner Sandberg was elected vice chairman of the Board on August 3, 1932. The nominations of the three commissioners were submitted by the President to the Senate on January 3, 1933. As no action was taken by the Senate on these nominations, the recess appointments automatically terminated with the adjournment of the Seventy-second Congress on March 4, 1933.

On March 15, 1933, the President forwarded to the Senate the nominations of Rear Admiral H. I. Cone (U.S. Navy, retired), of Florida, Capt. David W. Todd (U.S. Navy, retired), of New York, and Capt. Gatewood S. Lincoln (U.S. Navy, retired), of California, to be commissioners, and by letter designated Admiral Cone chairman of the board.

On March 20, 1933, the Senate confirmed the nominations and the President on that date made the following appointments: Rear Admiral H. I. Cone (U.S. Navy, retired), of Florida, for the Gulf coast, for a term of 3 years from June 30, 1932, Capt. Gatewood S. Lincoln (U.S. Navy, retired), of California, for the Pacific coast, for a term of 2 years from June 30, 1932, and Capt. David W. Todd (U.S. Navy, retired), of New York, for the Atlantic coast, for a period of 1 year from June 30, 1932. Commissioner Todd was elected vice chairman of the Board on March 20, 1933.

Although Commissioner Todd's term of office expired at midnight June 29, 1933, he continued to function under the provisions of Public No. 212, no successor having been appointed and qualified.

The Shipping Board at the close of business June 30, 1933, was composed of the following: Rear Admiral H. I. Cone (U.S. Navy,

retired), chairman, Capt. D. W. Todd (U.S. Navy, retired), vice chairman, and Capt. Gatewood S. Lincoln (U.S. Navy, retired), commissioner.

On June 10, 1933, by virtue of authority granted him by section 16 of the act of March 3, 1933 (Public, No. 428, 47 Stat. 1517), the President of the United States by Executive Order 6166 ordered the functions of the Shipping Board, including those over and in respect to the United States Shipping Board Merchant Fleet Corporation transferred to the Department of Commerce, and the United States Shipping Board abolished. In accordance with the provisions of the Economy Act, the transfer will be effected 61 days from the date of Executive Order 6166, or August 10, 1933.

During the year the Board held 136 meetings, in addition to which there were held many special meetings conducted either by the Board or by committees thereof.

GENERAL STATEMENT

At the beginning of the fiscal year 1933 the work of the United States Shipping Board was carried on in seven bureaus, corresponding to the number of commissioners who composed the Board. Upon the reduction in Board membership from seven to three, which became effective August 1, 1932, the number of bureaus was reduced to four, as follows: Bureau of Construction and Finance, Bureau of Marine Development, Bureau of Regulation and Traffic, and Bureau of Research. At the same time the Bureau of Law was abolished and its activities for the remainder of the fiscal year were carried on by the office of the General Counsel. These various administrative changes made possible a number of reductions in personnel.

Coincident with these changes in the Shipping Board, numerous retrenchments were also effected in the Merchant Fleet Corporation, the Board's operating agency, retrenchments made possible by the further liquidation of vessel property and the consequent reduction and realignment of personnel.

Retrenchment in Operating Expenses

For the fiscal year 1933 no appropriation was made by Congress for active ship operations conducted for Board account, the expense having been met by utilizing the Board's reserves. This resulted in a reduction in congressional appropriations of \$1,970,000 as compared with the fiscal year 1932, of \$17,000,000 as compared with 1928, and of \$50,000,000 since 1924.

During the year the pay roll of the Shipping Board and Merchant Fleet Corporation showed a reduction of 92 employees, with annual salaries and wages totaling \$350,467, compared with the fiscal year 1932. Since July 1, 1928, 2,129 employees have been dropped from the rolls, involving salaries and wages totaling \$3,413,776.

The operating loss of the Merchant Fleet Corporation for the fiscal year was approximately \$5,387,000, which is \$3,044,000 below the 1932 loss and \$35,613,000 below the loss sustained in 1924.

Sale of Ships

During the fiscal year sales of 184 vessels were authorized, including 52 ships belonging to 4 established cargo services and 125 vessels sold for scrapping. As of June 30, 1933, the number of services still being operated for Shipping Board account had been reduced from 9 to 5.

An order of the Board, promulgated during the year, required that in future sales of ships the purchase price, plus any expenditures for repairs or reconditioning, should approximate the open market value of the vessel when placed in sound condition. This new sales policy was adopted in order to protect the private market and to prevent further overtonnaging of the coastwise and intercoastal trades.

Merchant Shipbuilding in the United States

The fiscal year saw the completion of all commercial contracts previously placed with the private shipyards of the United States and a consequent marked decline in employment of shipyard personnel.

The only new contract for ocean-going ships was for two cargo vessels. Because of the business depression, orders for small craft, particularly the nonseagoing type, have been greatly reduced.

Construction Loans

Advances made from the construction loan fund during the fiscal year totaled \$24,549,738.63, as contrasted with \$50,817,809.29 for the year ended June 30, 1932.

From the inception of the construction loan fund the Board has authorized loans totaling \$147,752,146.66, of which amount \$147,123,-224.57 had been advanced up to and including June 30, 1933. Full details relating to the administration of the construction loan fund will be found in the report of the Bureau of Construction and Finance.

Ocean Mail Contracts

During the year certifications as to type, size, speed, and general characteristics of vessels to be employed and the frequency and regularity of their sailings on the following proposed mail routes were made by the Shipping Board to the Postmaster General:

Route no. 57. (a) New Orleans and other west Gulf port to ports in the British Isles.

(b) Houston or other west Gulf port to ports in norther continental Europe.

(c) Galveston or other Gulf port to ports (other than those in Spain) on Mediterranean, Black Sea, and adjacent waters.

(d) Galveston or other Gulf port to Pacific and trans-Pacific ports.

Route no. 58. (a) Baltimore to London, Hull, Leith and Dundee, and Philadelphia, Boston or Portland to London, Hamburg, Hull, Leith, and Dundee.

(b) Baltimore, Philadelphia, New York, or Boston, to Londonderry, Glasgow, Belfast, Dublin, Cardiff, Avonmouth, and Cork.

(c) Baltimore, Philadelphia, New York, or Boston to Liverpool and Manchester.

Route no. 58 has been advertised for bids by the Postmaster General, but no award was made during the fiscal year. On route no. 57 contract was awarded to Lykes Bros.-Ripley Steamship Co., New Orleans, La., calling for a minimum of 192 sailings per annum and a further requirement to build, reconstruct, or substitute vessels during the term of the contract at an aggregate cost of \$20,000,000, all such vessels to be of classes based on a speed of 13 knots or more and suitably equipped to serve the trade.

At the close of the year 45 ocean mail contracts were in effect as a result of the operation of the Merchant Marine Act of 1928. Requirements for new construction call for at least 54 vessels, with conditional requirements making possible the construction of an additional 12, or a total of 66 new vessels. Latest figures show requirements of 61 reconstructed vessels, making a program all told of 127 vessels at an expenditure on the part of holders of ocean mail contracts of about \$300,000,000.

Intercoastal Carriers

The Intercoastal Shipping Act, 1933, which became law on March 3, 1933, applies to all common and contract carriers engaged in transportation for hire between States of the United States by way of the Panama Canal. It has as its fundamental provision a requirement for the filing and posting by the carriers of their actual rates, fares, and charges. Except as special permission may be granted by the Shipping Board, no change in any of such rates, fares, or charges may lawfully be made short of 30 days' notice; and within such 30-day period the new statute vests in the Board suspension and investigatory powers exercisable over a period of 4 months.

Inasmuch as the filing and posting requirement of the new act did not become effective until June 2, it is too early to report on the results secured through the operation of the statute. The stabilizing influence of the act is already seen, however, in the fact that intercoastal carriers operating to and from Atlantic coast ports have effected a conference agreement that promises to be more lasting than any hitherto formed. It is expected that the proposed code of fair competition will bring about a still greater degree of stabilization in this trade.

Safety of Life at Sea and Load-Line Conventions

On January 1, 1933, the International Load-Line Convention came into effect for 16 nations including the United States. The convention requirements apply to vessels of 150 gross tons and over, engaged

in international trade, whereas the United States Load Line Act, approved March 2, 1929, applies only to vessels of 250 gross tons and over. This discrepancy is in process of correction by appropriate legislation.

The International Convention for Safety of Life at Sea, signed in London on May 31, 1929, has been pending before the Senate since December 17, 1929. The convention has been ratified by most of the principal maritime nations and is now in effect for vessels belonging to those countries. Delay in ratification by the United States may expose American ships to the inconvenience and expense of inspection in foreign ports, by reason of their failure to possess the international safety certificates required by the convention. It is strongly recommended that the convention be ratified without further delay.

Sixth National Conference on the Merchant Marine

The Sixth National Conference on the Merchant Marine, held under Shipping Board auspices at the United States Chamber of Commerce Building, Washington, D.C., on January 4 and 5, 1933, was attended by the largest and most representative group of shipping men ever drawn together on a similar occasion. Distinguished speakers addressed the conference on the major problems affecting the merchant marine. Printed copies of the proceedings may be obtained by addressing the Shipping Board Bureau, United States Department of Commerce, Washington, D.C.

Recommendations

The following recommendations are submitted to Congress in compliance with the requirement contained in section 2 of the Shipping Act of 1916:

Realizing that Government aid to the merchant marine is essential to the maintenance and development of that portion of the fleet which operates in foreign trade, the board strongly recommends a continuance of Federal appropriations for this purpose. Because, however, of popular misconception as to the purpose of ocean mail contracts, legislation should be enacted providing for revision of this form of Government subsidy. Instead of using the present designation, "ocean mail contracts"—a misnomer for the character of service rendered—the aid might more properly be granted for maintenance of essential services on "Government contract routes." It should be based, as now, on building and operating differentials, and machinery should be set up for the periodical examination and possible revision of the amount of subsidy received by each American carrier.

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.

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.

It is highly important that legislation be enacted granting authority to the Board to extend, rearrange, or hold in abeyance payments due the construction loan fund, under certain restrictions which would protect the interest of the Government, substantially as provided in House Joint Resolution 328, Seventy-second Congress.

Subsection (f) of section 11 of the Merchant Marine Act of 1920 should be amended so as to authorize the Shipping Board to purchase vessels sold under foreclosure of mortgages held by the Board on account of construction loans.

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.

Legislation should be enacted repealing certain laws which permit alien seamen who have filed declarations of intention to become citizens of the United States and who have served for 3 years on American vessels to be classed and hold the same status as American-born or fully naturalized citizens. This proposed legislation is substantially embodied in H.R. 6710, Seventy-second Congress.

Recommendation is made that legislation looking to the adoption of The Hague Rules, substantially as provided in S. 482, Seventy-second 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, substantially as provided in H.R. 8875, Seventy-second Congress.

Legislation should be enacted providing that when international loans are advanced by the United States Government for the purchase of American commodities and manufactured products, at least one half of the movement should take place in American ships, provided the rates quoted by American-flag carriers

are reasonable as compared with the rates quoted by competing foreign ships operating in regular services.

Section 18 of the Merchant Marine Act of 1920 should be amended so as to empower the Secretary of Commerce to waive any penalty provided for violations of the section if, in his opinion, arrived at as the result of reasonable investigation, the violation was unaccompanied by any willful negligence or intention of fraud.

Section 1 of the Shipping Act, 1916, should be amended so as to include ocean tramps in the definition of "common carrier by water in foreign commerce."

Section 18 of the Shipping Act, 1916, should be amended so as to require interstate carriers by water who are engaged in coastwise commerce to file and observe their actual rates, in the same manner that intercoastal carriers are now required to do under the Intercoastal Shipping Act, 1916.

In the following pages will be found detailed reports covering the fiscal year 1933, of the four bureaus of the Shipping Board, the Office of General Counsel, the Secretary of the Board, and the United States Shipping Board Merchant Fleet Corporation.

BUREAU OF REGULATION AND TRAFFIC

In August 1932 the Board's Bureau of Traffic was abolished and its functions transferred to the Bureau of Regulation, and the title of the Bureau changed to the Bureau of Regulation and Traffic. A further addition to the Bureau's work was made during the year by the enactment of the Intercoastal Shipping Act, 1933, and the vesting in the Bureau by the Board of the Administration of that act.

As of June 30, 1933, the Bureau's classification record obtained from its circularization of the shipping industry is as follows:

1. Interstate carriers on rivers and canals.....	44
2. Towage, lighterage, or ferriage services.....	350
3. Interstate water carriers within purview of section 5 of Interstate Commerce Act.....	21
4. Carriers by water engaged in proprietary service.....	210
5. Interstate carriers on high seas or Great Lakes (exclusive of classes 2, 3, and 4).....	170
6. Carriers engaged in foreign commerce of the United States in tramp service.....	184
7. Carriers operating in foreign commerce of the United States (exclusive of classes 2, 4, and 6).....	246
8. Forwarders, wharfingers, warehousemen, and others furnishing terminal facilities in connection with common carriers by water.....	296

By reference to classes 5 and 7, it will be noted that 170 interstate carriers and 246 carriers in foreign commerce of the United States are subject to the Board's regulatory jurisdiction.

Formal Quasi-Judicial Proceedings

During the past year hearings were conducted by the Bureau on its formal docket and reports prepared in cases involving unreasonably high rates, preferential, prejudicial, or discriminatory rates and practices and other unfair methods of competition prohibited by sections 14, 16, 17, and 18 of the Shipping Act.

For the first time there were also presented to the Board during the past year formal charges under section 14a of the Shipping Act.¹ A United States flag carrier operating an around-the-world service had applied to the Japan, China, and Straits-Bombay Conference for admission to membership but had been refused. Under section 14a of the Shipping Act, upon proper certification from the Board after due investigation, the Secretary of Commerce is directed to refuse entry to United States ports to any ship owned or controlled, directly or indirectly, by any individual, corporation, partnership, or association not a citizen of the United States participating in any agreement involving the transportation of passengers or property between foreign ports under which agreement deferred rebates are allowed, if the parties to such agreement refuse participation therein to any "common carrier by water which is a citizen of the United States."

In the instant proceeding the American flag carrier alleged and submitted evidence to the Board that the Japan, China, and Straits-Bombay Conference was using the device of deferred rebates and alleged further that the refusal of the conference to admit it to membership effectively shut it out of the trade between Oriental ports and Bombay. Hearing was conducted at San Francisco by an examiner of the Bureau, but during the course of the proceeding the members of the conference withdrew their refusal to admit the American flag carrier to membership, thus making it unnecessary for the Board to consider the question of making the certification to the Secretary of Commerce which would have resulted in barring United States ports to vessels controlled by members of the conference. Two of the foreign lines concerned operate extensively to and from our ports, while the third carrier also operates in our foreign commerce through subsidiaries or affiliates.

Another quasi-judicial proceeding of unusual interest conducted by the Bureau during the past fiscal year involved the so-called "contract rate" practice.² A group of carriers operating from the Netherlands East Indies to Atlantic and Gulf ports of the United States, functioning under a basic conference agreement approved by the Board under section 15 of the Shipping Act, have for some years maintained a contract rate system similar to that used by many other conferences in other trades, under which shippers who agree to furnish the contracting carriers all of their shipments over a stipulated period are accorded somewhat lower rates than are charged shippers who refuse so to agree. This particular conference includes all carriers in the trade with one exception. By the terms of the contracts which the conference offered to shippers, the use by any shipper of the one

¹ Docket 84, *Dollar Steamship Lines, Inc., Ltd., v. Peninsular and Oriental Navigation Co., et al.* (1 U.S.S.B. 262).

² Docket 80, *The W. T. Rawleigh Co. v. N. V. Stoomvaart Mij. "Nederland", et al.* (1 U.S.S.B. 235).

nonmember line in the trade did not bar the contracting shipper from receiving the lower rate, while the conference agreement itself provides that no carrier shall be denied admission to the conference without just and reasonable cause. The contracts were offered openly to all shippers and practically all shippers in the trade had accepted them. The complaint set forth allegations that the contract rate system was in violation of sections 14, 16, 17, and 18 of the Shipping Act. The amount of the spread between the contract and noncontract rates was not brought into issue, the sole question being whether or not the system itself in this particular trade violated the stated sections of the Shipping Act.

In accordance with the Board's Rules of Practice governing these quasi-judicial proceedings, hearing was held by a Bureau examiner, at which both evidence and oral argument were recorded, briefs were filed, and a tentative report prepared by the Bureau. This report proposed a finding by the Board that no violation of the stated sections of the statute had been shown. Exceptions to the tentative report were filed by the complainant and given extended consideration, but nothing was presented therein to warrant any conclusion contrary to that proposed in the tentative report, and a final report substantially the same as that proposed by the Bureau has been issued by the Board.³

No other quasi-judicial proceeding under the Shipping Act, as amended, has aroused as much interest as the Rawleigh case. In the so-called "Eden Mining case",⁴ the Board had previously held that such a contract-rate system when employed, as in the Eden case, by a single carrier for the purpose of effecting a monopoly and with a spread of 25 percent between the contract and noncontract rates was unlawful. The importance of the decision in the Rawleigh case to conferences generally in indicating the lawfulness of a contract-rate system when properly administered by a conference can hardly be exaggerated.

The work of the Bureau in handling these quasi-judicial proceedings has greatly increased during the last 3 years. This growth is perhaps best illustrated by the fact that the number of cases pending before the Bureau as of July 1, 1933, was 22 as compared with the total number of 104 handled during the past 16 years.

Informal Complaints and Special Administrative Inquiries

Rule XXIV of the Board's Rules of Practice provides that any letter or written memorandum, other than a formal complaint, received by the Board, in which any violation of the Shipping Act, as amended, is alleged shall be treated as an informal complaint. All such communications are docketed by the Bureau and an endeavor

³ Although the Board's report was not issued until July 6, 1933, shortly after the close of the fiscal year, this proceeding is recorded in the current annual report because of its importance.

⁴ Docket 15, *Eden Mining Co. et al v. Bluefields Fruit & Steamship Co. et al* (1 U.S.S.B. 41).

is made through correspondence or informal conference to effect a settlement of the controversy.

Illustrative of the subject matter of cases now being handled on this informal docket are a complaint against a recent increase in the intercoastal steamship rate on alfalfa, a protest against the charging by intercoastal carriers of rates on a number of commodities that are characterized as "cut-rate" and alleged to adversely affect Pacific coast manufacturers, a protest against alleged ambiguities in the tariffs of certain subject carriers, and a protest against a carrier's discontinuing calling at a port. At the close of the fiscal year 14 of these informal cases were pending on the Bureau's docket.

The Bureau also handles for the Board certain special administrative inquiries for the purpose of securing observance by carriers and other persons of the requirements of the regulatory sections of the Shipping Act and the Board's Tariff Regulations, and to aid the Board in its consideration of agreements between subject persons filed under section 15 of the Shipping Act with request for Board approval. The general nature of these proceedings has been more fully described in previous annual reports. One of these investigations conducted by the Bureau during the past year was of more than usual interest and importance. It is the practice of a number of trans-Atlantic steamship companies each year during the winter months to place certain of their vessels in the West Indies cruise trade operating from North Atlantic ports of the United States. Steamship companies engaged in the West Indies trade during the entire year have, of course, felt the effects of this competition, which occurs during the most active and profitable season. On September 30, 1932, there was filed with the Board on behalf of 13 trans-Atlantic steamship companies, all but one of whom were foreign flag carriers, an agreement covering the winter cruise season regulating rates and limiting sailings with respect to cruises to the West Indies, Central America, and northern ports of South America, omitting from the scope of the agreement, however, cruises to Nassau and Habana. Shortly thereafter there was filed by the New York & Cuba Mail Steamship Co. a protest against Board approval of this agreement. The New York & Cuba Mail Steamship Co. has been engaged for many years as an American flag common carrier of passengers and freight between New York and Habana, on regular year-around schedules. In its protest it alleged that the terms of the agreement submitted for Board approval by the trans-Atlantic lines were inimical to the best interests of American shipping, were unjustly discriminatory, unfair as between carriers and shippers, and detrimental to the commerce of the United States. The Board was asked to disapprove the agreement unless it was so modified as to remove the alleged abuses complained of and

adequately protect the interests of lines operating to the West Indies throughout the year.

The Board, by resolution, initiated an investigation for the purpose of recording evidence and argument to assist it in determining whether the agreement in question should be approved, modified, or disapproved. At a hearing before an examiner of the Bureau all pertinent facts and argument for and against the agreement were received and recorded. Emphasizing the failure of the trans-Atlantic lines to include cruises to Habana and Nassau within the scope of their agreement, the New York & Cuba Mail Steamship Co. contended that the trans-Atlantic lines, once they had exhausted their individual quotas of sailings permitted under the agreement, or even before that eventuality, in order to escape the rate and trade practice requirements of the agreement, would divert tonnage to the Nassau and Habana trades to the detriment of the lines maintaining year-around services to those ports. The New York & Cuba Mail Steamship Co. also objected strenuously to the tariff formula set forth in the agreement, alleging that it would permit vessels belonging to the trans-Atlantic lines of a type similar to that of vessels operated by the New York & Cuba Mail Steamship Co. to operate seven-day cruises at a rate of \$50 as against the existing rate, declared to be already too low, of \$65.

At the hearing it appeared possible that an amicable adjustment of the dispute could be reached and, prior to the close of the hearing, arrangements were made for consultations between the trans-Atlantic lines and the New York & Cuba Mail Steamship Co. and other American flag lines in the year-around trade to the West Indies for the purpose of negotiating, if possible, a new agreement reasonably satisfactory to all concerned. The conferences were held and as a result thereof there was filed by the trans-Atlantic lines a modification of the agreement changing the rate formula and protecting the port-to-port rates of the year-around lines. The agreement was further modified to eliminate, insofar as the foreign flag lines were concerned, cruises to nowhere. There was likewise filed as a result of these conferences a new agreement restricting and regulating the cruises to Nassau and Habana. The protest of the New York & Cuba Mail Steamship Co. was then withdrawn, and both agreements, after careful consideration in the light of the record obtained at the hearing, were recommended for Board approval by the Bureau. Such approval was subsequently given and the lines operated their cruises thereunder during the winter season.

Agreements

Annual reports for the past few years have commented on the steady increase in the number of agreements filed each year with request for Board approval under section 15 of the Shipping Act. During the fiscal year ending June 30, 1929, the Bureau analyzed and

recommended to the Board for formal action 275 of these agreements. During the fiscal year ending June 30, 1930, 425 of these agreements were handled by the Bureau. During the 1931 fiscal year 530 agreements were handled; during the 1932 fiscal year 563, and during the last fiscal year 630.

Of the 630 agreements approved by the Board during the 1933 fiscal year, 113 were conference agreements. As of June 30, 1933, the active conferences in the foreign and interstate commerce of the United States functioning in pursuance of section 15 agreements approved by the Board were 101 in number as against 86 on June 30, 1932. In tabular form the trades covered by these agreements and the number of conferences functioning in each trade are indicated below:

Trades	From United States North Atlantic and South Atlantic ports to—	To United States North Atlantic and South Atlantic ports from—	From United States Gulf ports to—	To United States Gulf ports from—	From United States Pacific coast ports to—	To United States Pacific coast ports from—
United Kingdom.....	8	5	3	1	3	1
Continental Europe, including Spanish Atlantic, Scandinavian, and Baltic ports. Mediterranean ports, including Adriatic, Black Sea, and Levant ports.....	9	10	2	-----	2	1
Far East, including Indo China, Philippine Islands, Siam, Straits Settlements, and India.....	8	5	2	-----	2	-----
Dutch East Indies.....	2	9	2	8	4	7
South Sea Islands.....	1	1	1	1	2	3
Australasia.....	1	-----	-----	-----	2	2
Africa.....	2	1	-----	-----	2	1
West Indies and Caribbean Sea ports.....	6	4	5	4	2	-----
South and Central America and Mexico.....	4	6	3	2	5	4
Between Philippine Islands and foreign ports.....	-----	-----	3	-----	-----	-----
Between Puerto Rico, Virgin Islands, and Europe.....	-----	-----	1	-----	-----	-----
Intercoastal and coastwise, including Great Lakes, Hawaii, and Alaska.....	-----	-----	11	-----	-----	-----
To Panama Canal Zone from foreign ports.....	-----	-----	3	-----	-----	-----

There are many indications in the agreements filed during the 1933 fiscal year that the disturbed economic conditions which have prevailed in the steamship business, as in other businesses, for several years are being ironed out. Among the conference agreements which were filed were several covering trades in which there have hitherto been no conferences. The existence in any trade of a conference operating under terms approved by the Board tends to create fair competitive conditions and to eliminate cut-throat competition. Among the many agreements filed during the year which have modified the terms under which conferences have been functioning in the past were a substantial number that revealed an earnest effort on the part of the participating carriers to cooperate more closely for the benefit of all concerned than in the past.

The passage of the Intercoastal Shipping Act, 1933, requiring among other things that carriers in the intercoastal trade file with the Board their actual rates and not change them upon less than 30 days' notice without special permission from the Board, has indirectly resulted in a large number of changes in transshipment agreements previously filed with and approved by the Board under section 15, and has likewise resulted indirectly in new alignments between carriers operating through the Panama Canal and various coastwise carriers and carriers operating on the rivers and other inland waterways of the United States.

In several instances protests against Board approval of agreements filed have been received and in certain of these cases hearings have been conducted in order to determine whether the agreements in question should be approved or disapproved. One such investigatory proceeding, involving winter cruises to the West Indies, is described above under the heading "Informal complaints and special administrative inquiries."

Tariffs and Regulations of Interstate Carriers

This report has already referred to the enactment of the Intercoastal Shipping Act, 1933. Although this statute was signed by the President of the United States in March, 1933, by its terms its provisions did not become fully effective until June 2, 1933. At this writing it is, therefore, too soon to gauge accurately its full effect upon intercoastal commerce and to report in detail the Bureau's work in administering the statute. Pursuant to its tariff filing requirements, however, 33 carriers by water in intercoastal commerce have filed their actual rates. During the last 29 days of the fiscal year, covering the time the new statute was in effect during that year, 115 of these schedules of intercoastal rates were filed with the Bureau. In connection with these schedules, the Bureau has received a substantial number of protests against rates, rules, and regulations contained therein and also against alleged deficiencies involving the alleged failure of the carriers to comply fully with the filing requirements of the statute and the Board's tariff regulations promulgated thereunder. In some instances these protests have been made against individual carriers in the trade by other intercoastal carriers competing with them.

The filing requirements of section 18 of the Shipping Act, 1916, remain in force insofar as the interstate carriers by water engaged in other than intercoastal commerce are concerned, and the Bureau's duties in connection with the filing, posting, examination, and approval of their tariffs, powers of attorney, concurrences, petitions for suspension, and short-notice applications continue. During the fiscal year ending June 30, 1933, 2,389 of these schedules of maximum rates were filed as against 2,286 schedules during the preceding fiscal year.

Carriers remaining subject to the maximum rate filing requirements of section 18, including a number who are also subject to the Intercoastal Shipping Act, 1933, but who maintain other interstate services, total 159. Although the number of carriers now subject to the filing requirements of section 18 of the Shipping Act, 1916, is the same as at the close of the 1932 fiscal year, there have been many changes in the identities of the subject carriers during the past year. A number of carriers previously operating in interstate commerce by water have gone out of business entirely or have merged with other carriers while a number of new carriers have inaugurated services. The numerous tariff filings under this statute are due not only to changes in maximum rates, which changes are not lawful until filed with the Board, but to the many and frequent changes in services which take place. For the assistance of shippers and others the Bureau maintains a public tariff room in which all schedules, powers of attorney, concurrences, and other filings under either the Intercoastal Shipping Act, 1933, or section 18 of the Shipping Act, 1916, are readily accessible for examination, and the Bureau is daily called upon to assist shippers, port representatives, and others in their consultation of these tariffs. Since the effective date of the filing provisions of the Intercoastal Shipping Act, 1933, the number of persons using these facilities of the Bureau has greatly increased.

Traffic Matters

Section 26 of the Shipping Act, 1916, and section 19 of the Merchant Marine Act, 1920, relate to the investigation of competitive methods of foreigners and the laws, rules, and regulations of foreign countries which appear to affect or discriminate against American shipping. The following items handled by the Bureau come generally within the scope of these provisions of law.

Income taxes on shipping profits—Belgium and the Irish Free State.—Negotiations by State Department with Belgium and Irish Free State Governments with a view to reciprocal agreements exempting steamship owners from double income tax on shipping profits.

Canada—Preferential tariff.—Diversion of commerce from ports of the United States to Canadian ports. H.R. 1637 and H.R. 4493, pending before the Seventy-third Congress, provide for a special tax or duty of 10 percent of the value of articles imported into the United States through a contiguous country.

Portugal—Preferential tariff.—The policy of gradual reduction of preferential tariffs heretofore announced by Portugal has not been extended to Portuguese colonial possessions, but the State Department, pursuant to request initiated by this Bureau, is making further representations to the Portuguese Government on this phase of the matter.

Turkey—Salvage monopoly.—By decree dated July 9, 1932, the Turkish Government was empowered to create a company to exercise a monopoly of salvage operations in Turkish waters. The question of particular interest to the owners of American-flag vessels operating to Turkish ports is whether nonprofessional salvaging will be permitted to the extent of allowing a steamship company to render assistance to its own vessels. The Bureau is following the matter with the State Department with a view to obtaining for American-flag vessels the benefit of any concession that may be granted by the Turkish Government.

Unfair foreign competition.—Complaint was made to the Board in May of this year by the United States Lines that severe loss was being suffered by it due to cancelations and diversion of business to the North German Lloyd and Hamburg American Lines through acceptance by these lines of registered reichsmarks, purchased at a discount in the United States, in payment for passage on their vessels. The Board conducted an informal hearing at which all carriers having membership in the Trans-Atlantic Passenger Conference were represented. Subsequent to this hearing and while the Board was actively engaged in negotiations designed to effect a settlement of the matter, the German lines were instructed by their home offices to stop the practice in question.

Section 7 of the Merchant Marine Act, 1920, relates to the development of steamship lines on essential trade routes in both the foreign and domestic trades. The following items handled during the year may be listed under this section:

A controversy between two American lines operating out of Gulf ports to South America arising out of the use by one of the lines of chartered foreign flag tonnage in competition with the American-flag vessels of the other line.

An American line operating vessels in the foreign trade under agreement with the Board, applied for permission to temporarily transfer four of its vessels to the coastwise trade. The Board held a hearing at which the interested lines were represented, and thereafter denied the application.

Certain American flag lines operating regularly between North Atlantic ports and Puerto Rico, protested to the Board against the action of another American line in extending its intercoastal service to include Puerto Rico on outbound voyages from Atlantic ports. Allegations of rate cutting and retaliation were made by the several lines involved. Hearing was held by the Board at which the interested lines were represented. Shortly thereafter the controversy was amicably settled by the withdrawal of the service complained of.

Conditions in the trade routes between New York and Habana, New Orleans and Habana, and New York and New Orleans have been the subject of extensive investigation and study by the Bureau in connection with problems presented to the Board arising out of the operation by Seatrain Lines, Inc., of the two seatrains built with the aid of construction loans made by the Board. Certain phases of this matter have also been the subject of extended investigation by the Interstate Commerce Commission and the Bureau has closely followed the proceedings before the Commission.

Under section 8 of the Merchant Marine Act, 1920, the following matter received attention:

Export and import rates to and from South Atlantic and Gulf ports. Proceedings pending before the Interstate Commerce Commission involving export and import rail rates between certain interior points and South Atlantic and Gulf ports.

Switching charges at Detroit.—The Detroit Harbor Terminals, Inc., Detroit, Mich., filed with the Interstate Commerce Commission a complaint against the Pere Marquette and four other railroad companies, alleging that the rates charged by said railroad companies for switching freight moving between complainant's dock and industries within the Detroit switching limits discriminate against shipments by water. Pursuant to report and recommendation made by the Bureau, the Board authorized the Bureau to intervene and participate in the hearing and argument of the case. Hearing was held at Detroit, Mich., and the case is now awaiting the Commission Examiner's report.

Rail rates on canned goods.—Pursuant to the request of certain steamship lines engaged in the intercoastal trades, the Board endorsed the request of the water lines for suspension by the Interstate Commerce Commission of proposed reduced rail rates on canned goods. Petition for suspension of the rates was denied by the Commission and they were allowed to become effective.

Lighterage cases.—In the matter of the so-called "Lighterage cases" pending before the Interstate Commerce Commission, the Bureau has followed the proceedings and argument before the Commission as these cases involve probable effect on the flow of traffic through the several North Atlantic ports in the event of elimination of free lighterage at the Port of New York, as recommended by the Commission's examiner. These cases are now pending decision by the Commission.

Section 21 involves investigation and study of the various factors involved in the extension of the coastwise laws to our possessions. Under section 27 items of alleged violation of the coastwise laws receive attention with a view to ultimate reference to the Department of Commerce which is charged with the enforcement of the law in this regard.

American Samoa.—Proposed legislation to provide a government for American Samoa includes a provision designed to except this possession from the application of the coastwise laws. S. 1574, introduced in the first session of the Seventy-third Congress, contains the provision in regard to the coastwise laws as it was written in the bill originally introduced in the Seventy-second Congress and which was opposed by the Board.

Virgin Islands.—Under the provisions of section 21 of the Merchant Marine Act, 1920, the President has from time to time issued procla-

mations deferring the application of the coastwise laws to the Virgin Islands. On August 10, 1932, the Board certified to the President the lack of adequate steamship service under the American flag to accommodate the commerce and passenger travel between the Virgin Islands and the United States, and by proclamation dated August 18, 1932, the application of the coastwise laws was further deferred until September 30, 1933. The Bureau is now engaged in making a further survey and will submit a report and recommendation to the Board before the expiration of the existing proclamation.

Section 28 of the Merchant Marine Act, 1920, was designed to benefit American shipping through preferential rail rates on export and import traffic shipped in American-flag vessels. As noted in previous annual reports, the operation of the law was suspended soon after its enactment. Legislation designed to revive this provision of law was introduced in the first session of the Seventy-third Congress as H.R. 4938, and the Board was requested by the Committee on Merchant Marine, Radio, and Fisheries of the House of Representatives to submit such report and recommendations as the Board may see proper to make on this bill. The matter was referred to this Bureau to make a study of the bill and submit conclusions to aid the Board in making its report to the committee.

Various matters involving the welfare of the American Merchant Marine, but which do not come definitely within the scope of the foregoing provisions of law, have received the attention of the Bureau during the year. These may be referred to generally as follows:

Equalization of rail and ocean rates on export and import freight traffic; negotiations with the Federal Farm Board in regard to obtaining preference for American-flag vessels in connection with shipments of commodities over which it may exercise some measure of control; pending legislation in reference to fighting ships, coastwise laws, and fruit inspection.

BUREAU OF MARINE DEVELOPMENT

Coincident with the reorganization of the Board on August 1, 1932, the name of the Bureau of Operations was changed to Bureau of Marine Development, and the three former divisions (industrial relations, investigations, and port facilities) were abolished.

Marine and Dock Labor

The Bureau's work in connection with marine and dock labor has been so fully covered in previous annual reports that extensive mention of it here would be mere repetition. During the year the Bureau's information on foreign and domestic wage scales, afloat and ashore, as well as manning requirements and subsistence costs of sea personnel was extended, revised, and brought up to date. The experience of the previous year with respect to adjustments and changes

in foreign wage scales was again encountered. The cheapening of the dollar, in relation to foreign currencies now operating under the gold standard, had the effect of contracting operating differentials as between such countries as Great Britain, Japan, Norway, and Sweden. In the case of those countries remaining on the gold standard, which had a normal favorable differential, the cheapening of the dollar affected American costs favorably and erased a part of the previous differential.

Domestic Port Section

During the past fiscal year the domestic port section continued its cooperative program with the Board of Engineers for Rivers and Harbors of the War Department in conformity with the provisions of section 8 of the Merchant Marine Act of 1920.

The work of the joint forces during the fiscal year was necessarily curtailed, due to the Economy Act and the limitation placed on funds available for printing. As a result of this limitation, the only new work initiated was the revision of Port Series No. 16—the Port of Baltimore, Md., and the preparation and publication of a supplement to Miscellaneous Series No. 1—Port and Terminal Charges at United States Ports. The latter contains all important changes in data since the publication of the original volume and brings the information to date as of January 1, 1933.

During the year the work of revising Port Series Report No. 12—the ports of San Francisco, Oakland, Berkeley, Richmond, upper San Francisco Bay, Santa Cruz, and Monterey; and no. 14—the ports of Port Arthur, Sabine, Beaumont, and Orange, Tex., was completed. Work on Port Series Report No. 16—the port of Baltimore, Md., was in progress at the close of the year.

The following volumes were published and distributed during the fiscal year ended June 30, 1933:

PORT SERIES

No. 4—Part 1, Philadelphia, Camden, and Gloucester, and ports on the Delaware River above Philadelphia.

No. 4—Part 2, Wilmington, Del., and ports on the Delaware River below Philadelphia.

No. 5—New Orleans, La.

No. 7—Part 1, Seattle, Wash.

No. 7—Part 2, Tacoma, Wash.

No. 7—Part 3, Everett, Bellingham, and Grays Harbor, Wash.

No. 11—Part 2, Astoria, Oreg.; Longview and Vancouver, Wash.

No. 23—Olympia and Port Angeles, Wash.

LAKE SERIES

No. 7—Toledo, Ohio.

No. 8—Sandusky, Huron, and Lorain, Ohio.

MISCELLANEOUS SERIES

No. 1—Port and Terminal Charges at United States Ports (Supplement).

The following shows reports in progress in the domestic port section, with the percentage of completion of each:

Serial no. of volume	Subject	Percentage of completion
12.....	San Francisco, Oakland, Berkeley, Richmond, upper San Francisco Bay, Santa Cruz, and Monterey.....	100
14.....	Port Arthur, Sabine, Beaumont, and Orange, Tex.....	100
16.....	Baltimore, Md.....	80
20.....	New York, N. Y.....	100

In addition to the regularly scheduled work on port, lake, and miscellaneous series reports much of the time of the personnel was taken up in the preparation of numerous special reports in response to requests received from various individuals and shipping concerns. Some of the more important special assignments included:

A table showing tonnage of petroleum and petroleum products received and shipped coastwise at United States Gulf and Atlantic ports during the period 1927 to 1931.

Compilation of data showing coastwise shipments of coal, Lake Superior shipments of ore and wheat, Lake Superior receipts of coal, coastwise movement of oil from Gulf ports, and intercoastal shipments of oil through the Panama Canal.

Statement showing flour handled at Gulf ports in 1932.

Statement showing coastwise receipts and shipments of iron and steel (except pipes), for the calendar year 1931, at Gulf ports.

Preparation of statistical data showing the tonnage of domestic agricultural products moving through American ports during the calendar years 1929 through 1931.

Foreign Port Section

The Foreign Port Section continued its cooperative work with the Transportation Division, Bureau of Foreign and Domestic Commerce, Department of Commerce. During the year information relative to facilities, customs, and charges at the following ports was compiled:

South Europe: Piraeus and Saloniki, Greece; Algeciras, Alicante, Barcelona, Bilbao, Cadiz, Huelva, Malaga, Santander, Seville, Tarragona, Valencia, and Vigo, Spain; Valetta, Malta; Fiume, Genoa, Leghorn, Naples, Palermo, Trieste, and Venice, Italy; Las Palmas, Canary Islands; Ponta del Gada, Azores; Istanbul, Turkey; Lisbon and Oporto, Portugal.

South America: Recife, Bahia, and Victoria, Brazil.

British Isles: Aberdeen, Dundee, Glasgow, Grangemouth, Leith, Scotland; Liverpool and Manchester, England.

During the year this section prepared small scale maps of the following ports in the southern European areas: Piraeus and Saloniki, Greece; Algeciras, Alicante, Barcelona, Bilbao, Cadiz, Huelva, Malaga, Santander, Seville, Tarragona, Valencia, and Vigo, Spain; Valetta, Malta; Fiume, Genoa, Leghorn, Naples, Palermo, Trieste and Venice, Italy; Las Palmas, Canary Islands; Ponta del Gada, Azores; Istanbul, Turkey; Lisbon and Oporto, Portugal; Marseille, France.

In addition to its regular work the following special assignments were handled by this section:

Research: Controlling depths and range of tides in 32 important world ports. Drafts of vessels and fuel consumption of ocean-going vessels. Report on British steamship companies engaged in indirect services. Entrances and clearances of British vessels in various countries of the world. Information relative to depths of water and facilities for handling molasses at 35 ports in Cuba and Santo Domingo. Special report on port charges at certain West Indies and South American ports. Report on shipping statistics at world ports 1931-32. Cuban port information (War Department).

Translation: Load-line legislation—Norwegian. Shipping subsidies—Swedish.

Drafting: Distribution of traffic for Sag River-Calumet waterway survey and two graphs for the President's industrial conference.

American Bureau of Shipping

An official of the Bureau of Marine Development has continued to represent the Shipping Board on the executive board of the American Bureau of Shipping in accordance with section 25 of the Merchant Marine Act of 1920.

As the Shipping Board is the only ship-owning agency that is required to class its vessels with the American classification society, the American Bureau of Shipping is in active competition with Lloyd's, the Bureau Veritas, and other foreign organizations as regards the classification of vessels other than those owned by the Government. During the year further progress was made in increasing the prestige of the American organization.

International Radio Conferences

A representative of the Bureau served on the interdepartmental committees having in charge the preparatory work incident to the radio conference at Madrid, as well as the North and Central American radio conference in Mexico City. Cooperating with representatives of the American Steamship Owners' Association, the Army, Navy, Coast Guard, the Departments of Commerce and Agriculture, and the coastal radiotelegraph services, steps were taken to safeguard the present status of the mobile group against further encroachment on the part of commercial broadcasting interests.

American Marine Standards Committee

Although the activities of the committee were drastically curtailed during the year, the Bureau's representative continued to serve as a member of the executive board.

Up to June 30, 1933, 90 publications had been issued by the committee, comprising 98 hull standards, 36 engineer (machinery) standards, 27 ship-operation standards, 7 port-facilities standards, and 1 special standard.

Prevention of Marine Fires

The Bureau continued to be represented on the marine committee of the National Fire Protection Association. A special committee, of which the Bureau representative was a member, had primarily to do with the prevention of fire on vessels in course of construction and repair, and during lay-up. During the year the special committee completed its report, which was disseminated as a recommendation from the underwriters to the industry. It is expected that the subject will be considered again, perhaps after the lapse of a year, in the light of the experience gained as a result of the adoption of the recommendations.

World Economic Conference

Representatives of the Bureau served on the interdepartmental committee appointed by the State Department for the purpose of preparing data for the American delegation to the World Monetary and Economic Conference which convened in London on June 12, 1933. The results of the Bureau's work were embodied in a report, "American Ocean Transport," which set forth, for the benefit of the American delegates, the United States position and policy with respect to its merchant marine.

Sea Service Section

The work of the Sea Service section in raising the percentage of Americans serving on American ships, and in weeding out the physically unfit, has been so fully described in previous annual reports that a detailed account of this activity will not be repeated here.

By means of physical examinations conducted by the section's medical officers, supplemented by the cooperative work of the United States Public Health Service, it has been possible to eliminate, to a large degree, the number of personal-injury claims filed against American ships by seamen suffering from physical disabilities incurred prior to their employment.

Through its 12 field offices, the section during the year placed 22,677 men in the various ratings aboard ship, 96.6 percent of these men being American citizens. In addition, the section was able in many cases to secure positions for unemployed seamen in shore jobs, such as riggers, waiters, engine tenders, etc. Some idea of the number

of applicants for positions may be obtained from the following estimate of the average number of men applying daily for work at the various Sea Service offices:

New York City.....	9,000	Norfolk.....	650
Boston.....	1,000	Galveston.....	250
New Orleans.....	1,500	Houston.....	200
Philadelphia.....	600	Portland, Oreg.....	550
Baltimore.....	700	Seattle.....	300
Savannah.....	400	Mobile.....	350

The following table shows the total number of men placed in positions aboard ship during the fiscal year ended June 30, 1933:

Record of placements of the Sea Service section, June 30, 1932, to July 1, 1933

	Boston	New York	Philadelphia	Baltimore	Norfolk	New Orleans	Portland	Seattle	Galveston	Mobile	Savannah	Houston	Total
Masters.....	7	0	4	0	3	18	2	0	0	0	0	0	34
First officers.....	8	0	1	0	0	25	5	0	0	0	0	0	39
Second officers.....	5	0	5	0	0	32	8	2	1	0	0	3	56
Third officers.....	7	0	13	0	1	32	15	2	1	0	0	6	77
Fourth officers.....	0	0	0	0	0	0	4	0	0	0	0	0	4
Cadet deck officers.....	1	1	2	40	0	27	38	0	10	49	38	3	209
Carpenters.....	3	65	5	9	1	3	79	8	3	0	5	1	182
Carpenters' mates.....	0	7	0	0	0	0	0	0	0	0	0	0	7
Boatswains.....	4	153	7	35	2	50	79	7	10	25	39	14	425
Boatswains' mates.....	0	2	0	0	0	0	0	0	0	0	0	0	2
Quartermasters.....	2	31	12	17	0	0	8	13	0	0	0	0	83
Able seamen.....	146	1,962	574	306	113	690	915	584	167	388	259	204	6,313
Ordinary seamen.....	58	445	47	152	98	108	228	24	53	90	85	111	1,508
Deck apprentices.....	0	11	2	0	0	54	0	0	7	177	0	111	362
Radio operators.....	0	0	0	0	0	25	19	0	1	1	0	6	52
Chief engineers.....	1	0	0	0	0	25	0	0	0	0	0	0	26
First assistant engineers.....	2	0	1	0	0	27	4	0	1	1	0	2	38
Second assistant engineers.....	4	1	8	0	0	28	6	2	2	0	1	14	66
Third assistant engineers.....	3	0	7	1	2	37	5	0	2	0	2	6	65
Fourth assistant engineers.....	1	0	0	6	0	0	0	0	0	0	0	0	7
Cadet engineer officers.....	0	0	0	0	0	7	40	0	5	1	31	1	85
Refrigerator engineers.....	0	3	0	5	0	0	3	0	0	0	0	0	11
Electricians.....	0	21	0	6	0	0	7	0	0	0	0	0	34
Deck engineers.....	0	5	3	8	0	4	3	0	1	0	0	0	24
Pump men.....	0	0	4	0	0	0	0	0	0	0	0	4	8
Oilers.....	48	840	55	128	18	214	496	25	45	106	132	72	2,179
Water tenders.....	5	286	3	62	2	27	8	11	1	64	0	5	474
Storekeepers.....	0	1	0	0	0	0	0	0	0	0	0	0	1
Firemen.....	91	1,363	107	253	112	337	398	39	87	144	131	87	3,149
Wipers.....	12	293	44	129	34	158	186	17	95	48	57	130	1,203
Coal passers.....	24	1	8	44	12	0	0	3	0	0	0	0	92
Engineer apprentices.....	0	3	0	0	0	42	0	0	14	4	0	3	66
Deck boys.....	2	70	4	35	3	38	1	0	5	2	11	4	175
Chief steward.....	6	32	1	19	1	20	19	2	17	4	0	8	129
Second steward.....	0	74	7	190	0	31	2	0	0	0	0	0	304
Chief cooks.....	26	150	5	20	7	7	52	10	47	48	42	19	433
Second cooks.....	7	179	14	48	5	84	56	11	2	4	22	28	460
Third cooks.....	0	2	0	0	0	0	0	0	0	0	0	0	2
Bakers.....	2	36	0	15	0	3	0	0	0	0	0	0	56
Butchers.....	1	9	0	15	0	0	0	0	0	0	0	0	25
Storekeepers.....	1	4	0	2	0	42	0	0	0	0	0	0	49
Messmen.....	51	253	2	157	3	31	1	9	3	0	0	129	641
Mess boys.....	0	668	177	90	49	315	227	15	155	155	97	2	1,950
Pantrymen.....	1	12	0	25	0	1	6	0	1	0	0	0	46
Miscellaneous.....	41	222	70	233	74	534	144	64	72	10	31	31	1,526
Total.....	570	7,205	1,192	2,050	545	3,076	3,064	848	808	1,332	983	1,004	22,677

Total, 22,677; 96.6 percent Americans.

BUREAU OF CONSTRUCTION AND FINANCE

During the fiscal year ended June 30, 1933, the duties of the Bureau of Construction and Finance embraced eight distinct activities, i.e.: (1) Construction loan fund, (2) inspection of vessels both under construction and completed and receiving aid from the construction loan fund, (3) engineering development program, (4) dieselization program, (5) determination of speed, tonnage, and costs of vessels, (6) investigations into the finances of shipping companies which are indebted to the Shipping Board, (7) analysis of results of operation of ocean-going shipping services owned by American companies, (8) survey of marine insurance written in the United States on hulls and cargoes.

CONSTRUCTION LOAN FUND

During the fiscal year 1933 applications for loans in aid of the construction, improvement, and reconditioning of vessels were received and action taken thereon as follows:

Loans for Construction and Equipment of Vessels

1. *Oceanic Steamship Co.*—The Shipping Board, on October 15, 1930, approved a loan not to exceed \$5,887,500 to aid in the construction and equipment of a combination passenger and cargo vessel named the *Lurline*, no advances on the loan to be made until completion of the vessel. On December 15, 1932, the Board rescinded its action taken on October 15, 1930, and approved a loan on this vessel not to exceed \$3,000,000. The loan agreement was executed as of December 28, 1932 and the advance made in one sum on January 5, 1933, the construction of the vessel having been completed by the Bethlehem Shipbuilding Corporation at Fore River, Mass.

Loans for Reconditioning, Remodeling, and Improvement of Vessels

1. *Cherokee Seminole Steamship Corporation.*—On June 22, 1933, the Board approved loans to this company to aid in the installation of refrigeration in the vessels *Cherokee* and *Seminole* and additional refrigeration in the S.S. *Algonquin* as well as the installation, in each of these three vessels, of a conveyor system for the handling of small package cargo. The authorized loans are not to exceed \$52,500 on the *Algonquin* and not to exceed \$75,000 on each of the two other vessels. At the end of fiscal year 1933, contracts for this work had not been awarded nor had the loan agreements been executed.

2. *Gravel Motorship Corporation.*—The application of this company for a loan in aid of the reconditioning of one bulk cargo vessel, pending as of June 30, 1932, was denied because the applicant was not in a position to give as security for such a loan a preferred mortgage on the vessel.

3. *United States Lines Co.*—Under provisions of loan agreement executed November 22, 1932, a loan of \$56,099 was made to this

company to aid in converting the ex-troopship *Cambrai*, renamed *American Traveler*, into a combination passenger and cargo vessel, the work on which was done by the Robbins Dry Dock & Repair Co. of Brooklyn, N.Y.

4. *Waterman Steamship Corporation*.—On September 28, 1932, the Board approved three loans to this company to aid in the reconditioning and improvement of the vessels *Afoundria*, *Maiden Creek*, and *Kenowis*, these loans not to exceed \$96,273.75 in the case of each of the first two vessels, which are to have their speed increased from 11 to 13½ knots; and not to exceed \$178,773.75 for the *Kenowis* which is to be speeded up to 13½ knots and is to have certain spaces refrigerated for the carriage of perishable cargo. On May 23, 1933, the Board, by resolution, approved application of the previously authorized loans, for the *Afoundria* and *Maiden Creek*, to the refrigeration of additional spaces on these vessels as well as to the speeding up program. By resolution of June 22, 1933, the Board authorized an increase of \$7,500 on the loan for the *Kenowis*, bringing the total authorized loan on this vessel to an amount not to exceed \$186,273.75, this increase to aid in alterations and improvements to the passenger quarters. Contracts for the work on the *Kenowis* and *Afoundria* were awarded to the Alabama Dry Dock & Shipbuilding Co., no award having been made in the case of the *Maiden Creek* as of June 30, 1933. It is expected that work on the *Kenowis* will be completed by the end of July 1933; on the *Afoundria* by the end of August 1933; and on the *Maiden Creek* by the end of October 1933.

Pending Applications for Loans

Applications from the following companies for construction or reconditioning and improvement loans were pending on June 30, 1933: Albany Steamship Co., for the reconditioning of two vessels of the *Abraham Lincoln* and *Stanley* types for the purpose of handling bulk cargo in the coastwise and foreign trades; Northland Transportation Corporation, for the construction of one combination passenger and cargo motorship to be operated between Seattle and Alaskan ports via certain Canadian ports.

Status of Loans Authorized Prior to July 1, 1932

The progress made on new construction, reconditioning, and improvement work, which was under way at the beginning of fiscal year 1933 is outlined below:

1. *American Diamond Lines, Inc.*—The reconditioning and improvement work on the five remaining cargo vessels, covered by loan agreements executed April 20, 1932, was completed during fiscal year 1933 and loans were made thereon as follows: *Black Falcon*, \$130,784; *Black Gull*, \$122,848; *Black Hawk*, \$105,744; *Black Heron*, \$131,520; and *Black Tern*, \$133,912. The Federal Shipbuilding & Dry Dock Co. accomplished the work on these vessels including that on the

Black Eagle which was completed during the fiscal year 1932 and on which the loan amounted to \$127,328.

2. *American Scantic Line, Inc.*—The reconditioning and improvement work was completed on the *S.S. Scanstates* at the plant of the New York Shipbuilding Co., Camden, N.J. This was the last of four cargo vessels covered by loan agreements executed June 1, 1932, the loans being as follows: *Scanmail*, \$244,496; *Scarpenn*, \$242,932; *Scanyork*, \$237,896; and *Scanstates*, \$247,184.

3. *Colombian Mail Steamship Corporation.*—During the fiscal year 1933, the Newport News Shipbuilding & Dry Dock Co. completed construction of the combination passenger and cargo vessels *Colombia* and *Haiti* covered by loan agreements executed October 26, 1931. The amount loaned on each of these vessels was \$1,687,500, which covered only their construction.

4. *Grace Steamship Co.*—The Federal Shipbuilding & Dry Dock Co. completed construction of the vessels *Santa Elena* and *Santa Lucia* during the fiscal year 1933 and, under provisions of loan agreements executed January 8, 1931, loans were made in the amount of \$3,061,020 on each vessel covering construction and commercial appliances.

5. *Gulf Pacific Mail Line, Ltd.*—During fiscal year 1933 the Craig Shipbuilding Co. of Long Beach, Calif., completed the remodeling and improvement work on the vessels *Point Ancha* and *Point Lobos* and, under provisions of the loan agreements, which were executed December 28, 1932, a total loan of \$98,288 was made on the *Point Ancha* and a first advance of \$58,415.16 was made on the *Point Lobos*, the balance of \$47,600.84 to be advanced upon completion and acceptance of the redesigned turbine gears for that vessel.

6. *Mississippi Shipping Co.*—The reconditioning and improvement of the vessels *Delmundo* and *Delvalle* was completed by the Newport News Shipbuilding & Dry Dock Co. and, under provisions of loan agreements executed April 29, 1932, loans were made thereon as follows: *Delmundo*, \$191,040; *Delvalle*, \$190,928.

7. *Panama Mail Steamship Co.*—The construction of the vessels *Santa Paula* and *Santa Rosa* was completed by the Federal Shipbuilding & Dry Dock Co. and, under provisions of loan agreements executed January 8, 1931, loans were made in the amount of \$3,061,020 on each vessel, covering construction and commercial appliances.

8. *Seatrain Lines, Inc.*—The Sun Shipbuilding & Dry Dock Co. completed construction of the vessels *Seatrain Havana* and *Seatrain New York* during this fiscal year and under provisions of loan agreements executed December 3, 1931, a loan of \$1,189,397 was made on each vessel covering construction and equipment.

9. *United Mail Steamship Co.*—The construction of the *S.S. Veragua* at the Fore River plant of the Bethlehem Shipbuilding Corporation was completed in August 1932 and, under provisions

of loan agreement executed August 5, 1930, a loan of \$2,533,750 was made thereon covering construction and equipment. The construction of the S.S. *Peten* by the Newport News Shipbuilding & Dry Dock Co. was completed in February 1933 and, under provisions of loan agreement executed February 23, 1933, a loan of \$1,893,750 was made thereon in aid of construction.

10. *United States Lines Co.*—Under provisions of loan agreement executed November 22, 1932, a loan of \$30,760 was made to this company in aid of the conversion of the ex-troopship *Somme*, renamed *American Importer*, work on this vessel having been completed at the close of fiscal year 1932 by the United Dry Docks plant at Brooklyn, N.Y.

11. *United States Lines, Inc.*—The construction of the vessels *Manhattan* and *Washington* was completed by the New York Shipbuilding Co. and, under provisions of loan agreements executed May 24, 1930, loans were made thereon amounting to \$7,666,760 and \$7,757,200, respectively, covering construction and equipment. The *Manhattan* is owned by the North Atlantic Steamship Corporation and the *Washington* is owned by the Transatlantic Steamship Corporation, both being subsidiaries of the United States Lines, Inc.

Summary.—From the inception of the construction loan fund to June 30, 1933, inclusive, the Shipping Board has authorized loans to 33 steamship companies for the construction of 57 new vessels and for the conversion and/or reconditioning of 40 vessels. These authorized loans total \$147,752,146.66 of which \$147,123,224.57 had been advanced by June 30, 1933, leaving a balance of \$628,922.09 to be advanced on these loans in the future.

The financial activities of the construction loan fund during the fiscal year 1933, and the distribution of the total fund at the close of the year, are shown by the following statement:

Construction loan fund

Cash and appropriation balance, June 30, 1932, as shown in sixteenth annual report.....	\$32, 777, 188. 20
Deposits during fiscal year 1933:	
Sales receipts, fiscal year 1932, transferred after June 30, 1932.....	\$405, 200. 31
Sales receipts, fiscal year 1933, transferred before June 30, 1933.....	2, 000, 000. 00
Loan repayments.....	4, 731, 113. 14
Total deposits.....	7, 136, 313. 45
	39, 913, 501. 65
Advances on loans during fiscal year 1933.....	24, 549, 738. 63
Cash and appropriation balances, June 30, 1933, excluding 1933 sales receipts to be transferred after June 30, 1933.....	15, 363, 763. 02

Distribution of total fund at June 30, 1933

Outstanding loans:

Total amount advanced from inception of fund to June 30, 1933, inclusive.....	\$147, 123, 224 57
Total repayments of loans to date.....	16, 169, 054 60

Outstanding loans.....	\$130, 954, 169. 97
Advances to diesel fund.....	9, 500, 000. 00
Cash and appropriation balances, as above.....	15, 363, 763. 02
Total construction loan fund.....	155, 817, 932. 99

INSPECTION OF VESSELS

Pursuant to 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 whether the progress and quality of the work performed justify such payments.

The Bureau of Construction and Finance 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 which were completed prior to June 30, 1933:

Name of vessel	Owner	Yard where built or reconditioned
Black Falcon (R).....	American Diamond Lines (Inc.).....	Federal Shipbuilding & Dry Dock Co.
Black Gull (R).....	do.....	Do.
Black Hawk (R).....	do.....	Do.
Black Heron (R).....	do.....	Do.
Black Tern (R).....	do.....	Do.
Scanstates (R).....	American Scantic Line (Inc.).....	New York Shipbuilding Co.
Colombia.....	Colombian Mail Steamship Corporation.....	Newport News Shipbuilding & Dry Dock Co.
Haiti.....	do.....	Do.
Santa Elena.....	Grace Steamship Co.....	Federal Shipbuilding & Dry Dock Co.
Santa Lucia.....	do.....	Do.
Point Ancha (R).....	Gulf Pacific Mail Line, Ltd.....	Craig Shipbuilding Co.
Delmundo (R).....	Mississippi Shipping Co.....	Newport News Shipbuilding & Dry Dock Co.
Delvalle (R).....	do.....	Do.
Manhattan.....	North Atlantic Steamship Corporation.....	New York Shipbuilding Co.
Lurline.....	Oceanic Steamship Co.....	Bethlehem Shipbuilding Corporation.
Santa Paula.....	Panama Mail Steamship Co.....	Federal Shipbuilding & Dry Dock Co.
Santa Rosa.....	do.....	Do.
Seatrain Havana.....	Seatrain Lines, Inc.....	Sun Shipbuilding & Dry Dock Co.
Seatrain New York.....	do.....	Do.
Washington.....	Transatlantic Steamship Corporation.....	New York Shipbuilding Co.
Peten.....	United Mail Steamship Co.....	Newport News Shipbuilding & Dry Dock Co.
Veragua.....	do.....	Bethlehem Shipbuilding Corporation.
American Importer (R).....	United States Lines Co.....	United Dry Docks, Inc.
American Traveler (R).....	do.....	Robbins Dry Dock & Repair Co.

(R) Reconditioned. All others were newly constructed.

In addition, periodical inspections have been maintained on the following vessels, which were still under construction or being reconditioned as of June 30, 1933:

Name of vessel	Owner	Yard where built or reconditioned
Point Lobos (R).....	Gulf Pacific Mail Line, Ltd.....	Craig Shipbuilding Co.
Kenowis (R).....	Waterman Steamship Corporation.....	Alabama Dry Dock & Shipbuilding Co.
Afoundria (R).....	do.....	Do.

(R) Reconditioned.

For the purpose of ascertaining that the Board's equities are being properly protected, periodical inspections are being maintained in connection with the condition and operation of vessels previously constructed or reconditioned with the aid of loans from the construction loan fund and upon which the Shipping Board still holds mortgages. At the end of the fiscal year 1933 there were 89 vessels which had been in commission 6 months or longer and which were inspected by a Shipping Board representative. The number of such vessels subject to periodical inspection is being constantly increased as construction and reconditioning work is completed. Vessels thus inspected during the fiscal year ending June 30, 1933, were as follows:

Name of vessel	Owner	Yard where built or reconditioned
Morro Castle.....	Agwi Navigation Co.....	Newport News Shipbuilding & Dry Dock Co.
Oriente.....	do.....	Do.
Black Eagle (R).....	American Diamond Lines, Inc.....	Federal Shipbuilding & Dry Dock Co.
Black Falcon (R).....	do.....	Do.
Black Gull (R).....	do.....	Do.
Black Hawk (R).....	do.....	Do.
Black Heron (R).....	do.....	Do.
Black Tern (R).....	do.....	Do.
California.....	American Line Steamship Corporation.	Newport News Shipbuilding & Dry Dock Co.
Pennsylvania.....	do.....	Do.
Virginia.....	do.....	Do.
Seamail (R).....	American Scantic Line, Inc.....	New York Shipbuilding Co.
Seapenn (R).....	do.....	Do.
Seanstates (R).....	do.....	Do.
Scanyork (R).....	do.....	Do.
City of New York.....	American South African Line.....	Sun Shipbuilding Co.
Ulysses (R).....	American Tankers Corporation.....	United Dry Docks, Inc.
City of Baltimore (R).....	Baltimore Mail Steamship Co.....	Federal Shipbuilding & Dry Dock Co.
City of Hamburg (R).....	do.....	Do.
City of Havre (R).....	do.....	Do.
City of Newport News (R).....	do.....	Do.
City of Norfolk (R).....	do.....	Do.
Algonquin.....	Cherokee Seminole Steamship Corporation.	Newport News Shipbuilding & Dry Dock Co.
Cherokee.....	do.....	Do.
Seminole.....	do.....	Do.
Borinquin.....	Coamo Steamship Corporation.....	Bethlehem Shipbuilding Corporation.
Coamo.....	do.....	Newport News Shipbuilding & Dry Dock Co.
Colombia.....	Colombian Mail Steamship Corporation.	Do.
Haiti.....	do.....	Do.
President Adams (R).....	Dollar Steamship Line.....	Bethlehem Shipbuilding Corporation.
President Garfield (R).....	do.....	Newport News Shipbuilding & Dry Dock Co.
President Harrison (R).....	do.....	Do.
President Coolidge.....	do.....	Do.
President Fillmore (R).....	do.....	Do.
President Hoover.....	do.....	Do.
President Johnson (R).....	do.....	Do.
Acadia.....	Eastern Steamship Lines, Inc.....	Do.

Name of vessel	Owner	Yard where built or reconditioned
Boston	Eastern Steamship Lines Inc.	Bethlehem Shipbuilding Corporation.
New York	do.	Do.
Saint John	do.	Newport News Shipbuilding & Dry Dock Co.
Exsreh (R)	Export Steamship Corporation	United Dry Docks, Inc.
Excalibur	do.	New York Shipbuilding Co.
Excambion	do.	Do.
Excelsior (R)	do.	United Dry Docks, Inc.
Exeter	do.	New York Shipbuilding Co.
Exilona (R)	do.	United Dry Docks, Inc.
Exochorda	do.	New York Shipbuilding Co.
Santa Clara	Grace Steamship Co.	Do.
Santa Elena	do.	Federal Shipbuilding & Dry Dock Co.
Point Ancha (R)	Gulf Pacific Mail Line, Ltd.	Craig Shipbuilding Co.
Robert E. Lee	Robert E. Lee Steamship Co.	Newport News Shipbuilding & Dry Dock Co.
Delmundo (R)	Mississippi Shipping Co.	Do.
Delnorte (R)	do.	Jahncke Shipbuilding & Dry Dock Co.
Delsud (R)	do.	Do.
Delvalle (R)	do.	Newport News Shipbuilding & Dry Dock Co.
Chester Sun	Motor Tankship Corporation	Sun Shipbuilding Co.
Eastern Sun	do.	Do.
Mercury Sun	do.	Do.
Northern Sun	do.	Do.
Pacific Sun	do.	Do.
Southern Sun	do.	Do.
Western Sun	do.	Do.
Cleveland	National Motorship Corporation ¹	Great Lakes Engineering Co.
Detroit	do.	Do.
Iroquois	New York & Miami Steamship Corporation.	Newport News Shipbuilding & Dry Dock Co.
Shawnee	do.	Do.
Manhattan	North Atlantic Steamship Corporation.	New York Shipbuilding Co.
Evangeline	Nova Scotia Steamship Corporation.	Cramp Ship & Engine Building Co.
Yarmouth	do.	Do.
Mariposa	Oceanic Steamship Co.	Bethlehem Shipbuilding Corporation.
Monterey	do.	Do.
Santa Paula	Panama Mail Steamship Co.	Federal Shipbuilding & Dry Dock Co.
Santa Rosa	do.	Do.
Seartrain Havana	Seartrain Lines, Inc.	Sun Shipbuilding & Dry Dock Co.
Seartrain New York	do.	Do.
Floridian (R)	Strachan's Southern Steamship	Tietjen & Lang Dry Dock Co.
Georgian (R)	do.	Do.
Tide Water	Tide Water Associated Transport Corporation.	Sun Shipbuilding Co.
Tide Water Associated	do.	Do.
Antigua	United Mail Steamship Co.	Bethlehem Shipbuilding Corporation.
Chiriqui	do.	Newport News Shipbuilding & Dry Dock Co.
Quirigua	do.	Bethlehem Shipbuilding Corporation.
Veragua	do.	Do.
American Importer (R)	United States Lines Co.	United Dry Docks, Inc.
American Traveler (R)	do.	Robbins Dry Dock & Repair Co.
Afoundria (R)	Waterman Steamship Corporation.	Alabama Dry Dock & Shipbuilding Co.
Maiden Creek (R)	do.	Do.
Topa Topa (R)	do.	Do.
West Hika (R)	do.	Do.

¹ Former name was General Motorship Corporation.

(R) Reconditioned. All others were newly constructed.

Certification of Vessels, as to Type and Kind, to Treasury Department

The provisions of section 23, Merchant Marine Act, 1920, as amended, require that the Shipping Board certify to the Treasury Department certain features, as to type and kind, of vessels receiving benefits under that act.

During the fiscal year ended June 30, 1933, the Shipping Board received only one request requiring such certification, that being from the Eastern Steamship Lines, Inc., in the case of the sale of the S.S. *Brandon*, the entire proceeds of which sale that company alleged were applied as part of the first payment on account of the construction cost of its new vessel the S.S. *Saint John*. In accordance with

that request, the Shipping Board made the necessary certification to the Treasury Department, applicable to the S.S. *Saint John*, as to type and kind.

ENGINEERING DEVELOPMENT PROGRAM

1. *Model basin research work.*—The Bureau of Construction and Finance, United States Shipping Board, as a part of its engineering development program, is cooperating with the United States Experimental Model Basin in certain research work affecting the improvement of the propulsive efficiency of vessels of the American merchant marine.

There follows a brief description of such work which was in progress during the fiscal year 1933 and its status as at June 30, 1933.

(a) Resistance tests on a series of models with parallel middle body of varying length, to fill gaps previously existing in the standard series and other published model data. This is series no. 53, with 6 bows, 2 sterns, and 12 intermediate sections; models nos. 3061 to 3072, inclusive. The results of these tests were published in the 1933 edition of the book entitled "The Speed and Power of Ships" by Rear Admiral D. W. Taylor (C.C.), United States Navy (retired).

(b) Tests in open water of a series of 4-bladed propellers, nos. 1130 to 1133, inclusive, supplementing the previous tests of 4-bladed propellers, nos. 835 to 866, inclusive. Also tests of a series of 3-bladed propellers, nos. 1134 to 1139, inclusive, for comparison with the previous tests of 4-bladed propellers, nos. 835 to 866, inclusive, and 4-bladed propellers, nos. 1114 to 1119, inclusive. These tests had been completed and the data worked up for a report at the end of fiscal year 1932. The results were published in the 1933 edition of "The Speed and Power of Ships."

(c) A new item taken up during the fiscal year 1933 was the testing, under self-propulsion conditions, of the model of the S.S. *Clairton* with five assumed coefficients of friction for ship and the comparison with the ship trials of 1930 and 1931. The results of these tests will be embodied in a paper by Rear Admiral D. W. Taylor (C.C.), United States Navy (retired) which will be read at the next meeting of the Society of Naval Architects and Marine Engineers.

2. "*The Speed and Power of Ships*".—Book by Rear Admiral D. W. Taylor (C.C.), United States Navy (retired).

Originally published in 1910, this work proved a monumental landmark in the field of ship design based on propulsive consideration. Since the original publication, a vast amount of experimental research into ship propulsion has been carried out both in this country and abroad. In addition thereto, extensive investigations have been undertaken by the United States Experimental Model Basin under Admiral Taylor's supervision, acting for the United States Shipping

Board. Therefore the Shipping Board, as part of its engineering development program during the fiscal year ending June 30, 1933, published 3,000 copies of the 1933 revised edition of this work. These copies are being distributed to those interested at a cost to cover the expense involved for printing and postage.

3. *Welding research work.*—In cooperation with the Bureau of Construction and Repair of the Navy Department, the Shipping Board is engaged in an extensive program of welding research which will cover quite generally the entire field of ship construction. This work is still in progress and numerous test reports have been received. The final results 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.

4. *Boiler feed-water treatment.*—In cooperation with the naval engineering experimental station of the Navy Department, the Shipping Board is engaged in an extensive study and investigation of modern methods of boiler feed-water treatment. The results of this work, and the expected improvements 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.

5. *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. The results of this work will be applicable to the design and production of steel castings in all types of vessels and will be of direct benefit to the American merchant marine. It is expected 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.

DIESEL PROGRAM

During the fiscal year ending June 30, 1933, the activities in connection with the diesel program consisted in the investigation and correction of defects developed during the continued operation of the engines of vessels converted from steam to diesel propulsion. This was carried on by a small staff of experts in cooperation with the builders of the engines. The main items of work undertaken during the fiscal year 1933 for the correction of defects were the renewals on the vessels *Galveston*, *West Grama*, and *Oldham* of the lower cylinder heads, main columns, cylinder liners, and pistons. It is contemplated that work on the *Galveston* will be completed about July 10, 1933, and on the other vessels shortly thereafter.

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 \$23,384,366.60, leaving an

unexpended balance of \$280,133.40 remaining from the total amount made available for such purposes.

DETERMINATION OF SPEED, TONNAGE, AND COSTS OF VESSELS

The Bureau of Construction and Finance conducted investigations and examinations during the fiscal year 1933 to determine the speeds, tonnage, and costs of certain vessels operating in the ocean mail contract and other services. It also made the necessary inspections of certain vessels to determine whether or not they were constructed in accordance with plans and specifications approved by the Secretary of the Navy.

INVESTIGATIONS INTO THE FINANCES OF SHIPPING COMPANIES WHICH ARE INDEBTED TO THE SHIPPING BOARD

The administration and supervision of ship-sales notes and mortgages and all financial agreements with ship-sales debtors who are unable to meet their obligations when due were placed under this Bureau by direction of the Board on March 28, 1933. The Bureau previously functioned to the same extent in the matter of construction loans.

During the past fiscal year this Bureau made 21 separate investigations and reports to the Shipping Board as to the finances of companies whose notes became due during the year. Most of these reports related to proposed extension of time on notes, but in some instances special arrangement were made whereby collection of notes due and unpaid was deferred subject to examination and general supervision of financial affairs by this Bureau to the extent that all operating revenue may be conserved for definite needs of ship operation and that all mail revenue received under long-time contracts from the Government be restricted for the payment of (1) interest due to the Government, (2) for emergency operating requirements, and (3) payment of notes due to the Board. This plan has proved successful for those companies who have had sufficient time to become adjusted to the new conditions.

The Bureau has also made special investigations in connection with claims submitted to the Board and in connection with policy to be followed by the Board in insurance matters.

ANALYSIS OF RESULT OF OPERATION OF OCEAN-GOING SHIPPING SERVICES OWNED BY AMERICAN COMPANIES

Annual reports and financial statements on the prescribed Shipping Board form for the calendar year 1932 were received from 114 separate shipowning companies operating as common carriers in foreign, intercoastal, and coastwise trades.

Twenty-two companies in foreign trade reported net profits amounting to \$5,266,902, whereas 22 other companies reported net losses amounting in all to \$4,985,990.

The net result for all companies operating in foreign trade in 1932 was a profit of \$280,912, after paying out \$3,377,340 as interest and charging off \$14,403,987 for depreciation. The net profit for these same companies in 1931 was \$4,489,782.

Four companies in intercoastal services reported profits amounting to \$231,346, and 18 reported losses amounting to \$5,288,388. The net loss for all companies in intercoastal trade was \$5,057,042, after paying interest of approximately \$1,000,000 and charging off depreciation of \$5,000,000. The net loss for these same companies in 1931 was \$4,331,313.

Sixteen companies operating in coastwise services reported profits amounting to \$1,273,898, and 21 reported losses amounting to \$5,022,052. The net loss for all companies was \$3,748,154, after paying interest amounting to approximately \$1,000,000 and charging off depreciation of \$4,686,652.

The net result for all services above referred to was a loss of \$8,524,284, after paying interest in the amount of \$5,275,998 and charging off depreciation of \$24,128,035.

These ocean-going common carriers paid out \$27,759,000 for crews' wages, and \$35,186,000 for stevedoring during 1932. They also paid \$9,749,018 for Panama Canal tolls. Reports as to operating results and wages paid were not submitted by industrial carriers.

Those companies who receive Government aid in the form of long-time mail contracts are included in above figures for foreign trade services. During 1932 these mail contract companies received mail pay in the amount of \$24,373,167, whereas, the gross revenue received by these companies from all sources, including mail pay, was \$127,508,503. During 1931, the gross revenue was \$149,528,642, and in 1930, \$172,124,638.

On the basis of reports received, it is conservatively estimated that these companies expended \$100,000,000 in 1932 for American labor and products. The total cost of floating equipment for all companies, including ships owned by industrial carriers, was approximately \$850,000,000 with a present book value of \$100,000,000.

ANNUAL SURVEY OF MARINE INSURANCE WRITTEN IN THE UNITED STATES, CALENDAR YEAR 1932

The survey of marine insurance written in the United States by domestic and admitted foreign companies during calendar year 1932 has just been completed. A summary of this survey indicates that hull insurance premiums on American ocean going merchant ships has remained about the same as for 1931, but that there was a drop of about \$5,000,000 in premiums for other hulls, yachts, fishing vessels, Great Lakes ships, etc. There was a decrease in cargo insurance premiums received by both American and foreign admitted companies of approximately \$5,500,000.

Reports have been received from 65 domestic companies and 24 foreign admitted companies. Premiums received by domestic companies amounted to \$25,866,000 as compared with \$36,126,000 for 1931, and by admitted foreign insurance companies, \$6,646,000 as compared with \$7,011,000.

After allowing for reinsurance with nonadmitted foreign insurance companies, the total net premiums received within the United States by all companies amounted to \$28,910,000 as compared with \$38,173,000 in 1931. The decrease in premiums was almost evenly divided between hull and cargo insurance. Premiums on hull insurance written by domestic companies (including Shipping Board fund) amounted to \$15,086,000 as compared to \$20,628,000 in 1931.

American insurance companies.—Of the \$25,866,000 received as original or net premiums, 42 percent was for cargo insurance and 58 percent for hull insurance as compared with 47 percent and 53 percent, respectively, for 1931.

Hull insurance premiums reported by the American Marine Insurance Syndicate "C" (which represent the American ocean hull insurance market) amounted to \$6,838,488 for ocean going hulls and \$524,727 for Great Lakes, as compared with \$6,892,000 and \$996,000, respectively, for 1931.

Premiums received by the Shipping Board insurance fund amounted to \$1,884,436 which is approximately \$1,000,000 less than the amount reported last year.

Domestic companies reinsured hull business with foreign admitted companies in the amount of \$2,398,000 and with foreign nonadmitted companies in the amount of \$1,158,000. They reinsured cargo business with foreign admitted companies of approximately \$3,000,000 and with nonadmitted foreign companies of approximately \$1,500,000. About 7 percent of all original premiums received by domestic companies was sent abroad for reinsurance.

Foreign admitted insurance companies.—These companies reported total original premiums as \$6,646,000, of which 58 percent was for cargo and 42 percent for hull premiums as compared with 55 percent and 45 percent, respectively, in 1931. Cargo premiums were \$3,127,000, as compared with \$3,875,000 in 1931; hull premiums were approximately the same as for last year.

Foreign nonadmitted insurance companies.—These companies received by way of reinsurance from American companies premiums amounting to \$2,717,687 and from admitted foreign companies only \$884,000.

The attached tables indicate comparative amounts of hull and cargo premiums as between American and foreign admitted companies in United States during calendar years 1929, 1930, 1931, and 1932.

These figures may appear complicated by reason of the difference in classes of reinsurance, therefore, by way of clarification, the figures are restated in another form, as follows:

Questionnaire reports from American companies indicate a total of \$38,873,000 gross for hull and cargo premiums, which sum includes reinsurance premiums issued for hull insurance, \$5,351,000, and cargo insurance, \$7,656,000, or a total reinsurance premium of \$13,007,000, which leaves the sum of "original" premiums remaining with the domestic companies at \$25,866,000.

Total premiums, reinsurance, and net premiums

[Last three ciphers omitted]

	1929	1930	1931	1932
Insurance premiums reported:				
By American companies.....	\$67,256	60,060	\$51,777	\$38,873
Reinsurance (deduct).....	21,477	19,754	15,651	13,007
Total American premiums.....	45,779	40,315	36,126	25,866
By foreign companies.....	30,537	25,300	18,334	12,933
Reinsurance (deduct).....	15,874	14,875	11,323	6,287
Total foreign premiums.....	14,663	10,425	7,011	6,646
Total original premiums, American and foreign.....	60,442	50,740	43,137	32,512
Cargo premiums reported:				
By American companies.....	41,803	3,468	24,534	18,436
Reinsurance (deduct).....	14,671	2,560	9,036	7,656
Total American cargo premiums.....	27,132	908	15,498	10,780
By foreign companies.....	22,209	15,770	10,605	8,854
Reinsurance.....	11,122	3,382	6,730	3,727
Total foreign cargo premiums.....	11,087	7,388	3,875	3,127
Total cargo premiums.....	38,219	23,296	19,373	13,907
Hull premiums reported:				
By American companies.....	25,453	21,601	27,243	20,437
Reinsurance (deduct).....	6,806	1,194	6,615	5,351
Total American hull premiums.....	18,647	1,407	20,628	15,086
By foreign companies.....	8,328	1,530	7,729	6,079
Reinsurance (deduct).....	4,752	1,493	4,593	2,560
Total foreign hull premiums.....	3,576	87	3,136	3,519
Total hull premiums.....	22,223	2,444	23,764	18,605
Grand total cargo and hull premiums.....	60,442	50,740	43,137	32,512
Reinsurance with foreign nonadmitted companies.....	8,696	6,538	4,964	3,602
Net premiums within United States.....	51,746	44,202	38,173	28,910

Reinsurance—Comparison by years

[Last three ciphers omitted]

	Premiums			
	1929	1930	1931	1932
AMERICAN COMPANIES				
Reinsurance on hull with—				
American companies.....	\$5,358	\$5,282	\$4,733	\$2,953
Foreign admitted companies.....	3,684	4,336	3,515	2,888
Foreign nonadmitted companies.....	1,975	1,348	1,430	1,158
Total hull.....	11,017	10,966	9,678	6,509
Reinsurance on cargo with—				
American companies.....	9,140	8,381	6,033	4,683
Foreign admitted companies.....	5,759	5,145	3,997	2,973
Foreign nonadmitted companies.....	3,610	3,061	2,182	1,559
Total cargo.....	18,509	16,587	12,212	9,215
FOREIGN COMPANIES				
Reinsurance on hull with—				
American companies.....	1,448	1,912	1,882	1,613
Foreign admitted companies.....	1,063	1,156	1,078	947
Foreign nonadmitted companies.....	839	736	571	445
Total hull.....	3,355	3,804	3,531	3,005
Reinsurance on cargo with—				
American companies.....	5,531	4,179	3,002	2,118
Foreign admitted companies.....	5,363	4,236	2,732	1,609
Foreign nonadmitted companies.....	2,272	1,394	782	439
Total cargo.....	13,166	9,809	6,516	4,166

BUREAU OF RESEARCH

The Bureau of Research continues to maintain records of the ocean-going merchant fleets of the world, classified by nations and principal vessel characteristics. The records indicate that during the fiscal year ended June 30, 1933, 3,569 vessels of the world fleet participated in our water-borne trade, making nearly 41,000 entrances and clearances at 161 United States ports and carrying over 55,000,000 tons of cargo and 1,400,000 passengers. The foreign ports of origin and destination involved numbered 1,232.

The records of the Bureau now include data pertaining to the water-borne foreign commerce of the United States during a period of 12 years, and cover transactions at 351 domestic ports, 420 ports in United States possessions and 2,814 foreign ports, a total of 3,585 world ports which have participated in our water-borne commerce during the period 1921-32. During that period 2,053 world products were transported in the water-borne commerce of the United States. The total volume of these commodities exceeded 1,000,000,000 cargo tons and their value was nearly \$83,000,000,000.

During the fiscal year the Bureau prepared 47 periodical reports, copies of which were issued to Government officials and organizations, transportation companies, financial, industrial, educational, and other

institutions. The Bureau also compiled 133 special reports, 54 of which were for the use of the Shipping Board and 24 for other Government departments. The remaining 55 special compilations were prepared for commercial and port organizations, transportation companies, periodical publications, and educational institutions.

The records of the Bureau for the fiscal year 1933 were based upon nearly 83,000 individual reports received from vessel operators, collectors of customs, and others. The formulation and verification of these permanent records for the year involved the making of 60,000,000 individual entries in the permanent record of the Bureau.

OFFICE OF THE GENERAL COUNSEL

Effective August 1, 1932, the Bureau of Law was abolished and during the balance of the fiscal year all legal functions and activities were carried on by the Office of the General Counsel.

Very substantial reductions were made in the expense for legal work during the fiscal year 1933, the pay roll for lawyers and their assistants being reduced by \$84,340, and additional savings being effected by reductions in salaries under the Economy Act, in all amounting to savings of more than \$106,000 over the preceding fiscal year.

Besides the lawyers regularly employed, the sum of approximately \$23,000 was expended during the past fiscal year for lawyers specially retained in foreign countries to represent the United States in litigation in such countries.

Litigation

On July 1, 1932, there were pending in the Court of Claims, in the circuit court of appeals, in the United States district courts, the District of Columbia courts, State courts, and in courts in foreign countries, 877 cases in which the United States or the Merchant Fleet Corporation were plaintiffs or defendants and which had arisen out of the activities of the Shipping Board and/or the Merchant Fleet Corporation.

These cases involved the total sum of \$67,340,549.12 and were of a most varied character, at law, in equity, in bankruptcy, and in admiralty. During the fiscal year, 383 cases were finally closed, but 176 new actions were brought, so that on June 30, 1933, there were 670 cases pending, involving \$61,688,317.31.

On January 6, 1930, the Supreme Court decided that suits to enforce claims of a maritime nature arising out of the ownership or operation of merchant vessels by the United States could only be maintained against the United States or the Fleet Corporation in the district courts of the United States in conformity with the Suits in Admiralty Act (280 U.S. 320).

As a result of this decision, 186 cases, involving \$4,627,789.64, mostly for personal injuries or cargo damages, which had been brought in State courts, in Federal courts under the Tucker Act, or in the Court of Claims, were dismissed because of lack of jurisdiction. Many of the cases had been tried, verdicts and judgments for claimants rendered and were pending on appeal. Few of such dismissed suits could then be refiled because the 2-year period of limitations had expired.

At the instance of these unsatisfied litigants, Congress amended the Suits in Admiralty Act on June 30, 1932, by providing that claimants whose cases had been so erroneously commenced had until December 31, 1932, to sue under the Suits in Admiralty Act. As a result of this amendment, 105 cases, involving \$4,414,780.33, were filed during the first half of the fiscal year just past. This accounts for the increase in the cases now pending, notwithstanding those closed during the year.

An analysis of all cases pending as of June 30, 1933, shows:

There are 58 cases in foreign countries for and against the United States, involving \$880,557.16. These cases are being handled by foreign attorneys under the control of the Washington office. Those in European countries are immediately supervised by the Board's legal representative attached to the London office.

There are 612 cases pending in our courts, involving \$60,807,760.15. Of this number, 21 cases are pending in the Court of Claims; 26 cases are bankruptcies and receiverships; 147 cases are law or equity actions in State or Federal courts; 196 cases are in admiralty for cargo damage or personal injuries, and 222 cases are in admiralty, involving collisions, salvage, general and particular average, etc. Most of these cases are being actively litigated, a very few of them are dormant.

In addition to the cases above enumerated, the lawyers attached to the New York office handle all public-vessel cases in that jurisdiction in which other Government departments are interested, under the direct supervision of the Department of Justice. On June 30, 1933, there were 141 cases of this character on the New York docket, involving \$3,440,525.06.

In all controversies arising out of collision or other accidents at sea in which the Shipping Board was concerned, the legal staff conducted the investigations, attended to the prosecution and defense of any suits that arose therefrom, and reviewed all controversies arising out of hull insurance in the Shipping Board's insurance fund where the United States of America has an interest.

In the cases of vessels sold and those operated under lump-sum agreements, protective and indemnity insurance is required for the protection of the Government. Numerous litigations arise from these matters, which are handled by the attorneys for the insurance companies, but are supervised by our attorneys, for the reason that in

practically every case the United States or the vessel is a party to the suit and the pleadings are passed upon by the Board's attorneys to see that the interests of the Government are protected. The United States attorneys appear of record for the Government. In addition, necessary assurances have to be secured from the underwriters agreeing to payment of all expenses in connection therewith and any decree that might be entered.

Contracts, Opinions, and Claims

In the liquidation of the Fleet Corporation the Shipping Board has disposed of and is disposing of its vessels and other property. In the sale of these ships where they are sold on a deferred payment plan the Board takes back mortgages to secure the unpaid balance and requires notes properly endorsed to secure the mortgages. These instruments, as well as all other instruments, including the bills of sale, contracts, and agreements, are prepared by this office. The formalities necessary for carrying out the terms of the agreement of sale, such as transfer of registry, recording of mortgage, etc., are also attended to by this office. The foregoing includes not only individual vessels sold but lines of vessels for operation and vessels for scrapping purposes.

The Merchant Marine Act of 1920 and the Merchant Marine Act of 1928 authorized the Shipping Board to make loans to private interests to aid in the construction of new tonnage and in the reconditioning of old tonnage. This phase of the Board's work required the Contracts and Opinions Division to draft all contracts and agreements relating thereto, all mortgages and notes, and agreements for each advance made under each loan. The execution of these instruments was attended to by this office as well as all other formalities, such as title searches, recording of the mortgages, etc. In addition there are many questions of law which necessarily arise which must be decided for the guidance of the officials in charge of the administration of the construction loan fund. All opinions in connection therewith were prepared and in all negotiations for such loans an active part was taken by this office.

Miscellaneous contracts covering various matters, as well as leases and other instruments, were also prepared by this office.

In the conduct of the business of the Board and Fleet Corporation there are always important legal problems which arise and which require opinions. Such opinions are prepared by this office and informal advice given from time to time on various matters as requested by the officials of the Board and Fleet Corporation.

The Board was authorized by the acts referred to above to create an insurance fund for the purpose of insuring vessels privately owned in which the Board has an interest, also to insure vessels owned by the Board and operated under operating agreements. While all of this

insurance is placed through the insurance department of the Fleet Corporation there are many controversies which arise therefrom, and in all of such controversies the legal staff conducts the investigations and while the prosecution and defense of any suits that arise therefrom are handled by the Litigation Division all legal questions relating to the questions of insurance are handled by this office.

The matter of collection of outstanding accounts in favor of the Board, as well as all claims against the Board and/or Fleet Corporation not in litigation, is handled by this office, and on June 30, 1933, there were 141 claims pending amounting to approximately \$81,000,000. After all efforts to collect claim in favor of the Board have been exhausted, it is generally the policy to prepare write-offs or cancelations of the accounts, if it is found advisable because of the financial condition of the debtor, and this office joins with the treasurer and comptroller of the Fleet Corporation in passing on such write-offs or cancelations.

Miscellaneous

As in the handling of the business of a very large law office the clerical force maintains and operates a large docket similar to a court docket of all matters in litigation in which the Board or Fleet Corporation is involved and maintains complete files of such cases in litigation. It is charged with the preparation of reports and other data for Congress and for the information and guidance of other departments of the Board and Fleet Corporation. It has custody of original contracts and other instruments of the Shipping Board and Fleet Corporation.

SECRETARY

The office of the secretary is the central administrative office of the Shipping Board and Merchant Fleet Corporation and the duties thereof during the past fiscal year were substantially the same as during the preceding fiscal year.

Sales to Aliens and Transfer of Registry of Vessels

The office of the secretary conducts all investigations involving applications under section 9, of the Shipping Act, 1916, as amended, and makes appropriate recommendations to the Shipping Board for final action thereon. These investigations were formerly conducted by the secretary for a committee of the Board, but since the reorganization have been handled entirely by the office of the secretary.

During the past year the Board has acted favorably upon applications involving 50 vessels of 90,983 gross tons, of which 34 were sales and transfers, 14 were charters to aliens for limited periods of time, and 2 involved mortgages to aliens. There are now pending and under investigation 21 applications for the approval of the Board

awaiting results of communications with applicants and our field representatives. There are also pending 15 cases which have been referred to the Department of Justice for appropriate action, which so far have not been concluded.

The following table shows that the vessels which have been approved by the Board for transfer to foreign ownership and registry were of size, type, and obsolescence as to be of no value in the development and maintenance of the American merchant marine. This provision of law as administered by the Shipping Board has prevented the transfer to foreign registry of larger vessels now under the United States registry, and it is believed that the law is a safeguard against possible loss by sale or transfer of many vessels essential to the United States in time of national emergency as naval auxiliaries and also of vital importance in our economic independence and development of the United States foreign commerce. The law has been administered in such a way that vessel owners have been permitted to dispose of obsolete tonnage to aliens and salvage a portion of their invested capital without detriment to our merchant marine.

Approvals by the United States Shipping Board under sec. 9 of the Shipping Act, 1916, of transfers of vessels to foreign registry and/or sale to aliens, July 1, 1932, to June 30, 1933

Name	Official no.	Type	Gross tons	Last home port	Owner or applicant	Purchaser	Foreign registry	Date of order	Order no.
Glory	229108	Sch.	285	Wilmington, N.C.	Cleves M. Symmes	Lisardo García	Nicaraguan	July 13, 1932	2354
Antietam	219229	Tnk.	6, 972	Philadelphia, Pa.	Pennsylvania Shipping Co.	Shell Eastern Petroleum Products, Inc., and/or Shell Terminal Co., Inc. (charterers).	(No change of registry)	July 28, 1932	2355
Baldhite	218976	Tnk.	6, 295	do	do	do	do	do	2356
Baldhite	218915	Tnk.	6, 413	do	do	do	do	do	2357
Ditworth	219462	Tnk.	7, 045	do	do	do	do	do	2358
Hagan	219227	Tnk.	6, 373	do	do	do	do	do	2359
Neaton	220385	Tnk.	7, 311	do	do	do	do	do	2360
Star of England	107429	Br.	2, 123	San Francisco, Calif.	Alaska Packers Association	Edward E. Grievé	British	Aug. 10, 1932	2361
Edward W. Park	164273	Onl.	194	Rouses Point, N.Y.	Chas. M. Roberts	Noah A. Timmins	(Mortgage)	Aug. 17, 1932	2362
Mill Costello	168401	Onl.	227	do	do	do	do	do	2362
Pen-Wood	225444	Sch.	140	Pensacola, Fla.	Warren Fish Co.	C. P. McLaughlin	British	Aug. 18, 1932	2363
Mouette	227587	Yacht.	25	New York, N.Y.	Marcus B. Matson	George Ubico	Guatemalan	Sept. 22, 1932	2364
Jeauette R.	218968	Ol. s.	101	Los Angeles, Calif.	E. H. Hansen Corporation	Mexican Government	Mexican	Sept. 23, 1932	2365
Nina	227715	Yacht.	27	New York, N.Y.	Paul Hammond	Hon. Robert Somerset	British	Oct. 3, 1932	2366
Black Watch	223897	Yacht.	92	do	George T. Brokaw	Joseph Sigall	Peruvian	Oct. 6, 1932	2367
Dannedatke	219262	Tnk.	4, 310	do	Pennsylvania Shipping Co.	Shell Terminal Corporation (charterers)	(No change of registry)	Oct. 12, 1932	2368
Chief	213696	Ga. s.	25	Rogers City, Mich.	C. A. Vogelheim	Albert McLeod	Canadian	Oct. 14, 1932	2369
Bridgetown	219316	St. s.	2, 559	New York, N.Y.	Columbian Steamship Co.	Government of Colombia	Colombian	Oct. 19, 1932	2370
Dannedatke	219262	Tnk.	4, 310	do	Pennsylvania Shipping Co.	Shell Terminal Corporation (charterers)	(No change of registry)	Nov. 10, 1932	2371
San Antonio	86415	St. s.	735	San Francisco, Calif.	Byron M. Jones	Jose Orpessa	Mexican	do	2372
Westward	228535	Yacht.	33	Bridgeport, Conn.	Gordon McAlpin Pyle	Claude Lionel Cumberland	British	Nov. 28, 1932	2373
Sixty-two	165094	Br.	427	Wilmington, Del.	The Texas Co.	The Texas Co. (Uruguay)	Uruguayan	Dec. 7, 1932	2374
Comanche	230425	St. s.	476	Baltimore, Md.	Maryland-New York Steamship Corporation	Munroe Transportation Co. Ltd.	British	Dec. 14, 1932	2375
San Mateo	213201	St. s.	3, 289	New York, N.Y.	United Fruit Co.	Compañía Commercial de África (charterers).	(No change of registry)	Dec. 20, 1932	2376
Glory	229168	Sch.	235	Wilmington, N.C.	Cleves M. Symmes	Lisardo García	Nicaraguan	Dec. 21, 1932	2354-A
Solitaire	219845	Tnk.	3, 350	Wilmington, Del.	The Texas Co.	The Texas Co. (Norway)	Norwegian	do	2377
Dannedatke	219262	Tnk.	4, 310	New York, N.Y.	Pennsylvania Shipping Co.	Shell Terminal Corporation (charterers).	(No change of registry)	Dec. 29, 1932	2378

Approvals by the United States Shipping Board under sec. 9 of the Shipping Act, 1916, of transfers of vessels to foreign registry and/or sale to aliens, July 1, 1932, to June 30, 1933—Continued

Name	Official no.	Type	Gross tons	Last home port	Owner or applicant	Purchaser	Foreign registry	Date of order	Order no.
Flying Fox.....	229256	Yacht.	108	New York, N.Y.	Driggs Ordnance & Engineering Co.	Government of Colombia.	Colombian.	Dec. 29, 1932	2379
Annette I.....	224282	Yacht.	78	do.	Philip Wise Hamilton.	(No sale).	Panamanian.	Jan. 12, 1933	2380
Dannedake.....	212252	Tug.	4,310	do.	Pennsylvania Shipping Co.	Shell Terminal Corporation (charterers).	(No change of registry).	Feb. 1, 1933	2381
Sunshine.....	212258	Ga. s.	25	Bellingham, Wash.	Angus McAnlay.	do.	British.	Mar. 2, 1933	2382
S. T. Co. No. 2.....	204088	Brg.	328	Bath, Maine.	Peapack Paper Co.	St. John Tug Boat Co.	do.	Mar. 3, 1933	2383
S. T. Co. No. 4.....	204089	do.	328	do.	do.	do.	do.	do.	2384
S. T. Co. No. 7.....	193176	do.	389	do.	do.	do.	do.	do.	2385
S. T. Co. No. 8.....	193181	do.	389	do.	do.	do.	do.	do.	2386
Dannedake.....	212282	Tug.	4,310	New York, N.Y.	Pennsylvania Shipping Co.	Shell Petroleum Corporation (charterers).	(No change of registry).	Mar. 13, 1933	2387
Zania.....	230879	Ga. s.	14	Tampa, Fla.	Frances Crescenzi.	Dr Miguel R. Valdes Gonzalez.	Cuban.	do.	2388
Chief.....	212886	Ga. s.	25	Rogers City, Mich.	C. A. Vogelheim.	Albert McLeod.	Canadian.	Mar. 20, 1933	2389-A
Sonny Boy.....	224481	Ga. s.	13	Los Angeles, Calif.	John L. Stone.	B. N. Bustamante.	Mexican.	Apr. 4, 1933	2390
Sunshine.....	212258	Ga. s.	25	Bellingham, Wash.	Angus McAnlay.	(No sale).	Canadian.	Apr. 7, 1933	2391-A
Lacus W. Robinson.	203375	St. s.	1,869	Ogdensburg, N.Y.	George Hall Corporation.	Hall Corporation of Canada.	do.	Apr. 11, 1933	2392
Sunkist.....	229132	Ol. s.	96.71	Los Angeles, Calif.	California Packing Corporation.	Philippine Packing Corporation (charterers).	Philippine.	Apr. 13, 1933	2393
Delmonte.....	224576	Ol. s.	103.60	do.	do.	do.	do.	do.	2394
Defender.....	230051	Ol. s.	199.12	San Diego, Calif.	do.	do.	do.	do.	2395
Dannedake.....	212252	Tug.	4,310	New York, N.Y.	Pennsylvania Shipping Co.	Shell Petroleum Corporation (charterers).	(No change of registry).	Apr. 20, 1933	2396
Chief.....	212886	Ga. s.	25	Rogers City, Mich.	C. A. Vogelheim.	Albert McLeod.	Canadian.	May 16, 1933	2397-B
Chas. Kurz.....	216368	Tug.	5,731	New York, N.Y.	Pennsylvania Shipping Co.	Shell Terminal Corporation (charterers).	(No change of registry).	May 29, 1933	2398
Glori.....	229168	Sch.	285	Wilmington, N.C.	Cleas M. Symmes.	Lisardo Garcia.	Nicaraguan.	June 27, 1933	2399-A
Handy Billy.....	170026	Scow.	94	Detroit, Mich.	William Connolly.	Henry J. Dixon.	Canadian.	June 28, 1933	2400
George H. Patton.....	223225	Tug.	59	do.	do.	do.	do.	June 30, 1933	2401

Recapitulation, showing nationalities and tonnage

	Num- ber	Gross tons		Num- ber	Gross tons
British.....	10	4,255	Norwegian.....	1	3,350
Canadian.....	7	2,133	Panamanian.....	1	78
Colombian.....	2	2,727	Peruvian.....	1	92
Cuban.....	1	14	Philippine.....	3	398
Guatemalan.....	1	25	Uruguayan.....	1	427
Mexican.....	3	899	Total.....	34	15,273
Nicaraguan.....	3	855			

Recommendation for Modification of Law

The law imposes severe penalties for violations, many of which may at times be incurred without fault on the part of the owner and may be caused by slight oversight causing irreparable pecuniary damage. The Board has no alternative when investigations disclose such violations of the law except to refer the matter for prosecution and has at times justifiably recommended leniency.

It is, therefore, recommended to the Congress that section 18 of the Merchant Marine Act, 1920, amending section 9 of the Shipping Act, 1916, be amended by adding at the end of the fourth paragraph the following:

Provided, That the Board may waive any forfeiture, fine, and/or penalty provided by this section and may order the discontinuance of any prosecution relating thereto, if in the opinion of the Board any such violations were without willful negligence or intention of fraud, and the Board may validate such acts by an order of approval.

Ship Mortgage Act, 1920, Surrender of Marine Documents

The office of the secretary conducts all investigations involving applications under section 30, subsection O (a), Merchant Marine Act, 1920, cited as the Ship Mortgage Act, requiring the approval of the Board of the surrender of the marine document of all vessels documented under the laws of the United States when covered by a preferred mortgage (except in a case of forfeiture of the vessel or its sale by order of any court of the United States or any foreign court).

The Shipping Board, by resolution of August 14, 1928, construed subsection O (a) as not applying to cases in which a vessel owner desires to surrender the marine document incident to the renewal thereof or a change of trade in which the vessel is engaged if the ownership and home port of the vessel remains the same and the vessel is concurrently redocumented under the same ownership and at the same home port. In such event proper endorsements are to be made upon the new document when issued.

During the past fiscal year the Board approved applications involving 52 vessels.

PART II
MERCHANT FLEET CORPORATION

MERCHANT FLEET CORPORATION

ORGANIZATION

At the beginning of the fiscal year 1933, the members of the board of trustees of the Merchant Fleet Corporation included Mr. Elmer E. Crowley, president of the Corporation, and Shipping Board Commissioners H. I. Cone, Albert H. Denton, Jefferson Myers, S. S. Sandberg, and Roland K. Smith. On August 2, 1932, all of the Shipping Board Commissioners resigned as trustees and were succeeded by the following: Messrs. T. C. Donovan, F. G. Frieser, U. J. Gendron, C. G. Parker, L. D. Parmelee, and H. M. Wells. On August 9, 1932, the president of the Merchant Fleet Corporation was named chairman of the board of trustees and Mr. U. J. Gendron was designated vice chairman. Mr. L. D. Parmelee resigned as a trustee on September 27, 1932, and was succeeded by Mr. L. D. Staver. Mr. H. M. Wells resigned as trustee, effective June 27, 1932, and Mr. C. G. Parker, effective June 30, 1933. These vacancies were not filled. The personnel of the board of trustees at the close of business June 30, 1933, was as follows: Elmer E. Crowley, chairman; U. J. Gendron, vice chairman; and Messrs. Donovan, Frieser, and Staver.

Due to resignations, several changes were made in the officers of the Merchant Fleet Corporation during the fiscal year. Commissioner S. S. Sandberg resigned as vice president on August 2, 1932, and this position was not filled. Effective October 11, 1932, Mr. L. D. Staver succeeded Mr. L. D. Parmelee as general comptroller, and on June 28, 1933, Mr. C. D. Gibbons became acting treasurer, succeeding Mr. H. M. Wells as treasurer. The officers of the Merchant Fleet Corporation on June 30, 1933, were as follows:

President.....	Elmer E. Crowley.
Secretary.....	Samuel Goodacre.
Acting treasurer.....	C. D. Gibbons.
General comptroller.....	L. D. Staver.

Several changes were made in the organization of the Merchant Fleet Corporation during the fiscal year 1933. The name of the Operations Department was changed to Operations Division, and the functions of the Supply Department were transferred to the Supply Section of the Operations Division. Subsequently, the Terminals and Real Estate Section and the Supply Section of the Operations Division were placed under the direct supervision of the Office of the

President. The Reserve Fleet Section was also transferred from the Operations Division to the Ship Sales Division. The name of the Traffic Department was changed to Traffic Division. The field offices at Boston, Philadelphia, Baltimore, and Galveston were ordered closed during the year, leaving only the district offices at New York, Norfolk, New Orleans, San Francisco and London fully active at the close of the year.

Five lines of cargo services were being operated by managing operators under the general supervision of the Merchant Fleet Corporation on June 30, 1933. This is four lines less than were being operated at the close of the fiscal year 1932, these four lines having been disposed of by sales to Lykes Bros.-Ripley Steamship Co., Inc.

SPECIAL FEATURES OF THE YEAR'S ACTIVITIES

Sales of Vessels

Sales of 184 vessels were authorized during the year, including 52 cargo ships sold for restricted operation on trade routes, 5 cargo ships sold subject to specific requirements for repairs and reconditioning and with limitations as to trading in protected trades, and 125 cargo vessels sold for dismantling and scrapping. The remaining sales included 1 wood harbor tug and 1 launch.

The sale to Lykes Bros.-Ripley Steamship Co., Inc., of four services, namely, the American Gulf Orient Line, Southern States Line, Dixie U.K. Line, and Dixie Mediterranean Line, with a total of 52 cargo ships, was the only sale of established services made during the year. The purchaser is obligated to operate these vessels upon the prescribed routes for a period of 5 years, making not less than 155 voyages per annum, and is also required to undertake an extensive reconditioning and construction program during the 10-year life of the mail contract awarded to these services. Delivery of these vessels was not completed by June 30, 1933, 17 vessels being undelivered at that time.

To protect the private market for ships and the coastwise and inter-coastal trade from competition by low-priced vessels and from the effects of overtonnaging, the purchasers of vessels needing extensive repairs and reconditioning before they could be placed in operation were required to spend in this work an amount which, added to the sales price, would make the total cost of the vessel approximate the market value of a vessel of her type and age in sound condition. Likewise, vessels bought for special services, other than established trade routes, were restricted from trading in the coastwise and/or the inter-coastal trades for varying periods.

As an aid to the unemployment situation, the Shipping Board late in the calendar year 1932 authorized negotiations for sale, for dismantling and scrapping, a large group of ships that had been classed as obsolete and surplus to the requirements of the merchant marine.

Bids were invited on two bases: First, a division of the gross returns from scrapping, and second, payment to the Shipping Board of a prescribed price per ton of recoverable metal. The vessels were awarded to the highest bidder on the latter basis, the Boston Iron & Metal Co., which offered \$1.51 per gross ton of all metal recovered. As the vessels in this sale are subject to withdrawal by the Board if necessary for operation or for sales purposes, the number which will finally be scrapped is undetermined. At the close of the year the contract called for the scrapping of 120 cargo and 5 refrigerator ships, with a total dead weight of 1,088,985 tons. The contract provides that all of these vessels are to be scrapped on or before December 1, 1935. Up to June 30, 1933, inclusive, title to 31 vessels with dead weight of 270,271 tons had been transferred to the purchaser under this contract, and 15 of these vessels had been completely scrapped.

The transfer of two lake-type cargo vessels to the War Department was authorized during the year, but that department had not accepted delivery of them as of June 30, 1933.

Nine cargo vessels on which the Board held mortgages, the owners of which were in default, were purchased at court sales during the fiscal year. Six vessels were returned to the Board through settlements effected with former purchasers of trade routes, 3 by the American West African Line, purchaser of 10 vessels comprising the American West African Line, in 1928; and 3 by the Mississippi Shipping Co., Inc., which purchased the Delta Line, formerly known as the Gulf Brazil River Plate Line, composed of 12 vessels, in 1929. Early in the fiscal year, these two companies applied for relief to enable them to continue successful operations. They directed attention to the fact that while they had bid for the full number of vessels on which offers were invited at the time the sales of these lines were advertised, they were now compelled to ask the Shipping Board to accept redelivery of certain of the vessels for the reason that the decline in trade had deprived them of employment. After prolonged negotiations and investigation of the financial condition and operating results of these companies, the Shipping Board agreed to accept the return of three vessels from each company, credit to be allowed for the appraised value of the vessels, to be applied to the mortgage indebtedness on these and other vessels of each purchaser. Four other cargo vessels were acquired by transfer from other Government departments, 3 from the War Department and 1 from the Navy Department.

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.

During the fiscal year 1932 the Southgate Nelson Corporation, which previously had tentatively purchased the American Hampton Roads Line, was assigned the operation of the Oriole Lines, and later

negotiated the purchase of this service. The sales contract which covers the American Hampton Roads Line, the Oriole Lines, and the trade name "Yankee Line" was executed on March 1, 1933, but the consummation of the contract is contingent upon the purchaser obtaining a mail contract, which has not yet been awarded. In the meantime the Southgate Nelson Corporation is operating this service under the 1930 operating agreement.

Offers are pending for the purchase of the America France Line and the American Republics Line, but negotiations for these lines will not be completed until mail contracts have been awarded.

Near the end of the fiscal year the Shipping Board adopted a new sales policy providing that future sales, except in the case of vessels sold for restricted operation in established foreign services, would be on a cash basis and that in deciding the acceptability of purchase offers consideration would be given to the service in which it was proposed to operate the vessel, the availability of suitable privately owned tonnage, and the possibility of the bidder constructing a new ship instead of purchasing an old one. Heretofore terms of 25 percent cash and the balance payable over a period of from 5 to 7½ years, depending upon the size of the vessel, were extended to purchasers whose credit was approved, but in the future these terms will apply only to ships sold for trade-route operation.

Extent of Vessel Operations

The cargo vessel operations of the Merchant Fleet Corporation were greatly reduced in the fiscal year 1933 compared with 1932 or preceding years, due to its intensive plans for liquidation and retrenchment.

On June 30, 1933, there were 38 active cargo ships assigned to managing operators in Shipping Board services, whereas on the same date the preceding year there were 81 active vessels so assigned. This reduction of 43 vessels resulted principally from the sale of the consolidated Gulf services, which accounts for 38 active vessels, the balance being due to the withdrawal of vessels not required by managing operators of existing services because of reduced sailings.

During 1933, 352 cargo voyages were completed which, compared to the total of 531 in 1932 shows a reduction of 179 voyages. Of this total reduction, 59 resulted from the sales of the American Diamond Lines and Mobile Oceanic Line and the discontinuance of the separate operation of the American Brazil Line. The remainder of the reduction, or 120 voyages, is attributed to the consolidation of services and the program of limited sailings adopted by the Merchant Fleet Corporation in the last quarter of the fiscal year 1932 because of the adverse economic situation. The volume of the world's cargo movement had greatly decreased and the reduction of sailings was produc-

tive of savings to the Merchant Fleet Corporation without jeopardizing its position in the trade routes served.

A list of cargo services in operation on June 30, 1933, showing names of managing operators and the number of vessels assigned to each is included as table IV in the appendix.

Total Results of Operations During 1933

The total operating loss of the Merchant Fleet Corporation in the fiscal year 1933 was approximately \$5,387,000, which is \$3,044,000 below the 1932 loss. Notwithstanding the very unsatisfactory shipping conditions that prevailed during the year, the 1933 loss is the lowest point in a gradual scale of loss reduction from the total loss of \$41,000,000 reported in the fiscal year 1924.

A profit and loss statement for the fiscal year 1933, showing operating results for various activities of the Merchant Fleet Corporation, is given in table X of the appendix.

Cost of Cargo Services

The total cost to the Merchant Fleet Corporation of maintaining cargo services in the fiscal year 1933 amounted to \$4,805,000, which is \$2,182,000 less than the corresponding amount in 1932.

The reduction in costs is accounted for by a saving of \$457,000 resulting from the discontinuance or sale of lines and by a reduction of \$184,000 in the cost of maintaining inactive or spot vessels. The remainder, or \$1,540,000, was saved almost entirely through the consolidation of services and curtailment of sailings of the lines maintained by the Merchant Fleet Corporation during the year and to a small extent by the sale of the Gulf Lines toward the close of the year. The consolidations referred to, which were placed in effect in the fiscal year 1932, have justified the purpose which initiated this action by making the lines more readily salable and making possible the reduction of the number of sailings, resulting in great savings to the Merchant Fleet Corporation without diminishing the value of the respective services.

Another advantage to the Fleet Corporation through these consolidations was making it possible for the managing operators to carry on the services without increased lump-sum compensation despite the severe decreases in freight revenues experienced on account of economic conditions, as they were able to operate with less ships and otherwise reduced operating expenses through the curtailment of sailings as directed by the Fleet Corporation.

Other Operating Results

Charter hire net earnings in 1933 totaled \$18,000, or a little more than one third of the amount reported in 1932, due to the smaller number of vessels under charter during the fiscal year 1933.

Miscellaneous income amounted to \$370,000 in 1933, or about \$87,000 more than the 1932 total. Approximately \$82,000 of this increase is due to increased profits at terminals, resulting from reduced costs for reconditioning, betterments, and improvements. Revenues for terminal operations in 1933 were considerably less than those for 1932, unsatisfactory business conditions being keenly felt by this activity. There was a net decrease of \$31,000 in interest earnings, which fell off materially for two reasons: First, withdrawal of funds from banks; and second, reduction in interest rates on bank balances.

Reduction of Pay Rolls and Administrative Expenses

A further reduction in the personnel and pay rolls of the Merchant Fleet Corporation was accomplished during the fiscal year 1933. Comparison of total pay rolls at the beginning and at the end of the fiscal year shows that net reductions of 92 employees and annual salaries totaling \$350,467 were made, a pay-roll reduction of 21 percent.

Comparison of pay rolls at July 1, 1928, and at June 30, 1933, indicates the total accomplishment of the Merchant Fleet Corporation since the inauguration of its intensive personnel reduction program at the beginning of the fiscal year 1929. Since that time 2,129 employees and annual salaries and wages totaling \$3,413,776 have been removed from the pay rolls of the Merchant Fleet Corporation, a decrease amounting to over 72 percent of the July 1, 1928, pay roll.

In addition to these reductions in salaries and wages, savings have been accomplished in other items of administrative expense, i.e., rent; traveling expenses and transportation; telephone, telegraph, and cable charges; legal and witness fees; cost of supplies and stationery; and other miscellaneous items. Total expenses of this nature in 1933, excluding salaries and wages, amounted to \$102,300 less than in the preceding year, a saving of approximately 39 percent.

Reduction of Appropriations

The Independent Offices Appropriation Act for the fiscal year 1933 did not provide an appropriation of funds from the United States Treasury to cover the operating expenses of the Merchant Fleet Corporation, and similarly no such appropriation is provided for the use of the corporation in the fiscal year 1934. This is in decided contrast with the records for the preceding years. In the fiscal year 1923, for instance, \$50,000,000 were appropriated for such purposes. The same amount was appropriated for 1924, and in subsequent years the amounts were gradually reduced until the fiscal year 1932, when the amount so appropriated was \$1,970,000.

The reductions in these appropriations and the complete elimination thereof for the fiscal years 1933 and 1934 have been made possible

by the decrease in operating costs of vessels and other economies that have been effected during these years, similar to those applying to the fiscal year 1933, as described in the preceding paragraphs. Another factor, however, that has made possible the elimination of these appropriations was the decision of the Merchant Fleet Corporation and the Shipping Board to meet operating losses by using funds in certain reserves that had been set up to meet various liabilities and contingencies. The use of these reserves, in lieu of appropriations for the fiscal years 1933 and 1934, was decided upon with the full concurrence of the Bureau of the Budget and Appropriation Committee of Congress and with the definite understanding that it might be necessary at some subsequent date to obtain appropriations to meet liabilities which were originally intended to be covered by these reserves.

SUPPLY AND OPERATING ACTIVITIES

Care of Reserve Fleet

At the beginning of the fiscal year 1933, 260 vessels were laid up, but by the end of the year this total had decreased to 246, including 8 vessels sold to Lykes Bros.-Ripley S.S. Co., but not delivered, 2 vessels held for the United States marshal pending sale, 2 vessels transferred to the War Department but not delivered, and 92 vessels authorized to be sold to the Boston Iron & Metal Co. but not delivered.

On June 30, 1933, the 246 laid-up vessels were concentrated at the following points:

Location:	Number of vessels
New York (Staten Island).....	78
Fort Eustis, Va. (James River).....	94
Solomons, Md. (Patuxent River).....	4
New Orleans, La.....	63
Mobile, Ala.....	3
Seattle, Wash. (Lake Union).....	4
Total.....	246

Hog Island, Pa., was discontinued as a lay-up point just before the close of the fiscal year and 6 vessels laid up at that point were transferred to Fort Eustis, Va. Four vessels purchased by the Shipping Board at foreclosure sales in Seattle, early in the fiscal year, were tied up at Lake Union, near Seattle.

The steamships *America* and *George Washington*, formerly laid up at Hoboken, were transferred to Solomons, Md., where two other passenger vessels have been moored since 1927, and where maintenance expenses are substantially less than they would be at any other point.

Terminals

The pier facilities controlled by the Shipping Board on June 30, 1933, 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 Hoboken terminal was being operated by the Merchant Fleet Corporation, the other pier facilities being 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 1933, are outlined below.

Boston.—This terminal property was operated directly by the Fleet Corporation from July 1, 1932, to October 5, 1932, on which date it was taken over by the Boston Tidewater Terminal, Inc., a newly organized corporation, on behalf of which the highest bid received at an advertised opening of bids for leasing this terminal was submitted. The lease agreement with this company, running for a period of 5 years from October 15, 1932, provides for rental amounting to 20 percent of the gross revenue derived from use and operation of the property, with a minimum guarantee of \$27,500 per annum. The lease also provides that the Fleet Corporation will continue to receive revenue from the storage of wool at this terminal until June 30, 1933.

The total revenue that accrued to the Fleet Corporation from direct operation of this terminal during part of the year, from the lease for the balance of the year, and from wool storage for the entire year, amounted to approximately \$102,000. Operating and maintenance expenses totaled \$52,000, leaving a net profit of about \$50,000 for the fiscal year.

Hoboken.—This terminal, which consists of 5 piers and other facilities, has been operated continuously by the Merchant Fleet Corporation for several years with profitable results. In the fiscal year 1933, revenues exceeded maintenance, reconditioning and operating expenses by approximately \$15,000, which is the smallest profit reported for this terminal in many years.

During the fiscal year it was decided to advertise for bids for leasing this property. Advertisements for bids were run for a period of 4 weeks and a large number of proposals accompanied by draft of a proposed lease, were forwarded to prospective bidders, but on the advertised date of opening only one bid was received. This bid was not entirely satisfactory to the Shipping Board and negotiations were entered into with this bidder, Mr. Max Thaten, in an effort to reach a modified agreement acceptable to both parties. These negotiations were still under way at the close of the fiscal year.

Brooklyn.—This terminal, comprising Piers No. 3 and No. 4 of the Brooklyn Army Supply Base, is leased to the Atlantic Tidewater Terminals for a period of 5 years, commencing December 1, 1928. The lease provides for rental amounting to 55 percent of the gross

receipts, with a guaranteed minimum of \$160,000 per annum. During the fiscal year 1933, approximately \$173,500 accrued to the Fleet Corporation under this lease, while repair and other expenses for the Corporation's account, totaled \$38,800, leaving a profit of \$134,700 to the Merchant Fleet Corporation.

Philadelphia.—This terminal, consisting of 3 piers, 11 acres comprising the classification yard, and 25 acres used as a lumber concentration yard, is leased to the Merchants' Warehouse Co. for a period of 5 years ending August 15, 1936. This lease provides for rental amounting to 25 percent of the gross revenue received from operation of the piers, with a guaranteed minimum of \$125,000 per annum. The lease further requires that the lessee make certain permanent improvements in the lumber concentration yard at a cost not in excess of \$50,000, the lessee to reimburse himself for this expenditure, and for an expenditure of approximately \$8,000 for work previously done, by applying the gross revenue derived from the operation of the lumber concentration yard. After reimbursement has been completed, 25 percent of the gross revenue from said yard is payable to the Fleet Corporation.

Early in the fiscal year 1933, due to bad business conditions, the lessee requested that the minimum guarantee under this lease be reduced and the Shipping Board authorized a reduction from \$125,000 to \$100,000 for the year ending June 30, 1933.

During the fiscal year 1933, approximately \$71,300 accrued to the Fleet Corporation as its 25 percent share of the gross revenue from operation of the piers, and since this total is less than the guaranteed minimum rental for that year, the lessee will be required to pay the \$28,700 difference. Reconditioning and operating costs totaled \$6,600 for the year, leaving a net profit of \$93,400 to the Merchant Fleet Corporation. Gross revenue from the operation of the lumber yard during the year, totaling \$16,900, was retained by the lessee as an offset to the cost of improvements, as provided in the lease.

Norfolk.—The 2 piers, 8 major fireproof warehouses, and 3 frame warehouses which comprise this terminal, are leased to the Norfolk Tidewater Terminals, Inc., for a period of 7 years commencing August 31, 1930. This lease provides for rental amounting to 18 percent of the gross revenue, with a guaranteed minimum of \$75,000 per annum, and also provides that the Fleet 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 1933, approximately \$102,700 accrued to the Fleet Corporation from operations at this terminal, while reconditioning and other expenses charged to the Corporation amounted to \$73,400, leaving a net profit of \$29,300 for this activity.

Charleston.—This terminal is leased to the Port Facilities Commission of Charleston for a term of 5 years commencing March 1, 1931. This lease provides that the Fleet Corporation receive all net profits from the operation of the terminal up to an amount equivalent to 4¼ percent per annum on the total cost of reconditioning the property. If the net profit in any year exceeds this amount, a sum not exceeding 2½ percent 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 1933 about \$16,800 accrued to the Fleet Corporation from the operation of this terminal, while reconditioning costs assumed by the corporation amounted to \$12,000, leaving a net operating profit of \$4,800. During the year approximately \$8,200 was expended in the construction of seven houses to be occupied by employees.

All terminals.—The operation of the above terminals during the fiscal year 1933, resulted in a net profit of approximately \$319,000 to the Merchant Fleet Corporation, excluding the cost of houses erected at the Charleston Terminal.

Fuel Purchases and Issues

The volume of fuel purchases and issues and the cost thereof in 1933 were much less than in 1932 and were only a fraction of the quantities and costs reported in prior years before the general adoption of the 1930 operating agreement resulted in the transfer of purchasing responsibilities to managing operators.

Fuel oil purchased by the Merchant Fleet Corporation for vessels, totaled 147,315 barrels in 1933, compared with 665,125 barrels in 1932, and the average purchase price for this fuel dropped from \$0.7618 to \$0.7388 per barrel. Coal purchases decreased from 18,052 tons to 1,685 tons, and the price average increased from \$4.17 to \$4.806 per ton.

Activities at fuel oil stations formerly operated by the Fleet Corporation, were discontinued during the fiscal year 1932 and all but one of these stations were disposed of before the beginning of the fiscal year 1933. This one station at Craney Island, Norfolk, Va., has been leased for a term of 5 years, beginning May 1, 1933, to the Pennsylvania Shipping Co., to be used as a public tank storage. Rental for the first year amounts to \$500 and for subsequent years, the rental is to be fixed by the Shipping Board after examination of the operating results of the lessee. This station has been subleased by the Pennsylvania Shipping Co. to its subsidiary, the Virginia Tank Storage Co. The lessee is to make all repairs and fully maintain the property at its own expense and has commenced extensive repairs and improvements to place the property in operating condition.

Storekeeping Activities

On June 30, 1933, the inventory value of stores and equipment in warehouses totaled \$1,296,000, whereas on the same date in 1932, warehouse inventories totaled \$1,522,000, a reduction of about 15 percent. Sales of surplus and scrap made during the year reduced the inventories about \$27,000. Materials with an inventory value totaling \$32,000 were transferred to various Government departments without an exchange of funds.

The storehouse at Philadelphia, Pa., was closed at the end of the fiscal year, the small amount of material remaining on hand being transferred to the Hoboken warehouse.

The material and equipment in the warehouses at Hoboken, Norfolk, and New Orleans, is being inventoried and reviewed and instructions have been issued to dispose of all surplus items not required for outfitting vessels in the reserve fleet, vessels which are still in operation and for terminal maintenance purposes.

During the fiscal year, in cooperation with the Chief Coordinator, surplus office furniture, equipment and other materials, with a book value of more than \$100,000, were transferred to other Government departments without exchange of funds.

TRAFFIC

General Conditions

The fiscal year 1933 was another year of serious depression in world trade. The principal reason for unfavorable operating results for American-flag vessels was the decline in the volume of export trade and continuing reductions in cargo rates. Homeward traffic remained almost unchanged in volume, but suffered from a decline in trade rates. In spite of this discouraging picture, however, there is evidence to indicate that shipping has reached the bottom of the depression and that somewhat better results may be expected during the coming year. This is evidenced by the fact that cargo rates are showing a tendency to become more firm in most trades for the first time since 1930. Furthermore, cargo movement is showing some increase in volume.

Pooling Agreements

Failure of shipping lines to cooperate in reducing excess vessel tonnage in operation has been an important factor in the past. The practice of pooling freight earnings has relieved this situation somewhat, since it removes most of the incentive for the employment of tonnage in excess of requirements and insures a fair percentage of business to lines entering into such agreements. The Fleet Corporation has endeavored to encourage and assist American-flag lines in the negotiation of such agreements, of which the following are characteristic: An agreement covering cotton and other cargo movements

from New Orleans and Texas ports to Liverpool and Manchester; and an agreement in the Antwerp-Hamburg range to North Atlantic western movement.

Pooling agreements are also in process of negotiation between American-flag and German-flag lines operating from the Gulf district and between American and foreign-flag lines operating from the North Atlantic to the Far East.

Special Cargo Movements

During the year, American lines have been assisted in obtaining a share of special cargo movements. At the close of the year, negotiations were under way in connection with the handling of cotton, wheat, and flour purchased by the Chinese Government from the proceeds of a loan of \$50,000,000 granted by the Reconstruction Finance Corporation. While the loan agreement stipulates that half of the movement is to go forward on American-flag vessels, it is hoped that an even greater percentage may eventually be obtained.

INSURANCE

The Merchant Fleet Corporation, as directed by the Shipping Board, under authority of the Merchant Marine Act, 1928, continued during the fiscal year 1933 to maintain and administer the marine insurance fund, which is used to insure in whole or in part the Government's legal or equitable interest in merchant tonnage. The policy adopted by the Shipping Board during the fiscal year 1932 of encouraging the placing of marine insurance in the commercial American market has been followed closely. Assistance has been rendered owners of vessels purchased from the Shipping Board as well as owners of vessels constructed or reconditioned with the aid of loans obtained from the construction loan fund, by accepting in the marine insurance fund, insurance in excess of the capacity of the private American market and insurance for which satisfactory rates were not obtainable in such market. The Shipping Board has also approved, in particular instances, the placing of insurance in foreign markets, after due consideration of the conditions, which made the placing of such insurance in the American market or in the marine insurance fund inadvisable.

As at June 30, 1933, the total coverage of the marine insurance fund amounted to \$54,003,775, of which \$30,389,875 applied to 106 privately owned American-flag vessels and \$23,613,900 represented insurance on 61 vessels operated in Fleet Corporation services. The total amount of insurance was, therefore, \$28,500,000 less than the amount covered at the beginning of the fiscal year.

From the date of the creation of the marine insurance fund on January 1, 1930, to June 30, 1933, premiums earned on policies, interest, and miscellaneous earnings, totaled \$9,194,000, while claims paid on such policies and administrative expenses amounted to \$8,247,000. Pay-

ments totaling nearly \$2,300,000 were also made during this period in settlement of old claims which arose on vessels covered in the marine insurance reserve, which was in use before the present fund was established.

Unsettled claims on policies carried in the fund and on policies formerly covered by the marine insurance reserve are estimated to total approximately \$2,245,000 at June 30, 1933. Assuming that these claims are settled for this estimated amount, the unobligated balance of the marine insurance fund at June 30, 1933, would be \$5,116,000, which exceeds by \$566,000 the unobligated balance reported at the end of the preceding fiscal year.

The examination of commercial policies of insurance furnished by purchasers of vessels or borrowers from the construction loan fund to secure Shipping Board mortgage interest in such cases continued to be an important activity during the fiscal year when policies totaling \$576,000,000 were handled. Policies covering fire, workmen's compensation, public liability, and automobile liability insurance for the Merchant Fleet Corporation, totaling \$12,500,000, were examined and about 275 cases of personal injury of employees of the Fleet Corporation were handled with the United States Employees' Compensation Commission.

The settlement of protection and indemnity claims which arose prior to July 1, 1929, when the United States Protection and Indemnity Agency, Inc., was sold, has progressed favorably. During the year 113 claims were settled for approximately \$153,000, and on June 30, 1933, there were 264 pending claims totaling \$4,960,000, including a number of claims revived by the amendment to the Suits in Admiralty Act of June 30, 1932, referred to in the sixteenth annual report.

FINANCE

Cash Accounts

During the fiscal year, 11 of the cash accounts that were being maintained by the Merchant Fleet Corporation in banks or in the United States Treasury on July 1, 1932, were discontinued as follows: 1 in the United States Treasury, 3 subagency bank accounts, and 7 other bank accounts maintained for various purposes. On June 30, 1933, there remained a total of 20 accounts, of which 6 were carried in the United States Treasury and 14 were collection, good faith, and imprest fund accounts maintained in various commercial banking institutions in the United States and abroad. This large reduction in the number of bank accounts resulted from two principal causes; first, placing managing operators under the 1930 operating agreement under which they finance their vessel operating activities from private funds, and second, the continuation of the policy of transferring from commercial bank accounts to the United States Treasury, all money

on deposit in such banks not immediately essential to the operating activities of the Merchant Fleet Corporation. In pursuance of this policy, approximately \$1,800,000 was transferred to the United States Treasury during the fiscal year.

Collection of Accounts

During the fiscal year 3,502 current invoices totaling \$3,830,000, and insurance premiums amounting to \$1,350,000, were collected. Furthermore, 193 past-due accounts amounting to \$3,260,000 were collected, settled, or adjusted. At the end of the year, there were 137 unsettled past-due accounts totaling \$23,345,000.

Securities

Due principally to the large volume of construction loans made during the year, the face value of notes and securities held by the Shipping Board and Merchant Fleet Corporation increased to \$163,289,000, or about \$18,000,000 more than the total at the beginning of the year. Collections of principal payments on securities totaled \$6,681,000 during the year, of which \$4,731,000 applied to construction loan notes and \$1,760,000 to ship sales securities. The sum of \$4,847,000 was collected as interest on securities, this being the largest amount of interest ever collected in any one year, exceeding the 1932 total by \$632,000. Of the total interest collected, \$3,745,000 applied to loans or advances from the construction loan fund.

Collateral Securities

As a result of the closing of several bank accounts during the fiscal year, a large amount of collateral security that had been obtained from these banks to insure the safety of deposits maintained therein was released. At the close of the fiscal year, United States bonds with a face value of \$66,000 were held to secure bank deposits, this amount being sufficient to fully cover our deposits in these institutions. From time to time, various companies have deposited with the Merchant Fleet Corporation collateral securities to guarantee the performance of contractual obligations, and at the end of the fiscal year the corporation was holding \$800,000 in United States Government bonds and \$1,143,000 in corporation bonds for such purposes.

Cash Statement

A cash statement summarizing the financial activities of the United States Shipping Board and United States Shipping Board Merchant Fleet Corporation during the fiscal year ended June 30, 1933, is given in table VII of the appendix.

Housing Properties

The 12 properties in Camden, N.J., referred to in the sixteenth annual report, were still held by the Shipping Board at the close of the fiscal year 1933. During the year, the deposits made at the time four

of these properties were purchased at an auction sale were refunded to the purchasers due to the Shipping Board's inability to give good title thereto. Efforts to induce the title company to insure titles to seven of these properties, still covered by contracts of sale, have been continued and it appeared likely at the close of the fiscal year that these titles might be insured and these sales consummated. At Brooklawn, N.J., 3 properties were conveyed to the Brooklawn Housing Corporation, leaving 57 properties to be conveyed to that company, pursuant to agreements of November 4, 1931, and August 16, 1932. As a result of mortgage foreclosure proceedings, title to 13 lots of vacant land at Groton, Conn., and 4 improved properties at Philadelphia, Pa., were reacquired. Certain utilities, park space, etc., at Brooklawn, 2 vacant lots at Portsmouth, N.H., and 2 vacant lots at Groton, Conn., in addition to the 13 acquired by foreclosure during the fiscal year, were also held.

ACCOUNTING AND AUDITING

The accounting and auditing procedures of the Merchant Fleet Corporation were continued during the fiscal year without material change, except that the volume of detailed auditing work decreased during this year, as it did during the preceding year, due to reduction in the ship operation activities of the corporation, by reason of sales of lines and transfer of continuing lines to operation under the 1930 operating agreement. Under the latter agreement, books of account and other records are maintained by the managing operators in the manner prescribed by, and under the audit supervision of the General Comptroller. By this method, a large volume of detail audit work by the Fleet Corporation in connection with voyage accounts formerly required under the 1924 operating agreement, has been eliminated. The practice of making periodic audits of the accounts of lessees of terminal properties was continued.

In addition to the usual routine and accounting duties of the General Comptroller's Department, there was considerable activity in the development of accounting data essential to the prosecution and defense of international and other claims of substantial amounts, which are now in process of settlement by negotiation or litigation.

The balance sheet as of June 30, 1933, and the profit and loss statement for the fiscal year 1933, are included in the appendix in tables VIII and X, respectively.

SPECIAL AUDITING AND DISBURSING ACTIVITIES

The auditing and disbursing organization of the Merchant Fleet Corporation has rendered assistance to the Bureau of Construction and Finance of the United States Shipping Board in the examination of the financial affairs of debtors requesting adjustments of their

obligations and in connection with the administration and operation of the joint accounts that have been entered into by the United States Shipping Board with purchasers of vessels and borrowers from the construction loan fund, who have been unable to meet their obligations when due. For each such account, it is necessary to assign to the office of the debtor, experienced steamship auditors and disbursing officers of the Fleet Corporation's staff, whose duty it is to maintain close supervision over the accounts of the debtor to prevent unauthorized diversions of funds or other assets and to insure that the Government receive payment of balances due it as soon as the financial position of the debtors makes that possible. Through these activities, considerable progress was made in the formulation and installation of standardized and uniform accounting procedure for American steamship operators.

APPENDIX

APPENDIX

TABLE I.—Vessels sold and vessels disposed of otherwise than by sale during the fiscal year ended June 30, 1933

Name	Dead-weight tons	Gross tons	Sales price	Purchaser and conditions
STEEL CARGO VESSELS				
<i>Vessels sold for restricted operation on trade routes</i>				
American Gulf Orient Line, Dixie Mediterranean Line, Dixie U.K. Line, Southern States Line:				
American Press ¹	8,000	5,135	\$40,000	Lykes Bros.-Ripley Steamship Co., Inc.
Aquarius.....	9,599	6,094	47,995	
Cardonia ¹	8,000	5,104	40,000	
Chester Valley ¹	8,015	5,078	40,075	
City of Joliet.....	9,841	6,167	49,205	
City of Omaha.....	9,841	6,527	49,205	
Colorado Springs.....	10,277	6,864	51,355	
Conness Peak ¹	8,000	5,117	40,000	
Cranford.....	9,841	6,527	49,205	
Cripple Creek.....	9,707	6,320	48,535	
Dryden.....	10,405	5,816	52,025	
Duquesne.....	9,848	6,262	49,240	
Edgehill.....	10,305	6,868	51,525	
Effingham.....	9,694	6,421	48,470	
Eglantine.....	9,703	6,325	48,515	
Elmsport.....	10,295	6,865	51,475	
Endicott.....	9,704	6,319	48,520	
Ethan Allen ¹	12,648	7,621	63,240	
Hanover.....	10,406	5,816	52,025	
Hybert.....	9,841	6,501	49,205	
Jolee ¹	8,000	4,994	40,000	
Labette ¹	8,000	4,989	40,000	
Liberator.....	11,713	7,720	58,565	
Liberty Bell ¹	8,015	5,107	40,075	
Meanticut.....	9,373	6,061	46,865	
Narbo.....	9,402	6,085	47,010	
Nashaba.....	9,349	6,062	46,745	
Nemaha ¹	9,841	6,501	49,205	
Nishmaha.....	9,412	6,076	47,060	
Oakman.....	9,455	6,061	47,275	
Oakwood.....	9,455	6,071	47,275	
Patrick Henry ¹	12,648	7,586	63,240	
Quilsteonck ¹	8,000	5,144	40,000	
Scottsburg ¹	12,249	7,771	61,245	
Syros.....	9,841	6,501	49,205	
Tripp.....	8,546	5,703	42,730	
Volunteer ¹	11,850	7,717	59,250	
Waban.....	9,428	6,038	47,140	
West Camak.....	8,584	5,647	42,920	
West Chatalla.....	8,426	6,187	42,130	
West Cobalt.....	8,624	5,724	43,120	
West Cohas.....	8,554	5,647	42,770	
West Ekoni.....	8,554	5,630	42,770	
West Gambo ¹	8,554	5,579	42,770	
West Harshaw.....	8,624	5,756	43,120	
West Hobomac.....	8,604	5,527	43,020	
Westmoreland ¹	9,808	6,207	49,040	
West Quechee.....	8,624	5,711	43,120	
West Tacook ¹	8,593	6,176	42,965	
Western Queen.....	8,614	5,853	43,070	
Winston-Salem ¹	9,841	6,223	49,205	
Youngstown.....	9,808	6,633	49,040	
Total (52).....	492,358	318,434	2,461,790	

¹ 17 vessels included in sale, on which title had not been transferred as of June 30, 1933.

TABLE I.—Vessels sold and vessels disposed of otherwise than by sale during the fiscal year ended June 30, 1933—Continued

Name	Dead-weight tons	Gross tons	Sales price	Purchaser and conditions
STEEL CARGO VESSELS—contd.				
<i>Vessels sold under special conditions</i>				
Biboco.....	7,684	4,794	\$71,000	Sworn Steamship Line, Inc. Vessel restricted from operating in interstate trade during life of mortgage. A. H. Bull Steamship Co. Buyer obligated to expend \$70,000 in reconditioning and repairs. P. E. Harris & Co. Buyer obligated to convert vessel to cannery tender, equipped to carry 110-foot piling, at a cost of not less than \$75,000; vessel permanently restricted from operating in coastwise or intercoastal trade. Merchants & Miners Transportation Co. Buyer obligated to expend not less than \$50,000 on each vessel in reconditioning and repairs.
Natirar.....	7,400	4,659	35,000	
Dellwood.....	5,210	3,925	20,000	
Lake Fitch.....	4,145	2,713	31,000	
Lake Floris.....	4,145	2,606	33,000	
Total (5).....	28,584	18,697	190,000	

VESSELS SOLD FOR SCRAPPING

NOTE.—125 vessels, 1,088,985 deadweight tons, sold to Boston Iron & Metal Co., Inc. Vessels to which title had not passed on or before June 30, 1933, not included in this statement

Name	Dead-weight tons	Gross tons	Recovered metal	
			Tons	Value
Vessels completely scrapped				
Abraham Lincoln.....	12,980	7,660	3,551.803	\$5,363.22
Bellerose.....	9,786	6,517	2,990.526	4,515.69
Canoga.....	8,548	5,575	3,278.214	4,950.10
Cascade.....	7,562	4,839	2,835.785	4,282.04
Chappaqua.....	7,388	4,755	2,863.285	4,323.56
East Wind.....	9,095	5,869	2,554.633	3,857.50
Eastern Dawn.....	8,871	5,842	2,674.544	4,038.56
Eastern Moon.....	8,978	5,716	2,968.950	4,483.11
George E. Weed.....	8,747	5,975	2,968.970	4,483.15
Hickman.....	7,323	4,860	2,724.655	4,114.23
Kearny.....	9,786	6,096	2,982.810	4,504.05
Pachet.....	8,550	5,527	3,264.950	4,930.08
Rockaway Park.....	7,388	4,753	2,914.1414	4,400.35
Tenafly.....	7,388	4,754	2,777.1615	4,193.51
Western Spirit.....	8,800	5,760	3,196.035	4,826.01
Total (15).....	131,190	84,498	44,546.4629	67,265.16

Name	Deadweight tons	Gross tons
Vessels not completely scrapped		
Auburn.....	8,831	6,025
Babboosic.....	8,630	5,970
Balsam.....	7,388	4,749
Costigan.....	8,756	6,126
Eastern Star.....	6,099	4,330
Epitacio Pessoa.....	8,756	5,989
Henry Clay.....	12,930	8,166
Hinckley.....	7,388	4,755
Indianapolis.....	12,706	8,134
Luella.....	5,612	4,152
Oakland.....	9,330	6,002
Palisades.....	7,433	4,844
Wauconda.....	8,756	5,423
West Apsaum.....	8,516	5,573
Westwood.....	8,707	5,691
Western Hope.....	8,643	5,754
Total (16).....	139,081	91,683

TABLE I.—*Vessels sold and vessels disposed of otherwise than by sale during the fiscal year ended June 30, 1933—Continued*

Name	Dead-weight tons	Gross tons	Sales price	Purchaser
MISCELLANEOUS SALES				
Wood Harbor tug: Wizard			\$10,050	Meseck Towing Lines, Inc. Buyer obligated to convert to oil-burner and install Scotch boiler. Virginia Tank Storage Co.
Wood Motor Sailing launch, 36-foot: Norseland.			100	
Total (2)			10,150	
Grand total (90)	791, 213	513, 312	2, 661, 940	

¹ This total is exclusive of sales price of 31 ships sold and delivered for dismantling and scrapping on basis of recoverable metal.

DISPOSITION OF VESSELS OTHER THAN BY SALE

Name	Dead-weight tons	Gross tons	Transferee
<i>Transferred to other Government departments</i>			
Steel cargo:			
Lake Fernalda	4, 155	2, 595	} War Department.
Lake Flagan	4, 145	2, 609	

ADDITIONS TO SHIPPING BOARD FLEET

Name	Dead-weight tons	Gross tons	Sales prices	Transferred from—
<i>Transferred from other Government departments</i>				
Steel cargo:				
Dellwood.....	5, 210	3, 925	-----	} War Department.
Lake Faxon.....	4, 155	2, 592	-----	
Lake Fenn.....	4, 155	2, 592	-----	} Navy Department.
Kittory.....		1, 839	-----	
<i>Purchased at court sales</i>				
Steel cargo:				
Pacific Fir.....	8, 584	5, 645	\$10, 000	
Pacific Pine.....	8, 564	5, 435	15, 000	
Pacific Spruce.....	8, 584	5, 509	15, 000	
Pacific Hemlock.....	8, 527	5, 651	10, 000	
Pacific Redwood.....	8, 692	5, 683	10, 000	
Pacific Oak.....	8, 570	5, 622	13, 500	
Pacific Cedar.....	8, 460	5, 237	10, 000	
Shooters Island.....	7, 249	4, 755	14, 000	
Sag Harbor.....	3, 535	2, 431	7, 000	
<i>Acquired through settlements with purchasers</i>				
Steel cargo:				
West Campgaw.....	8, 591	5, 565	-----	} Title returned to Board by American West African Line, Inc.
West Chetac.....	8, 565	5, 620	-----	
West Kedron.....	8, 584	5, 627	-----	
West Corum.....	8, 635	5, 795	-----	} Title returned to Board by Mississippi Shipping Co., Inc.
West Neris.....	8, 542	5, 588	-----	
West Segovia.....	8, 627	6, 187	-----	

TABLE II.—*Vessel property controlled by the United States Shipping Board Merchant Fleet Corporation as of June 30, 1933*

Type	Total		Contract		Requisitioned	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Steel vessels:						
Passenger and cargo.....	4	42,024				
Cargo.....	286	2,480,600	228	1,931,006	47	426,974
Transport.....	1	1,564				
Refrigerators.....	9	64,665	5	41,967	4	22,698
Tugs.....	3					
Unfinished cargo.....	1	9,400	1	1,400		
Total.....	304	2,598,261	234	2,004,373	51	449,672
Wood vessels: Tugs.....	3		3			
Total.....	307	2,598,261	237	2,004,373	51	449,672

Type	Purchased		Seized		Acquired from other departments	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Steel vessels:						
Passenger and cargo.....			4	42,024		
Cargo.....	10	83,703	1	11,925		
Transport.....					1	1,564
Refrigerators.....						
Tugs.....					3	
Unfinished cargo.....						
Total.....	10	83,703	5	53,949	4	1,564
Wood vessels: Tugs.....						
Total.....	10	83,703	5	53,949	4	1,564

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

TABLE III.—*Status of vessels controlled by United States Shipping Board Merchant Fleet Corporation as of June 30, 1933*

	Number	Dead-weight tons
Vessels active in hands of operators or charterers:		
Cargo:		
Operating in specified services.....	38	329,970
Idle status with managing operators.....	15	140,498
United States Army service.....	1	12,850
Under bareboat charter.....	1	8,678
Tugs:		
Steel (bareboat).....	3	
Wood (in service with Reserve Fleet).....	2	
Total in hands of operators or charterers.....	60	491,896
Vessels inactive with Merchant Fleet Corporation:		
Cargo:		
Tied up.....	230	1,981,101
Spot with Operations Department.....	2	17,011
Passenger, tied up.....	4	42,024
Transport, tied up.....	1	1,564
Refrigerators, tied up.....	9	64,665
Tugs, wood, tied up.....	1	
Total inactive fleet.....	247	2,106,365
Total fleet.....	307	2,598,261

TABLE III.—*Status of vessels controlled by United States Shipping Board Merchant Fleet Corporation as of June 30, 1933—Continued*

SUMMARY OF TOTAL FLEET

	Active		Inactive		Total	
	Num- ber	Dead-weight tons	Num- ber	Dead-weight tons	Num- ber	Dead-weight tons
Cargo.....	55	491,896	232	1,998,112	287	2,490,008
Passenger.....			4	42,024	4	42,024
Transports.....			1	1,564	1	1,564
Refrigerators.....			9	64,665	9	64,665
Tugs.....	5		1		6	
Total.....	60	491,896	247	2,106,365	307	2,598,261

TABLE IV.—Managing operators and charters of U. S. Shipping Board vessels as of June 30, 1933

Name of line (and operator)	Address	Number of vessels	Deadweight tons	Form of agreement
America France Line (Cosmopolitan Shipping Co., Inc.)	42 Broadway, New York City	8	69,360	Amended operating agreement, 1930.
American Gulf Orient Line (Lykes Bros.-Ripley Steamship Co., Inc.) ¹	925 Whitney Central Building, New Orleans, La.	4	49,395	D.O.
American Hampton Roads Line (Southgate-Nelson Corporation)	Southgate Terminal, Norfolk, Va.	3	24,015	D.O.
American Pioneer Line (Roosevelt Steamship Co., Inc.)	1 Broadway, New York City	11	100,331	Operating agreement 1930.
American Republics Line (C. H. Sprague & Son, Inc.)	33 Broad Street, Boston, Mass.; 44 Whitehall Street, New York City	11	90,347	Amended operating agreement, 1930.
American West African Line, Inc. (Harbor Steamship Lines, Inc.)	17 Battery Place, New York City	1	8,578	Bare boat charter.
Die U.K. Line (Lykes Bros.-Ripley Steamship Co., Inc.) ²	925 Whitney Central Building, New Orleans, La.	1	8,578	Amended operating agreement, 1930.
Doric Mediterranean Line (Lykes Bros.-Ripley Steamship Co., Inc.) ²	do	6	48,030	D.O.
South Atlantic States Line (Lykes Bros.-Ripley Steamship Co., Inc.) ²	do	5	46,637	D.O.
Brentitt, Chasman & Scott Corporation	17 Battery Place, New York City	3	41,853	Bare boat charter.
Old Line (Southgate-Nelson Corporation)	Southgate Terminal, Norfolk, Va.	5	41,853	Amended operating agreement, 1930.
War Department	Washington, D.C.	1	12,850	Loan basis.
Total		53	491,896	

¹ Line sold to Lykes Bros.-Ripley Steamship Co., Inc., 3 vessels in inactive status, 1 active vessel, awaiting delivery to purchaser.² Lines sold to Lykes Bros.-Ripley Steamship Co., Inc., vessels in inactive status, awaiting delivery to purchaser.³ Salvage tugs.

NOTE.—Does not include 2 tugs and 8 barges operated by the Reserve Fleet.

TABLE V.—Services maintained by the U. S. Shipping Board Merchant Fleet Corporation as of June 30, 1933

	Number of services	Vessels in hands of operators
European	5	16
South American	3	11
Far East, India, and North Atlantic to Australia	4	12
Total	12	39

NOTE.—Excludes 1 vessel loaned to War Department, and 1 vessel under bare boat charter to the American West African Line, Inc.

EUROPEAN TRADES

Line and operator	From—	To—	Frequency of sailings	Number of vessels
Oriole Lines (Southgate-Nelson Corporation)	Baltimore, Hampton Roads, New York.	Glasgow, Belfast, Dublin, Avonmouth, Cardiff.	Monthly.	5
Do.	Baltimore, Hampton Roads, Philadelphia, New York, Boston.	Liverpool, Manchester, Cork.	2 per month.	
American Hampton Roads Line (Southgate-Nelson Corporation).	Philadelphia, Baltimore, Hampton Roads, Boston, Portland.	London, Hull, Leith, Dundee.	do.	3
Do.	Philadelphia, Boston, Portland.	Hamburg, Bremen ¹ .	do.	
America France Line (Cosmopolitan Shipping Co., Inc.)	Baltimore, Hampton Roads, Philadelphia, New York, Boston. ²	Havre, Dunkirk, Bordeaux, St. Nazaire. ³	Weekly.	8
Total.				16

¹ Via London.² Calls Boston every 6 weeks.³ Vessels call Bordeaux, St. Nazaire once a month via Havre but omitting Dunkirk.

SOUTH AMERICAN TRADES

American Republics Line (C. H. Spagne & Son, Inc.)	Boston, Philadelphia, New York.	River Plate ports.	2 per month.	11
Do.	North and South Atlantic.	Brazil and River Plate ports.	Monthly.	
Do.	Philadelphia, New York.	do.	Every 6 weeks.	

FAR EAST AND LONG VOYAGE TRADES

American Pioneer Line (Roosevelt S.S. Co., Inc.)	North Atlantic ports.	Far East.	Monthly.	11
Do.	do.	India.	do.	
American Gulf Orient Line (Lykes Bros.-Ripley S.S. Co., Inc.) ¹	New Orleans, Fort Arthur, Houston, Galveston.	Australia.	Every 2 months.	
Total.		Far East.	1	12

¹ Line sold to Lykes Bros.-Ripley S.S. Co., Inc., under guaranteed service agreements, vessels in process of delivery.

TABLE VI.—An analysis of the total vessel property acquired by the United States Shipping Board showing disposition of same as of June 30, 1933

Type	Total acquired from all sources		Conversion in type	Distributed		Vessels sold		Vessels lost		Vessels transferred to Government department		Scrapped		Vessels owned June 30, 1933	
	Num-ber	Dead-weight tons		Num-ber	Dead-weight tons	Num-ber	Dead-weight tons	Num-ber	Dead-weight tons	Num-ber	Dead-weight tons	Num-ber	Dead-weight tons	Num-ber	Dead-weight tons
Cargo steamers:															
Steel.....	1,521	10,098,868	-7 cargo converted to tankers. -3 cargo converted to coolie carriers. -5 cargo converted to passenger. +11 transports converted to cargo.	1,517	10,126,226	1,149	7,139,556	57	336,031	25	180,031			286	2,480,608
Steel (uncompleted).....	1	9,400		1	9,400									1	9,400
Wood.....	307	1,128,400		307	1,137,980	263	983,553	22	82,910	4	6,088	18	65,409		
Composite.....	18	63,750		18	63,750	18	63,750								
Concrete.....	4	13,500		4	12,656	2	6,078	2	6,578						
Total.....	1,851	11,308,918		1,847	11,349,992	1,432	8,132,937	81	425,519	29	186,119	18	65,409	287	2,490,008
Tankers:															
Steel.....	143	1,394,180	+7 cargo converted to tankers.	150	1,447,542	138	1,315,862			12	131,680				
Wood.....	1	4,700		1	4,700	1	4,700								
Concrete.....	8	60,000		8	56,282	4	27,469	1	7,500	3	21,313				
Total.....	152	1,458,880		159	1,508,524	143	1,348,031	1	7,500	15	152,993				
Passenger steamers:															
Steel.....	57	628,967	+5 cargo converted to passenger.	62	625,492	52	512,881	2	19,910	4	50,677			4	42,024
Iron.....	1	4,000		1	4,000	1	4,000								
Total.....	58	630,967		63	629,492	53	516,881	2	19,910	4	50,677			4	42,024
Refrigerator steamers.....	19	161,400		19	141,495	6	45,932	1	5,524	3	25,314			9	64,865
Transports: Steel.....	34	235,468	-11 transports converted to cargo.	23	139,084	7	47,664			15	79,826			1	1,564
Colliers: Steel.....	19	103,728		19	104,792	19	104,792								
Coolie carriers: Steel.....			+3 cargo converted to coolie carriers.	3	11,395	3	11,395								

[illegible]

VESSELS PURCHASED BY UNITED STATES SHIPPING BOARD

Type	Total vessels acquired by purchase		Vessels sold		Vessels lost		Vessels transferred		Vessels owned as of June 30, 1933		Total distributed	
	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons
Cargo:												
Steel	49	286,277	29	151,260	8	42,669	2	8,965	10	83,703	49	286,587
Wood	1	2,800	1	2,800							1	2,800
Total	50	289,077	30	154,060	8	42,669	2	8,965	10	83,703	50	289,387
Painters: 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
Collars: Steel	10	33,378	10	33,118							10	33,118
Tugs:												
Steel	26		10				16				26	
Wood	2		1		1						2	
Total	28		11		1		16				28	
Barges: Wood	8		5		1				2		8	
Grand total	103	365,805	63	230,561	10	42,669	18	8,965	12	83,703	103	365,898

TABLE VI.—An analysis of the total vessel property acquired by the United States Shipping Board showing disposition of same as of June 30, 1933—Continued

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

Type	Total vessels acquired by transfer		Vessels sold		Vessels lost		Vessels transferred		Vessels owned as of June 30, 1933		Total distributed	
	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons
Cargo: Steel.....	1	3,500	1	3,500							1	3,500
Passenger: Steel.....	2	7,504	2	7,504							2	7,504
Transport: Steel.....	3	16,064	2	13,060					1	1,564	3	14,624
Tugs:												
Steel.....	6		2				1		3		6	
Wood.....	2		1				1				2	
Total.....	8		3				2		3		8	
Barges: Wood.....	9		1				2		6		9	
Grand total.....	23	27,068	9	24,064			4		10	1,564	23	25,628

EX-ENEMY VESSELS SEIZED

Type	Total vessels seized		Vessels sold		Vessels lost		Vessels transferred		Vessels owned as of June 30, 1933		Total distributed	
	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons
Cargo:												
Steel.....	52	309,257	40	229,531	6	37,349	5	40,165	1	11,925	52	318,970
Wood.....	2						2				2	
Total.....	54	309,257	40	229,531	6	37,349	7	40,165	1	11,925	54	318,970
Passenger: Steel.....	20	302,391	19	172,689	2	19,910	4	50,677	4	42,024	29	285,300
Transports: Steel.....	9	39,629					9	38,739			9	38,739
Tugs: Wood.....	1		1								1	
Barges: Steel.....	3		3								3	
Sailing vessels:												
Steel.....	7	24,264	6	22,050	1	2,214	2				7	24,264
Wood.....	2										2	
Total.....	9	24,264	6	22,050	1	2,214	2				9	24,264
Grand total.....	105	675,441	69	424,270	9	59,473	22	129,581	5	53,949	105	667,273

TABLE VII.—Summarized consolidated cash statement, by appropriations, for the fiscal year ended June 30, 1933

Code	Caption	Total	U. S. Shipping Board			
			Salaries and expenses 1931	Salaries and expenses 1932	Salaries and expenses 1933	Construction loan fund
	Unexpended balance as at June 30, 1932.....	\$67,031,152.38	\$0,573.43	\$38,324.43		\$33,182,383.51
Receipts:						
RA.....	Appropriations.....	367,000.00			\$367,000.00	
Sales:						
RB.....	Sales of vessels, tugs, and/or barges.....	2,292,957.80				
RC.....	Sales of assets other than vessels, tugs, and/or barges.....	69,556.80				
	Total sales.....	2,362,514.60				
Operation of vessels revenue:						
RF.....	Operation of vessels revenue.....	123,562.96				
RH.....	Real estate operation and rental revenue.....	761,888.18				
Other receipts:						
RJ.....	Interest earned.....	1,156,794.17				
RL.....	Miscellaneous receipts.....	3,835,812.99			118.61	3,753,130.20
RM.....	Insurance premiums.....	1,633,069.69				
	Total other receipts.....	6,675,676.85			118.61	3,753,130.20
Recovered disbursements:						
RDD.....	Operation of vessels expense.....	224,674.68				
RDE.....	Vessel repairs and betterments.....	52,990.98				
RDF.....	Protection and indemnity insurance expense and losses.....	10,370.45				
RDG.....	Marine insurance expense and losses.....	277,754.19				
RDH.....	Marine insurance premiums.....	2,748.15				
RDI.....	Life insurance.....	65,338.32				
RDJ.....	Life insurance premiums.....	5,143.55				
RDK.....	Protection and indemnity insurance premiums.....	21,553.73				
RDL.....	Real estate operation and rental expense.....	12,670.72				
RDM.....	Fuel purchases for stores and tenders to vessels.....	8,441.84				
RDO.....	Warehouse stores.....	26,575.79			13,416.53	
RDS.....	Appropriations returned to U. S. Treasury.....	5,374,314.55				4,731,113.14
RDT.....	Miscellaneous disbursements.....	79,056.61		9.44		
RDU.....	Administrative salaries.....	74,341.19	100.00	1,444.77	3,962.81	
RDV.....	Other general expense.....					
	Total recovered disbursements.....	6,235,573.75	100.00	1,454.21	17,379.34	4,731,113.14
	Total receipts.....	16,525,716.34	100.00	1,454.21	384,497.95	8,484,243.34
	Transfers of funds.....	3,869,862.16				2,775,000.00
	Total.....	87,476,730.88	9,673.43	39,778.64	384,497.95	44,441,631.85

TABLE VII.—Summarized consolidated cash statement, by appropriations, for the fiscal year ended June 30, 1933.—Continued

Code	Caption	U. S. Shipping Board Merchant Fleet Corporation						
		Operating fund	1923 claims appropriation	Liquida- tion fund 1930-32	Sales receipts		Repossessed ships and trade routes	Insurance fund
					Liquidation fund 1933	In suspense		
RA	Unexpended balance as at June 30, 1932.	\$18,442,538.91	\$1,594,722.18	\$114,148.75			\$5,000,000	\$8,304,943.14
RA	Receipts:							
RA	Appropriations							
RA	Sales:							
RA	Sales of vessels, tugs, and/or barges.				\$1,023,228.88	\$1,209,730.92		
RA	Sales of assets other than vessels, tugs, and/or barges.				56,786.85	12,769.95		
RA	Total sales.				1,080,015.73	1,222,500.87		
RA	Operation of vessels revenue.	123,562.96						
RA	Real estate operation and rental revenue.	751,888.13						
RA	Other receipts:							
RA	Interest earned.	45,063.90			420,121.71	678,626.20		11,979.36
RA	Miscellaneous receipts.	132,564.18						1,633,069.69
RA	Insurance premiums.							1,645,049.05
RA	Total other receipts.	178,631.08			420,121.71	678,626.20		
RA	Recovered disbursements:							
RA	Operation of vessels expense.	221,671.68						
RA	Vessel repairs and betterments.	32,890.08						
RA	Protection and indemnity insurance expense and losses.	10,570.45						
RA	Marine insurance expense and losses.	244,405.04						33,348.55
RA	Warehouse expenses.	2,748.32						
RA	Laid-in vessel expense.	63,538.32						
RA	Protection of vessel equipment insurance premiums.	3,143.55						
RA	Real estate operation and rental expense.	21,550.72						
RA	Total recovered for claims and losses on vessels.	10,570.45						
RA	Warehouse stores.	8,441.34						
RA	Appropriations returned to U. S. Treasury.	13,150.96						
RA	Miscellaneous disbursements.	643,201.21						
RA	Administrative salaries.	79,047.17						
RA	Other general expense.	68,533.61						
RA	Total recovered disbursements.	1,452,178.51						33,348.55
RA	Total receipts.	2,515,760.73			1,500,135.44	1,961,127.07		1,678,397.60
RA	Transfers of funds.	1,061,465.21						25,314.30
RA	Total.	22,019,764.85	1,594,722.18	114,148.75	1,500,135.44	1,961,127.07	5,000,000	10,068,655.04

TABLE VIII.—Balance sheet as at June 30, 1933

ASSETS		
A-1-1	Cash and unrequisioned appropriations available for general purposes.....	\$11,076,210.53
A-1-2	Cash and unrequisioned appropriations available for operation of vessels taken back from purchasers.....	5,000,000.00
A-1-3	Cash, insurance fund, Merchant Marine Act, 1928.....	7,534,603.87
A-1-4	Cash, engineering and development program.....	122,168.70
A-2	Cash, available for settlement of claims, appropriation act, fiscal year 1933.....	386,746.00
A-3	Cash and unrequisioned appropriations, U.S. Shipping Board.....	74,314.01
A-4	Construction loan and dieselization funds.....	147,373,066.39
A-5	Accounts receivable.....	\$2,993,452.48
	Less:	
	Accounts payable.....	\$365,375.40
	Claim offsets.....	15,684,806.82
	Reserve for doubtful or uncollectible accounts.....	5,310,006.69
		2,360,188.91
A-6	Accounts receivable due insurance fund, Merchant Marine Act, 1928.....	1,633,263.57
A-7	Notes and mortgages receivable and securities.....	414,313.65
	Less reserve for doubtful or uncollectible notes.....	1,092,724.65
		769,039.80
A-8	Stores and supplies, reserve fleets.....	1,323,684.85
A-9	Vessels equipment and materials.....	147,921.38
A-10	Land, structures, and equipment for sale.....	504,012.89
A-11	Surplus supplies and materials.....	52,385.89
A-12	Accounts and notes receivable for ship sales.....	67,537.32
	Less:	
	Payable offsets.....	\$106.25
	Reserve for uncollectible accounts and notes.....	1,824,647.80
		824,754.05
A-13	Real estate, ground-rent estate, and equipment.....	25,923,114.42
A-14	Estimated recoverable value of claims in favor of U.S. Shipping Board.....	13,721,909.32
A-15	Fleet (at appraised value).....	90,518.47
A-16	Deferred accounts and commitment charges.....	37,283,225.00
		411,813.81
Total.....		253,120,810.07

LIABILITIES		
L-1	Accounts payable and unclaimed wages.....	\$,844,042.65
	Less receivable offsets.....	215,481.65
		\$1,628,561.00
L-2	Deposits on sales and other contracts not consummated.....	280,610.88
	Less receivable offsets.....	150,000.00
		130,610.88
L-3	Commitments (other than dieselization).....	269,924.99
L-4	Reserve for protection and indemnity insurance claims and losses.....	2,998,091.76
L-5	Reserve for operating claims.....	3,945,220.48
L-6	Dieselization commitments and accounts payable.....	114,541.33
L-7	Reserve for claims settlements and accounts payable.....	386,746.00
L-8-1	Reserve, insurance fund, Merchant Marine Act, 1928.....	3,248,035.87
L-8-2	Accounts payable, insurance fund, Merchant Marine Act, 1928.....	639,326.63
L-8-3	Unearned premiums, insurance fund, Merchant Marine Act, 1928.....	561,555.02
	Reserve for operations of vessels taken back from purchasers.....	5,000,000.00
	Net worth as at June 30, 1933.....	234,198,196.11
Total.....		253,120,810.07

SCHEDULE 1.—Cash and unrequisioned appropriations available for general purposes as at June 30, 1933

Cash*available for general purposes—Before adjustment cash in U.S. Treasury in banks, and in transit to depositories.....	\$11,848,803.04
Unrequisioned appropriations:	
U.S. Shipping Board, 1933.....	\$1,148.97
Emergency shipping fund.....	40.00
	1,188.97
Plus*amount to be transferred from dieselization fund, subsequent to June 30, 1933, representing reimbursement of net dieselization charges disbursed from operating fund.....	1,218.52
	11,851,210.53
Less*amount to be transferred from operating fund subsequent to June 30, 1933, representing excess of sales receipts over liquidation expense requirements:	
Total excess sales receipts, fiscal year 1932.....	\$2,775,000.00
Less amount transferred to unrequisioned funds, U.S. Treasury, construction loan fund, June 12, 1933.....	2,000,000.00
	775,000.00
Total cash and unrequisioned appropriations available for general purposes as of June 30, 1933.....	11,076,210.53

TABLE VIII.—Balance sheet as at June 30, 1933—Continued

The above total is composed of the following funds:

Operating funds.....	\$10,031,010.03
Liquidation fund, fiscal year 1931.....	23,950.48
Liquidation fund, fiscal year 1932.....	14,660.85
Liquidation fund, fiscal year 1933.....	67,711.96
Coal trade operations.....	938,877.21
	<u>\$11,076,210.53</u>

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, 1933

Total cash and unrequisioned appropriation balances per treasurer's statement, June 30, 1933..... \$40,612,939.53

Balance sheet application of the above total:

Cash and unrequisioned appropriations available for general purposes.....	\$11,076,210.53
Operating fund.....	\$10,031,010.03
Liquidation fund, fiscal year 1931.....	23,950.48
Liquidation fund, fiscal year 1932.....	14,660.85
Liquidation fund, fiscal year 1933.....	67,711.96
Coal trade operating fund.....	938,877.21
Total.....	<u>11,076,210.53</u>

Cash, operating contingencies fund.....	5,000,000.00
Insurance fund, Merchant Marine Act, 1928.....	7,534,603.87
Cash, engineering and development program.....	122,168.70
Claims fund:	
Fund established by Fleet Corporation appropriation act for the fiscal year 1923.....	386,746.00
U.S. Shipping Board, 1932: Appropriation balance.....	29,834.00
U.S. Shipping Board, 1933: Cash and appropriation balance.....	38,139.20
Chicago World's Fair centennial celebration, 1933 and 1934: Cash and appropriation balance.....	6,340.81
Amount set aside for construction loan fund as authorized by sec. 11 of the Merchant Marine Act of 1920, and amendment thereto approved Mar. 4, 1927.....	16,138,763.02
Amount established as a fund for the dieselization of vessels.....	280,133.40

Total cash and unrequisioned appropriations per balance sheet of June 30, 1933..... 40,612,939.53

SCHEDULE 3.—Cash and unrequisioned appropriations available for expenses of United States Shipping Board as at June 30, 1933

Cash:

Available for salaries and expenses, fiscal year 1933.....	\$9,865.43
Available for printing and binding, fiscal year 1933.....	3,000.00
Available for Chicago World's Fair centennial celebration, 1933 and 1934.....	2,500.00

Total cash..... \$15,865.43

Unrequisioned appropriations:

Salaries and expenses, fiscal year 1933.....	22,477.08
Printing and binding, fiscal year 1933.....	2,796.09
Salaries and expenses, fiscal year 1932.....	29,235.16
Printing and binding, fiscal year 1932.....	538.84
Chicago World's Fair centennial celebration, 1933 and 1934.....	3,840.81

Total unrequisioned appropriations..... 58,948.58

Total cash and unrequisioned appropriations, U.S. Shipping Board..... 74,314.01

TABLE IX.—Gross appropriations and allotments from inception to July 1, 1933

	Original appropriation	Returned to U.S. Treasury surplus or re-appropriated	Net appropriation	U.S. Shipping Board	U.S. Shipping Board Merchant Fleet Corporation
For fiscal years ended prior to July 1, 1932:					
United States Shipping Board:					
Acts of Sept. 7, 1916; 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 6, 1928; Feb. 20, 1929; Apr. 19, 1930; and Feb. 23, 1931.	\$41,902,116.41	\$739,755.37	\$41,162,360.54	\$41,162,360.54	
United States Shipping Board Merchant Fleet Corporation:					
Act of Sept. 7, 1916, Permanent Fund.	50,000,000.00				
Acts of June 15, 1917 to June 12, 1922, Emergency Shipping Fund.	3,363,553,000.00	37,689,497.61	3,325,863,502.39		
Acts of Feb. 13, 1923; June 7, 1924; Mar. 3, 1925; Apr. 22, 1926; Feb. 11, 1927; May 6, 1928; Feb. 20, 1929; Apr. 19, 1930, and Feb. 23, 1931, current maintenance and operations.	167,354,250.00	307.70	167,353,942.30		
Act of June 12, 1922, claims, damage charges, and miscellaneous adjustments.	50,000,000.00	11,745,815.10	38,254,184.90		
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; Feb. 20, 1929; Apr. 19, 1930, and Feb. 23, 1931, operation of trade lines ex-purchasers—(expenditures on approval of President of the United States).	35,000,000.00	35,000,000.00			
Total U.S. Shipping Board Merchant Fleet Corporation.	3,695,419,676.27	\$8,959,788.13	3,606,459,888.14		\$3,606,459,888.14
Total for fiscal years ended prior to July 1, 1932.	3,737,321,792.03	89,698,544.00	3,647,622,248.03		
For fiscal year ended June 30, 1933:					
United States Shipping Board:					
Act of June 30, 1932:					
Operation of trade lines, ex-purchasers (expenditures on approval of President of the United States).	10,000.00		10,000.00		
Returned to U.S. Treasury as required by Act of Congress June 30, 1932 (Public bill 212, 72d Congress), sec. 306 (j) and (h) exclusive of salary impositions.	330,000.00		330,000.00		
All other expenses.	360,000.00		360,000.00	360,000.00	
Total U.S. Shipping Board.					
United States Shipping Board Merchant Fleet Corporation:					
Act of June 30, 1932:					
Operation of trade lines, ex-purchasers (expenditures on approval of President of the United States).	5,000,000.00	5,000,000.00			
Returned to U.S. Treasury as required by Act of Congress June 30, 1932 (Public bill 212, 72d Congress), sec. 306 (j) and (h) exclusive of salary impositions.		2,138,240.00	2,138,240.00		\$2,138,240.00
Total for U.S. Shipping Board Merchant Fleet Corporation.	5,000,000.00	7,138,240.00	2,138,240.00		\$2,138,240.00
Total for fiscal year ending June 30, 1933.	5,360,000.00	7,138,240.00	1,778,240.00		

For fiscal year ending June 30, 1934:
United States Shipping Board:
Act of June 16, 1933:
Printing and binding.....
All other expenses.....

Total for U. S. Shipping Board.....

United States Shipping Board Merchant Fleet Corporation:
Act of June 16, 1933:
Operation of trade lines, ex-purchasers (expenditures on approval of President of the United States).....

Total for U. S. Shipping Board Merchant Fleet Corporation.....

Total for fiscal year ending June 30, 1934.....

Gross appropriations and allotments.....

NOTE.—In addition to returns to U. S. Treasury, as indicated above, the United States Shipping Board and the United States Shipping Board Merchant Fleet Corporation reduced salaries as required by the acts of June 30, 1933 (Public bill no. 2, 73d Cong.), and Mar. 20, 1933 (Public bill no. 2, 73d Cong.), and have returned to the U. S. Treasury the savings effected thereby in the following amounts:
United States Shipping Board.....\$31,557.52
United States Shipping Board Merchant Fleet Corporation.....171,392.90

TABLE X.—Estimated operating profit and loss, fiscal year 1933

[Amounts shown in italics represent losses.]

	Num- ber of termi- nals	Cargo tons	Estimated revenue	Estimated voyage ex- pense	Adjust- ment	Repairs, main- tenance	Insurance	Adver- tising	Total ex- pense	Profit or loss
Freighters										
Chartered vessels	332	40,061	\$161,471.44	\$4,536,339.98	\$73.44	\$244,364.49	\$14,245.07	\$844.56	\$4,795,667.54	\$34,166.10
	14		38,530.05	67.50			20,561.75		20,929.35	17,600.70
Inactive vessels operations										
Administrative expense operations	356		200,001.40	4,536,407.58	73.44	244,364.49		644.56	4,816,596.59	4,616,595.40
Miscellaneous revenue and expense	13								170,503.46	170,503.46
			739,078.73						631,605.15	631,605.15
									338,670.59	370,408.17
Total operations	359		930,650.22						6,067,376.06	5,093,495.84
Administrative expense employees assigned to United States Shipping Board									288,510.67	288,510.67
Total									6,345,886.73	5,382,006.51

¹ Number of vessels at end of fiscal year.

TABLE XI.—Names and compensation of employees of the U. S. Shipping Board in the service on June 30, 1933

Name	Designation	Legal residence	Rate per annum
E. H. Adamitz	Examiner	Pennsylvania	\$2,300
C. O. Arthur	Director bureau regulation and traffic	Indiana	6,500
Kathleen Baker	Senior clerk	District of Columbia	1,920
Edward J. Barnes	Assistant clerk	do.	1,260
J. W. Barnett	Technical expert	Ohio	10,000
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	Special expert	Connecticut	6,000
Lettie B. Chapman	Clerk	District of Columbia	1,740
Jean Colwell	Junior clerk	Michigan	1,740
Hutch I. Cone	Commissioner	Florida	10,000
Emma E. Cornes	Clerk	Ohio	1,440
Edward P. Cotter	Head, foreign port surveys	Connecticut	4,000
Sydney C. Cross	Senior clerk	New York	2,300
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
Ernest M. Dew	Senior clerk	Ohio	3,200
Margaret E. Dowden	Clerk	District of Columbia	2,260
Dan P. Eldridge	Clerk to commissioner	do.	3,200
Daniel W. Eskridge	Head porter	do.	1,380
Margaret E. Evans	Junior clerk	Ohio	1,500
Marie D. Fegan	Clerk	Massachusetts	1,440
Caroline D. Flanner	Senior clerk	District of Columbia	2,600
Frederick H. Flinn	Assistant chief clerk	New Jersey	2,900
Corinne M. Flynn	Telephone operator	District of Columbia	1,500
Maybelle Fry	do.	do.	1,500
Samuel Goodacre	Secretary	do.	7,000
Charles B. Gray	Examiner	Pennsylvania	3,200
Alfred H. Haag	Special expert	Maryland	8,000
Miriam G. Haley	Senior typist	Minnesota	1,440
Ethel Hatton	Clerk	Alabama	1,800
Olive M. Henderson	do.	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
James Jackson	Unskilled laborer	Virginia	1,320
Everett D. Kern	Special expert	District of Columbia	3,600
Marjorie L. Kincheloe	Junior tabulator	do.	1,440
Lottie F. King	Assistant section chief	Maryland	1,800
Olive V. King	Clerk	District of Columbia	2,100
William H. Knox	Junior clerk	do.	1,440
A. L. Lansdale	Special expert	do.	6,000
Joseph P. Lanigan	Clerk	New York	1,800
Leon A. LeBuffe	do.	South Carolina	1,980
Gatewood S. Lincoln	Commissioner	California	10,000
Thomas Lisl	Junior statistical clerk	Rhode Island	1,440
Eleanor H. Lynham	Assistant to director	Ohio	2,900
William S. Maginnis	Special expert	Pennsylvania	5,200
Bessie C. Mallicote	Stenographer	District of Columbia	1,800
Julius Manns	Laborer	do.	1,140
Lucy A. Marsac	Stenographer	Washington	1,620
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
Maurice J. Pierce	Chief clerk	Tennessee	3,800
Jeanne B. Porton	Senior stenographer	District of Columbia	1,800
Logan Prezler	Clerk	Ohio	2,000
Fred A. Quinn	Examiner	Pennsylvania	3,300
Lee E. Ranck	Senior clerk	do.	2,100
John G. Recker	Division manager	District of Columbia	2,900
Manella A. Rodd	Secretary to director	Virginia	1,920
Katherine C. Benz	Telephone operator	District of Columbia	1,500
Joseph H. Rhoderick	Clerk	do.	1,740
George M. Rice	Examiner	do.	1,800
Lloyd R. Roberts	Chief, fling section	Iowa	2,900
Vera O. Rogers	Junior statistical clerk	do.	1,440
Blanche E. Rudd	Assistant clerk	Virginia	1,440

TABLE XI.—Names and compensation of employees of the U.S Shipping Board in the service on June 30, 1933—Continued

Name	Designation	Legal residence	Rate per annum
Frank Rusk.....	Examiner.....	District of Columbia.....	\$3,600
John A. Russell.....	do.....	Michigan.....	2,100
Evelyn M. Sackett.....	Senior stenographer.....	New York.....	1,920
Samuel D. Schell.....	Assistant secretary.....	Maryland.....	4,800
Ralph I. Schneider.....	Assistant head foreign port surveys.....	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
E. J. Skidmore.....	Chief personnel officer.....	Michigan.....	4,800
Gertrude H. Smith.....	Junior clerk.....	do.....	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.....	2,600
David W. Todd.....	Commissioner.....	New York.....	10,000
Charles W. Towle.....	Junior tabulating machine operator.....	Nebraska.....	1,440
Effie S. Underwood.....	Junior statistical clerk.....	Massachusetts.....	1,620
Alexis M. Uzelovich.....	Senior topographic draftsman.....	Illinois.....	2,000
Florence L. VanAcker.....	Junior library assistant.....	California.....	1,620
Emma VonToerne.....	Senior stenographer.....	Wisconsin.....	2,100
Margaret M. 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
Andra F. Whitehouse.....	Senior Typist.....	Nebraska.....	1,440
Cornelia M. Wilfong.....	Senior stenographer.....	New York.....	1,680
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, 1933

Name	Designation	Legal residence	Rate per annum	Date of separation
Hazel Aiken.....	Clerk to commissioner.....	Pennsylvania.....	\$2,600	Aug. 1, 1932
Albert H. Denton.....	Commissioner.....	Kansas.....	12,000	July 31, 1932
Evelyn M. Glien.....	Clerk to commissioner.....	Massachusetts.....	3,000	May 1, 1933
Mina G. Irvine.....	Administrative assistant to chairman.....	New York.....	5,200	May 4, 1933
Irene L. Lewis.....	Clerk to commissioner.....	Kansas.....	3,000	Aug. 16, 1932
Henry C. Littlefield.....	Division chief.....	Alabama.....	3,900	Oct. 13, 1932
James J. Lucey.....	Examiner.....	Massachusetts.....	2,300	June 20, 1933
Marguerite T. McDonough.....	Clerk to commissioner.....	District of Columbia.....	3,000	Aug. 1, 1932
Jefferson Myers.....	Commissioner.....	Oregon.....	12,000	July 31, 1932
T. V. O'Connor.....	Chairman.....	New York.....	10,000	Mar. 3, 1933
Samuel S. Sandberg.....	Commissioner.....	California.....	10,000	Mar. 3, 1933
Hazel C. Showalter.....	Junior statistical clerk.....	Virginia.....	1,440	Oct. 13, 1932
Roland K. Smith.....	Commissioner.....	Louisiana.....	12,000	July 31, 1932
Thelma E. Trusch.....	Senior typist.....	District of Columbia.....	1,440	June 26, 1933
Marie C. VanArnum.....	Telephone operator.....	do.....	1,500	June 14, 1933



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